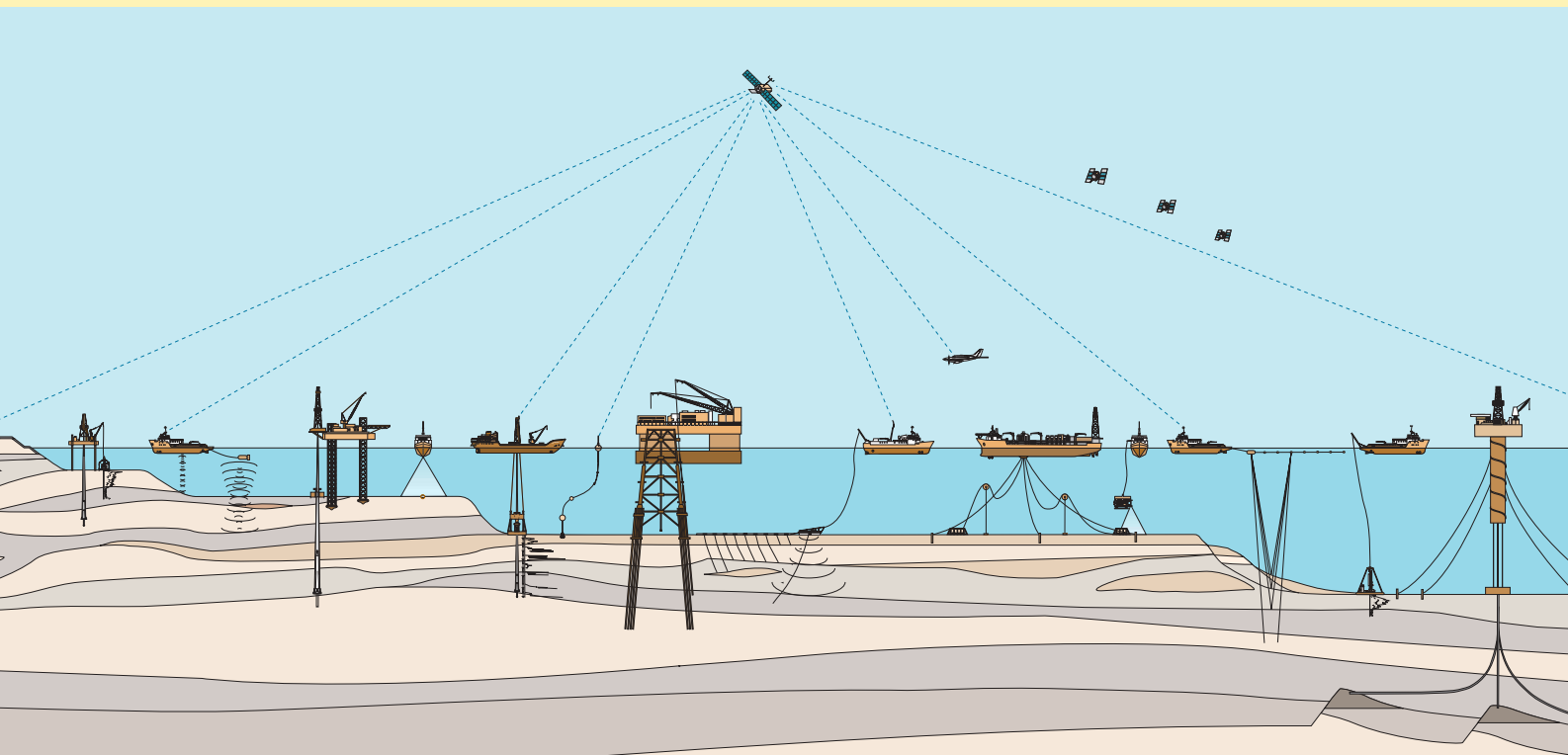




FUGRO N.V.

Summary
Annual Report 2004



Contents

This publication is a summarised translation of the official Annual Report in Dutch.

The complete Annual Report 2004 is available in both Dutch and English on our website www.fugro.com and in hard copy.

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Major developments in 2004

All figures mentioned in the complete Annual Report 2004 refer to the Annual Accounts based on Dutch GAAP, which will be proposed for adoption to the Annual General Meeting on 19 May 2005.

- In the year under review turnover rose by 23% to EUR 1,021.6 million (2003: EUR 830.1 million). Based on the average 2003 dollar exchange rate (USD 1 = EUR 0.88), turnover would have amounted to EUR 1,057.1 million. The increase in turnover was, for the most part, due to the acquisition of Thales GeoSolutions, which was included in the consolidation as of 2003 (for six weeks since 19 November). Autonomous growth was 10%, in part thanks to the market improving in the course of 2004. Acquisitions and disposals in the year under review on balance increased turnover by 16%.
- The net result before amortisation of goodwill rose by 48% to EUR 66.7 million (2003: EUR 45.1 million). The net profit margin rose to 6.5% (2003: 5.4%) and was in line with forecasts made earlier. The net result after amortisation of goodwill amounted to EUR 49.5 million (2003: EUR 32.4 million); an increase of 53%.
- Earnings per share before amortisation of goodwill rose by 44% to EUR 4.49 (2003: EUR 3.12). Earnings per share after amortisation of goodwill amounted to EUR 3.33 (2003: EUR 2.24). Cash flow per share rose by 36% to EUR 8.90 (2003: EUR 6.54).
- All the business units contributed towards the improved net result. Although the results of the Survey division were somewhat disappointing, the results of the Airborne Survey activities – part of the Geoscience division – were extremely good.
- Although investments in the oil and gas industry rose by around 8% (in dollar terms) in 2004 compared with the previous year, most suppliers to the oil and gas industry have not felt proportional benefits from these increased investments.
- It is proposed that the dividend in cash or (certificates of) shares be increased to EUR 1.90 (2003: EUR 1.85).
- The activities of Fugro-TGS were successfully integrated into the Survey division in the early part of 2004. The full effects of the approximately EUR 40 million annual savings in operating costs will become apparent in 2005. Fugro's position as a global supplier of services to the oil and gas industry has been significantly reinforced.
- Mr. G-J. Kramer (1942), President and Chief Executive Officer since early 1983, will step down as President and Chief Executive Officer in October 2005 and will retire at the end of December 2005. Mr. K.S. Wester (1946), who has worked for Fugro since 1981 and been a member of the Board since 1996, has been named as his successor. Mr. A. Jonkman (1954) joined the Board as Chief Financial Officer in May 2004.
- For a year Fugro has been in compliance with the Dutch Corporate Governance code. The General Meeting of Shareholders of 19 May 2004 approved the Company's Corporate Governance policy, including the explained deviations from the Code.
- On 19 May 2004 the first meeting of holders of depository receipts of shares (certificates) was held. The certificate holders expressed their confidence in the management of Stichting Administratiekantoor Fugro.
- Fugro's financial reporting for 2004 complies fully with both the Dutch accounting regulations and those of the IFRS with comparable figures for the year 2003. This means that Fugro is complying with this regulation a year earlier than is legally required.

The Annual Accounts for 2004 are accompanied by an unqualified auditor's report.

Management



K.S. Wester

G-J. Kramer

A. Jonkman

Supervisory Board

F.H. Schreve (1942), Chairman
M.W. Dekker (1938), Vice Chairman
P.J. Crawford (1951)
J. A. Colligan (1942)
Th. Smith (1942)
P. Winsemius (1942)

Audit Committee

M.W. Dekker, Chairman
P.J. Crawford
P. Winsemius

Remuneration Committee

M.W. Dekker, Chairman
F.H. Schreve
J.A. Colligan

Nomination Committee

F.H. Schreve, Chairman
M.W. Dekker
Th. Smith

Secretary to the Supervisory Board

Ms. J.M.E. Feije

Board of Management

The Board of Management of Fugro N.V. comprises three people:

G-J. Kramer (1942), President and Chief Executive Officer

K.S. Wester (1946), Director

A. Jonkman (1954), Chief Financial Officer

Other members Executive Committee

The Board of Management forms part of the Executive Committee of which the other members are mentioned below:

O.M. Goodman (1956)
Director Positioning and Onshore Survey

J.E. Kasperek (1942)
Director North & South America

P. van Riel (1956)
Director Development & Production

J. Ruegg (1944)
Director Offshore Survey

F.E. Toolan (1944)
Director Offshore Geotechnical and Airborne Survey

Ms. J.M.E. Feije (1964)
General Counsel & Company Secretary

Preface from the President and Chief Executive Officer

Dear shareholder

2004 was a very successful year for Fugro, in part thanks to the speedy integration of Fugro-TGS. The turnover of EUR 1,021.6 million means we have reached the one billion euro milestone, never before achieved in Fugro's history. We also achieved a reasonably good result of EUR 66.7 million before amortisation of goodwill, with a cash flow of EUR 132.1 million. Mainly due to a difficult first half year, we view 2004 as a transitional year. The appropriateness of the strategic course has again proven to be correct, but we must take a further step forward in order to achieve our target net margin before amortisation of goodwill of 7.5% – 8% again.

The world economy developed only moderately, market conditions remained rather disappointing and there was a further substantial drop in the dollar exchange rate, yet we were once again able to improve the organisation on many fronts. And that is something of which we can rightfully be proud. This progress is partly thanks to past investments and strategic acquisitions, for example in the Geoscience division. Fugro's transparent and sustainable business operations are extremely important for a good understanding of our focus on the future and, therefore, for the confidence our stakeholders have in Fugro.

We want to demonstrate our confidence in the future to our shareholders in the amount of the dividend. It is proposed that the dividend for 2004 be raised to EUR 1.90 (2003: EUR 1.85).

We are gratified by the fact that already in 2004 our shareholders approved our Corporate Governance, which means we are in compliance with the Dutch Corporate Governance code.

The implementation of the new IFRS accounting principles kept Fugro busy in 2004. Our reporting over the past year is fully in accordance with the IFRS standards with comparable figures for 2003, as well as in accordance with Dutch reporting regulations. This means that Fugro is complying with the legal requirement a year ahead of schedule.

The developments in the year under review have resulted in an excellent strategic foundation and a good financial framework. Organisationally Fugro is well structured, ready for the future and in an excellent position in all our markets. At the same time, economic conditions are gradually improving globally and it is anticipated that the investments of the oil and gas industry, that have thus far not been forthcoming, will finally materialise in 2005 and bring benefits to suppliers such as Fugro. In a nutshell, the prospects for most of our activities are good.



These developments mean that at this moment the order book is well filled and healthy. Fugro is working towards achieving the net profit margin of 7.5% – 8% in the near future. Our sights are also set on an average annual autonomous growth of around 5% – the growth we achieved in the past. Expedient acquisition candidates will be evaluated. During the last twenty years, Fugro has worked consistently on building a unique global portfolio of activities in niche markets. This means we face not only the short-term but also the long-term future with confidence.

Next year, my successor K.S. Wester will write this preview. I want to personally thank the readers, shareholders, employees and clients for the trust you have placed in me since 1983 and I hope you feel that this trust has been rewarded. Many thanks for all your support.

Yours sincerely,
Fugro N.V.

A handwritten signature in black ink, appearing to read 'G-J. Kramer', written over a horizontal line.

G-J. Kramer
President and Chief Executive Officer

Profile

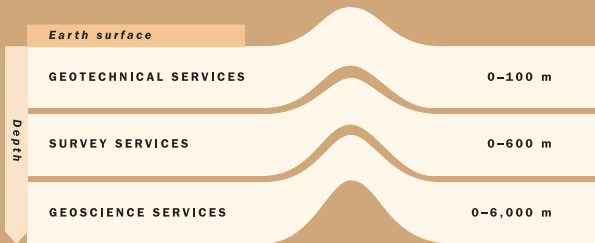


Fugro collects and interprets data related to the earth's surface and the soils and rocks beneath. On the basis of this the Company provides advice, generally for purposes related to the oil and gas industry, the mining industry and the construction industry.

Fugro operates around the world at sea, on land and from the air, using professional, highly specialised staff supported by advanced technologies and systems, many of which have been developed in-house. Fugro has 28 vessels and owns 75 CPT trucks and 40 aircraft.

Fugro's objective is to occupy a leading market position by providing high-quality services supported by technological developments. This requires a strong international or regional market position. Fugro was founded in 1962, has been listed on Euronext N.V. in Amsterdam since 1992 and has been included in the Amsterdam Midkap Index since March 2002. Fugro has over 7,600 staff permanently stationed in over 50 countries.

For complete company information see www.fugro.com.



Organisationally Fugro comprises three divisions: Geotechnical, Survey and Geoscience.

FUGRO GROUP

Geotechnical division

Investigation of and advice regarding the physical characteristics of the soil, foundation design and construction materials.

Survey division

Precise positioning services, geological advice, topographic, hydrographic and geological mapping and support services for construction projects and data management.

Geoscience division

Gathering and interpreting geophysical and geological data, quantitative and qualitative estimation of oil, gas, mineral and water resources and the optimisation of their production.

Fugro’s activities and markets

Geotechnical	Major clients	Market	Market position
Onshore	Government, industry and construction contractors	Local/regional markets	Strong regional position, varying by country/region
Offshore	Oil and gas companies, contractors	Global market	Strong leading position
Survey			
Offshore	Oil and gas companies	Global market	Leading position
Onshore	Government, industry and construction contractors	Local/regional markets	Strong regional position, varying by country/region
Positioning	Agriculture, mining and survey services	Global market	Strong position in niche markets
Geoscience			
Development & Production	Oil and gas companies	Global market	Leading position in niches
Airborne Survey	Mining and oil and gas companies	Global market	Leading position

Fugro has no competitors offering global services on the same scale and of the same scope.

The offshore Geotechnical, offshore Survey, Development & Production, Airborne Survey and Positioning business units operate worldwide. In these markets Fugro holds leading positions. The competition varies per segment and geographical region. The oil and gas industry is the major client in these markets. The British market research agency Douglas-Westwood estimates that the World Ocean Survey market (including offshore Geotechnical and offshore Survey) in total is USD 2.5 billion per annum.

The onshore activities revolve around local or regional markets. Fugro has a presence in many countries and its market positions vary per region. Most orders are carried out within a hundred kilometres of the relevant office.

Key figures

For a reconciliation between IFRS and Dutch GAAP please refer to pages 16 and 17, as well as the complete Annual Report.

Result (x EUR mln.)	IFRS 2004	Change in %	IFRS 2003	Dutch GAAP 2004	Change in %	Dutch GAAP 2003
Turnover	1,008.0	22.6	822.4	1,021.6	23.1	830.1
Turnover from own services	643.4	17.2	549.0	646.4	18.9	543.5
Operating result	104.2	64.6	63.3	111.0	45.5	76.3
Cash flow	125.8	56.3	80.5	132.1	39.6	94.6
Net result before amortisation of goodwill ⁵⁾	56.4	119.5	25.7	66.7	47.9	45.1
Net margin before amortisation of goodwill (%) ⁵⁾	5.6	80.6	3.1	6.5	20.4	5.4
Net result after amortisation of goodwill ⁵⁾	49.3	160.8	18.9	49.5	52.8	32.4
Interest cover (factor)	3.7	68.2	2.2	4.0	17.6	3.4
Capital (x EUR mln.)						
Total assets	983.4	(6.9)	1,056.0	970.4	(5.8)	1,030.0
Group equity ^{1) 2)}	228.2	6.8	213.7	264.8	8.7	243.7
Solvency (%) ^{1) 2)}	22.8	14.0	20.0	26.8	14.5	23.4
Solvency (%) ^{1) 2) 3)}	32.9	13.1	29.1	37.1	12.1	33.1
Return on shareholders' equity (%) ^{1) 2) 4)}	25.9	137.6	10.9	18.0	2.3	17.6
Return on invested capital (%) ^{1) 2)}	14.5	93.3	7.5	11.7	30.0	9.0
Assets (x EUR mln.)						
Tangible fixed assets	233.0	(13.3)	268.8	232.1	(1.9)	236.7
Investments (including acquisitions)	71.0	(42.7)	124.0	113.1	(7.5)	122.3
Depreciation of tangible fixed assets	66.1	22.4	54.0	65.4	32.1	49.5
Data per share (x EUR 1.-)						
Capital and reserves ^{1) 2)}	14.40	3.4	13.93	16.73	5.4	15.88
Operating result	7.02	60.6	4.37	7.48	41.9	5.27
Cash flow	8.48	52.5	5.56	8.90	36.1	6.54
Net result before amortisation of goodwill ⁵⁾	3.80	114.7	1.77	4.49	43.9	3.12
Net result after amortisation of goodwill ⁵⁾	3.32	155.4	1.30	3.33	48.7	2.24
Dividend	1.90	2.7	1.85	1.90	2.7	1.85
Share price: year-end	61.40	50.5	40.80	61.40	50.5	40.80
Share price: highest	65.65	27.6	51.45	65.65	27.6	51.45
Share price: lowest	40.20	64.0	24.51	40.20	64.0	24.51
Average price/earnings ratio after amortisation of goodwill ⁵⁾	15.9	(45.4)	29.1	15.9	(5.9)	16.9
Average dividend yield (%)	3.6	(26.5)	4.9	3.6	(26.5)	4.9
Issue of nominal shares (in thousands)						
At year-end	15,548		15,166	15,548		15,166
Entitled to dividend	15,137		14,577	15,137		14,577
Average	14,840		14,464	14,840		14,464
Number of employees						
At year-end	7,615		8,472	7,615		8,472

For figures based on Dutch GAAP the following holds: ¹⁾ After providing for a cash dividend of 50% in 2001 and before.

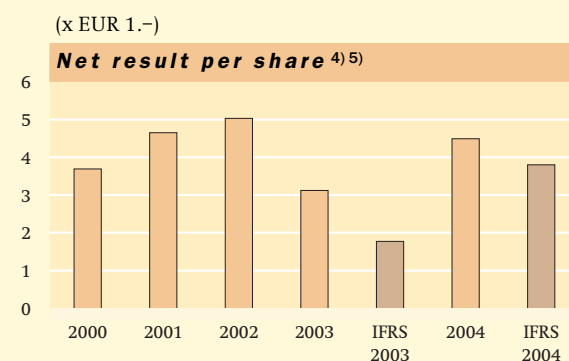
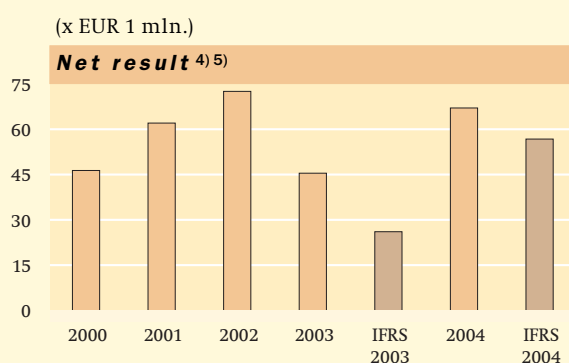
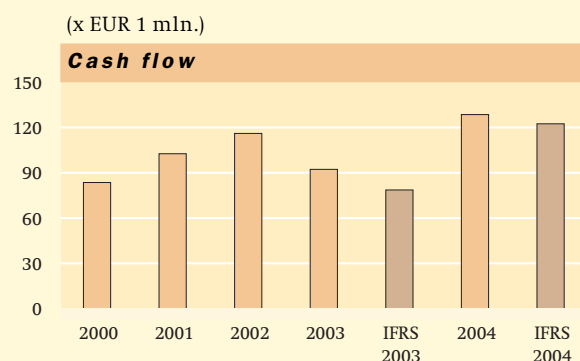
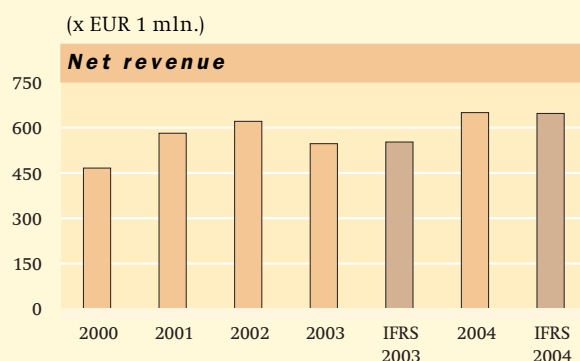
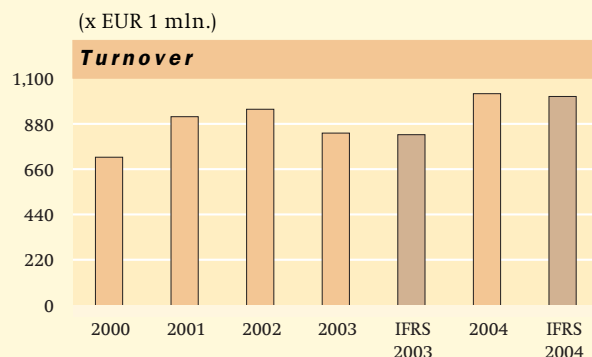
²⁾ Since 2002, no accrual for dividend has been included.

Dutch GAAP 2002	Dutch GAAP 2001	Dutch GAAP 2000
945.9	909.8	712.9
617.5	578.1	462.8
111.9	98.5	73.7
119.2	105.3	85.6
72.2	61.7	46.0
7.6	6.8	6.5
60.2	56.3	46.0
6.1	7.8	8.1
<hr/>		
793.2	814.8	474.7
274.3	247.6	104.7
34.3	30.0	22.2
46.9	42.3	43.2
27.4	35.7	42.7
15.4	19.1	24.7
<hr/>		
192.3	163.3	120.5
100.0	89.4	49.0
46.9	43.6	39.6
<hr/>		
18.28	16.68	8.41
7.79	7.42	5.92
8.30	7.93	6.87
5.03	4.65	3.69
4.19	4.24	3.69
1.85	1.60	1.36
43.13	50.10	68.75
66.00	75.65	71.25
39.50	43.00	37.25
12.6	14.0	14.8
3.5	2.7	2.5
<hr/>		
14,862	14,670	12,762
14,395	14,256	12,567
14,359	13,276	12,458
<hr/>		
6,923	6,953	5,756

3) Subordinated convertible debenture bond treated as Group equity.

4) Before amortisation of goodwill.

5) For IFRS: before amortisation intangible fixed assets.



Report of the Board of Management



Scale enlargement introduced by the Fugro Explorer, compared to the Seaprobe.

GENERAL BUSINESS DEVELOPMENT

The 2004 reporting year can be categorised as a transitional year for Fugro. Strategically Fugro is now in a better position than ever before. Although a reasonable result was achieved in 2004, it is clear that the Group must take a further step forwards. Fugro's management is based on a target net margin of 7.5% – 8% (before amortisation of goodwill) and there were several positive developments in the year under review which justify Fugro's view that further improvements are possible in the coming years:

- The successful integration of Fugro-TGS demanded a great deal of time, effort and energy from the Board and the management in 2004.
- More stringent cost consciousness was introduced in the newly integrated companies as were the Fugro Business Principles and (reporting) procedures.
- To allow the organisation to stabilise, in 2004 there was a deliberate decision not to make any substantial acquisitions.
- The market remained weak during the early months of the year. The oil and gas industry's decisions to increase investment budgets were not made until 2004 was well underway, resulting in delayed orders to service providers such as Fugro.
- The dollar to EUR exchange rate once again remained under pressure throughout the year under review. In 2004 the average dollar exchange rate was EUR 0.81 (2003: EUR 0.88). This had a negative effect of around EUR 4 million on the net result due to the strong decline of the dollar.
- With the approval of the 2004 Annual General Meeting of Shareholders, Fugro has complied with the Dutch Corporate Governance Code a year earlier than required.
- Similarly, the implementation of the IFRS standards has put pressure on the organisation. Fugro's reporting over 2004 not only complies with Dutch accounting principles but also with all the IFRS regulations, with comparable figures for 2003. Fugro is fulfilling its reporting obligations a year earlier than legally required and at the end of 2005 a three-year period reported on the basis of the IFRS standards will be available for comparison. The 2004 result before amortisation of intangible fixed assets according to IFRS is EUR 10.3 million below the Dutch GAAP result. The 2003 result was significantly lower than the result which was reported according to Dutch GAAP.

Fugro's overall turnover rose by 23.1% to EUR 1,021.6 million. This increase was mainly due to the acquisition of Thales GeoSolutions in 2003 and its consolidation as of 19 November (six weeks), and the growing number of orders during 2004. Against this, exchange rate effects caused by the drop in the rate of the dollar and dollar related currencies compared to the euro put some pressure on both the turnover and the result. Had the exchange rate remained the same as in 2003, turnover would have amounted to EUR 1,057.1 million and the net result before amortisation of goodwill would have been EUR 70.6 million. The net result before amortisation of goodwill has now risen by 48% to EUR 66.7 million (2003: EUR 45.1 million).

After amortisation of goodwill the net result was EUR 49.5 million (2003: EUR 32.4 million). It is proposed that the dividend for 2004 be increased to EUR 1.90 per (certificate of) share (2003: EUR 1.85).

The flow of orders increased in the third quarter of 2004. As a result, the overall performance of the Geotechnical and Geoscience divisions was good. The Airborne Survey business in particular gained ground after being rather sluggish around the end of 2003 and showed excellent results. By contrast, in 2004 the Survey segment's performance was still less than satisfactory. To summarise, five of the seven business units achieved good results in 2004 while two business units – offshore Survey and onshore Survey still have room for improvement.

In May 2004, Mr. P. van Riel (1956) – one of the founders of Fugro-Jason – was appointed Chief Operating Officer of Development & Production and joined the Executive Committee of Fugro N.V. The acquisitions in recent years and the formation of this separate business unit, which now generates a substantial portion of the annual turnover, led to this appointment.

During the year under review Fugro completed two small acquisitions:

- the acquisition of the business and assets of C&M Storage in the United States (activities include data management for oil and gas companies);
- the acquisition of the remaining 50% ownership of the seismic research vessels 'Geo Baltic' and 'Geo Pacific'.



Retrieving the AUV.

Several divestments also took place including:

- the sale of the ROV activities in the United States, Mexico and Canada;
- the sale of the 50% interest in BSN Bodemsanering Nederland B.V.;
- the sale of Geometius B.V.;
- the sale of the environmental activities of Fugro Ingenieursbureau B.V. in the Netherlands.

In 2004 Fugro was awarded a number of major assignments:

- Fugro Geoteam carried out a 1,200 km² 3D seismic survey in Qatar;
- Fugro Airborne Surveys was selected to carry out a project in the Niger Republic financed by the EU (662,000 linear kilometres);
- in Nigeria Fugro Airborne Surveys was awarded the order to collect, process and interpret 556,000 linear kilometres of magnetic and radiometric data and 21,000 linear kilometres of electromagnetic data.
- in Canada Fugro Airborne Surveys was awarded the first commercial project for the 'Georanger I' (an unmanned airborne vehicle). The new technology will be used for mineral exploration in Canada.
- Fugro's office in California has carried out two LNG projects for landing facilities. The 'Fugro Explorer' – a vessel specially equipped for geotechnical investigations – and a floating crane for use in coastal waters were employed in these projects.

ORGANISATION AND PERSONNEL

Organisational structure

Fugro is organised in three segments: Geotechnical, Survey and Geoscience. The Board of Management is responsible for Group policy, strategy, acquisitions and internal coordination. The Holding Company also handles matters which, for reasons of efficiency, (high-value) specialisation or financing are best handled centrally. Fugro's philosophy is that the segments' operating companies should be able to operate as autonomously as possible within the framework of the Group's policy, business principles and internal risk management systems. This enhances the quality of the operating companies' management. Delegation is firmly interwoven in the Company's culture. Where appropriate for the client, cooperative links are forged between or within the segments. This results in synergy developing naturally, particularly when complex and integrated projects are involved, and increases profitability.

It also increases the creativity and involvement of the organisation as a whole, as well as the staff's opportunities for professional challenges and self-development.

SUSTAINABLE BUSINESS

General

Fugro is very aware of its social role and obligations. A concern for people, the environment and society is, therefore, at the heart of its policy. Fugro also follows codes of behaviour for quality control, integrity and the maintaining of Fugro's good reputation.

Health, Safety and the Environment (HSE)

Fugro is active in over 50 countries and complies with the various laws and regulations related to Health, Safety and the Environment. In 2004 Fugro tightened its internal regulations in the area of Health, Safety and the Environment. Every operating company is responsible for operating an HSE management system suited to its activities. The principle is that the operating company should not only comply with the specifically relevant laws and regulations but should also take a proactive and preventative position. In general this means that, if possible and applicable, higher standards than those demanded by the applicable legislation should be set.

In the year under review a great deal of effort was dedicated to making Fugro's Airborne activities even safer. These activities now comply fully with or exceed the stipulated standards, which were drawn-up primarily for the oil and gas industry. Health and safety in the workplace and while carrying out projects is a primary concern and safeguarding health and safety is an important component of Fugro's policy, particularly when Fugro's activities are carried out in a potentially hazardous environment. Fugro is striving to make our stringent safety standards for the Airborne Survey activities the norm within the industry.

In general Fugro's activities have little or no effect on the environment. Even so, Fugro pays due attention to the environment and is careful to protect it. Preventing or reducing environmental damage is a fundamental policy element. Thanks to its work within its own disciplines Fugro has gained extensive knowledge of environmental problems and contributes towards their solution. A high proportion of Fugro's activities is carried out on behalf of



*Airborne Survey air planes
above Rio de Janeiro.*

the oil and gas industry and, when involved in these activities, Fugro complies with the stringent demands the industry places on contractors.

Quality

Fugro pays a great deal of attention to quality. The trustworthiness of the data or advice provided is a high priority. By developing the right systems, such as those for use in deepwater, Fugro remains abreast of its clients' changing needs. A programme for monitoring client satisfaction has been in operation for many years. In Fugro's view, quality should not only apply to the service provided to clients, it should also apply to general standards and values, a people-friendly working environment and mutual respect.

In the year under review, the results of a customer satisfaction survey in the offshore Survey sector became available. Clients are, in general, positive and have indicated that, among other things, they consider Fugro a reliable partner. Fugro's broad package of services and activities are highly valued. The recommendations resulting from this survey have now been incorporated into the business processes.

Society

Fugro is a company that aims to be at the heart of society and involvement in the community is an important aspect of Fugro's operations. This applies not only to the Company as a whole but also to its staff. As a socially responsible business Fugro provides active support to a large number of social initiatives. Sometimes Fugro's support is in the form of a financial donation, at other times its contribution is in the form of knowledge, experience or something else. Fugro's sponsorship embraces many different social fields – education, music, art, culture, sport and general social goals. Operating company managers are encouraged to become actively involved in their local community and to support charitable and cultural events.

INFORMATION & COMMUNICATION TECHNOLOGY (ICT)

Once again 2004 was a year in which substantial efforts were invested in Fugro's ICT organisation. ICT security policies are been introduced in line with the standards as set by ISO 17799 and BS 7799. In 2004 the Fugro-TGS operating companies were linked to the secure global data communications network. This network is used for both internal (Intranet) and external (Extranet) communications as well as for applications such as e-mail, file transfer and internet access.

Fugro pays a great deal of attention to security aspects related to the use of ICT infrastructure in general and the Internet in particular. In 2004 the emphasis was on internal security. The ICT security organisation has been formalised with four regional security officers managed by a global security officer who reports directly to the Executive Committee. Most of the data communications between the operating companies is transmitted cost efficiently and effectively secured via the internet. The data traffic over Fugro's network is protected from hackers through the use of the latest VPN (Virtual Private Network) encryption technology. The security of Fugro's network is maintained and monitored by an independent company 24 hours a day, seven days a week. External communications are routed via a limited number of internet gateways which are constantly monitored for viruses or hacking attempts. Staff can only access the network from locations outside the company via a token based authentication system.

To guarantee the stringent demands stipulated for the safety and security of ICT systems, Fugro consults external companies for advice regarding its ICT policy and for monitoring the security of the Company's ICT infrastructure. Once again, in the year under review ICT audits were carried out so that potential problems in ICT systems would be signalled early and could be solved and to raise the level of ICT security awareness of the entire Company.

ICT systems are playing an increasingly important role in Fugro's global activities. This is being driven by the need to improve communications and efficiency in order to maintain, and where possible extend, the Company's current competitive position. ICT facilitates the improvement to the Group's productivity and helps to create new commercial activities within every segment.



CPT truck in action near the San Francisco Oakland Bay Bridge.



Helicopter with FLIMAP system in the Netherlands.

RESEARCH AND DEVELOPMENT

In 2004 new technologies were developed and innovative R&D-projects were executed. Technological research and development has played a key role for Fugro right from the beginning. Fugro's current market position and its services and software rely, to a great extent, on state-of-the-art equipment that enables data to be acquired more and more precisely and interpreted more and more accurately. Technological developments often take place in close cooperation with the client as the client is interested in solving a specific problem. In 2004 Fugro once again invested heavily in a number of major technologies, the most important of which are listed below:

- Inertial navigation; a new system on which development started in 2003 and that is aimed at significantly improving (acoustic) positioning in (deep)water. This system went into operation in 2004 and during 2005 it will be further improved and expanded.
- The improvement of the drilling system on board the 'Bucentaur'. The 'Fugro Explorer' also underwent an adaptation to improve its ability to operate in bad weather.
- The digital video that will replace analogue video tapes in the Remotely Operated Vehicles (ROV). Thanks to the digital technology the quality of the video is excellent. Digital storage has provided considerable improvements in both the reporting of and the access to the information. In 2004 the prototypes of these developments were tested. The new system will go into operation in 2005.
- Many software developments related to the improved processing of data.
- The use of the Autonomous Underwater Vehicle (AUV) in deepwater, which has led to excellent, high-value data being collected more efficiently.
- The further development of the Volumetrix (Fasttracker) software, which thanks to its unique 'UpdateAbility' concept enables users to construct and maintain reservoir models with exceptional efficiency.
- The optimisation of airborne measuring through the use of so-called UAVs (unmanned airborne vehicles). These are remotely controlled unmanned airborne vehicles equipped with a range of sensors.
- Further development and adaptation of the cone for geotechnical applications.
- An offshore frame with which soil surveys can be carried out on seabed slopes with a gradient of up to 30 degrees has been designed, built and put into use.

BACKLOG

At the beginning of 2005 the backlog amounted to EUR 589.2 million – higher than a year earlier (2004: EUR 573.1 million). The backlog is calculated using year-end exchange rates. The figures for 2003 and earlier have been adjusted for comparison purposes.

The backlog of work in EUR rose by 2.8% compared with 2004, despite the dollar falling from EUR 0.79 to EUR 0.73 for USD 1. Had the exchange rate remained the same the backlog would have increased by 6.6% compared with 2004.

POST BALANCE SHEET DATE EVENTS

During the first months of 2005 the conversion of the convertible notes has started. Up to the end of February 2005, 409 notes have been offered for conversion. Fugro has entered into an arrangement to refinance the remaining balance of the convertible subordinated notes and the bankloan used for the acquisition of Thales GeoSolutions. The final funding mix will be determined shortly.

Fugro reached an agreement to sell the standard diving activities in Mexico. Also Fugro reached an agreement to sell its 40% interest in Chartco, located in the United Kingdom. The company acquired assets and business of BTW Ltd. in New Zealand. Fugro has been rewarded two orders to execute geophysical and geotechnical surveys for LNG projects. The Board of Euronext Amsterdam N.V. has confirmed that Fugro has correctly applied the Listing and Issuing Rules when issuing the profit warning on 2 December 2003.

For tables and graphs, please see pages 22 – 24.



The Skandi Carla is suitable for survey activities up to 3,000 meter water depth.



Soil investigation near Schiphol airport.

PROSPECTS

Due to the successful integration of Fugro-TGS, which offers Fugro considerable cost advantages, Fugro is now, more than ever before, the leading market player when it comes to answering the needs of clients in the oil and gas industry. The Company's global presence has been strengthened, especially in Latin America and China and in the offshore Survey, Positioning and offshore Geotechnical market sectors. Fugro can, therefore, operate more efficiently and offer increasingly high-value services.

Investments in the oil and gas sector (expressed in USD) are expected to be at least 6% higher in 2005 than in the previous year. It is estimated that 5% of this will end up with the suppliers. Positive developments are expected from deepwater projects, especially in the Gulf of Mexico, West Africa and Brazil. Good capacity utilisation is once again anticipated in the Middle East, the Caspian Sea and Asia. Developments in the North Sea and Canada are expected to remain stagnant. The fact that several large oil companies are now using an average price of USD 22 or higher when calculating the economic feasibility for the development of new fields and improving existing fields is also positive.

With its Geoscience activities, and especially the Development & Production business unit, Fugro is reaping the benefits of its focus on improving production from (existing) oil and gas sources. The Airborne Survey activities, in addition to the traditional markets such as mining, will increasingly profit from the developments in the oil and gas market and the demand for the identification of fresh water reserves.

The focus on land usage remains high worldwide and the market is growing. In this sector Fugro is in a good position to increase its share of large infrastructure projects in 2005.

Further growth is expected for the positioning activities. There is a structural increase in demand for extremely accurate systems, such as those offered by Fugro.

Fugro has an excellent strategic foundation, a good financial framework and a good organisational structure and is, therefore, in a very good position in the various markets in which it operates. At the same time the global economy is gradually improving. Most of Fugro's activities are developing well, a statement supported by the size of the order book/backlog at the start of 2005. As in the past, it is still too early to make a reliable forecast regarding turnover and profit development for the whole of 2005. Our forecast for the entire year will be included in the interim report to be published in August 2005.

Leidschendam, 10 March 2005

G-J. Kramer, President and Chief Executive Officer
K.S. Wester, Director
A. Jonkman, Chief Financial Officer

Prospects summarised

- Excellent strategic foundation of Fugro
- A well structured (financial) organisation
- Synergy and cost advantages through the successful integration of Fugro-TGS
- Leading market position improved still further
- Investments in the oil and gas sector rising by 6%
- Positive developments in many regions and market sectors
- A steadily improving global economy
- Forecasts for the whole of 2005 to be included in the interim report

Mission, financial targets, strategy and policy

Mission

Fugro's mission is to be the world's leading company in the offshore, onshore and airborne collection of, interpretation of, and advising on data related to the earth's surface and the soils and rocks beneath, primarily aimed at providing advice to the:

- oil and gas industry;
- mining industry and
- construction industry.

This mission is achieved through:

- providing a high-quality service;
- professional, highly-specialised staff and
- advanced, generally state-of-the-art, unique technologies and systems.

Financial targets

Fugro's target is to achieve a structural increase in earnings per share for its shareholders. Fugro's long-term policy is aimed at generating a steady growth in net profit by both improving net margin and increasing turnover.

To achieve this a clear and consistently implemented strategy for all stakeholders is vital. Fugro is aiming for a net profit margin before amortisation of goodwill of 7.5 – 8% of turnover. This equates to an EBITA margin of 10 – 12%. Other important financial targets are:

- maintaining a healthy balance sheet and solvency (30 – 35%);
- a strong cash flow with an average annual growth per share of 10%;
- a healthy interest cover (EBIT/Interest > 5) and
- a growth in earnings per share averaging 10% per annum.

With the exception of the capitalisation of goodwill and its amortisation over a maximum of twenty years, introduced as of 2001, in the past few decades under Dutch GAAP Fugro had not implemented any material changes to its accounting system.

Fugro has incorporated the IFRS standards into its financial reporting over 2004. The effects of the transition to IFRS have no influence on Fugro's strategy, operational development and cash flow and does not materially alter the historical picture of Fugro.

Strategy

Long-term (3 – 5 years)

In the long-term Fugro aims at achieving equilibrium between its various activities in order to achieve its targets. This is an essential component of its strategy. Fugro strives for a good balance between services related to exploration and production activities of the oil and gas industry and those related to other markets and also between offshore and onshore activities. This diverse range of cohesive activities reduces Fugro's vulnerability to market fluctuations in one particular sector and the broad spread of its activities, in terms of both products and geography, ensures a good management of business risks. Avoiding dependence on one market or single group of clients is an essential component of the Company's strategy. The result is a company that is less cyclical than it would be if Fugro did not operate globally and for more than one group of clients.

Profit margins vary per activity depending on the specific market circumstances. On average, the target profit margin is higher for the more risky and capital intensive offshore and airborne activities than for the onshore activities. The aim is to achieve robust but controlled profit growth through:

- a broad but cohesive activity portfolio;
- the manner in which Fugro is financed;
- the organisational structure;
- management based more on net result than on turnover growth.

One way a higher margin can be achieved is by having significant large market shares for Fugro's core activities and in niche markets. The target margin can be achieved through:

- increasing scale of operations;
- increasingly strong market positions;
- considerable research and development;
- being selective about the projects that are taken on and
- the acquisition of companies with a high added-value.

To sum up, Fugro's combination of professional and specialised staff, technologies (mostly developed in-house) and related high-value services enables Fugro to offer clients more and more added value.

Short-term (1 – 2 years)

Fugro's short-term aim is to again achieve a target margin (net profit margin before amortisation of goodwill) of 7.5% – 8% of turnover. After the successful integration of Fugro-TGS in 2004 and the mediocre economic development and market circumstances of recent years, the focus is also on achieving at least the historical average annual autonomous turnover growth of around 5%. Possible acquisitions will be evaluated as and when they present themselves rather than being planned systematically beforehand. After the acquisition of Thales GeoSolutions the solvency declined due to the bankloan that was taken out to finance the acquisition. In 2005 Fugro will focus on the further optimisation of its financing structure, also related to the expiration of the EUR 100 million convertible subordinated notes and the above mentioned bankloan of EUR 142 million (outstanding EUR 127 million).

In the ICT area Fugro is developing an ICT security policy that is in line with the ISO 17799 and BS 7799 standards. A major portion of the operating companies are ISO quality certified. Fugro aims to achieve ISO quality certification for all relevant operating companies within two years.

After several important acquisitions the organisation structure of the business unit Development & Production will be further optimised. In 2004 this process started by the clustering of the 'imaging' activities in the new company Fugro Seismic Imaging. The refocus of Development & Production will be continued in the next two years to further improve the decisiveness and position in this promising market.

Policy

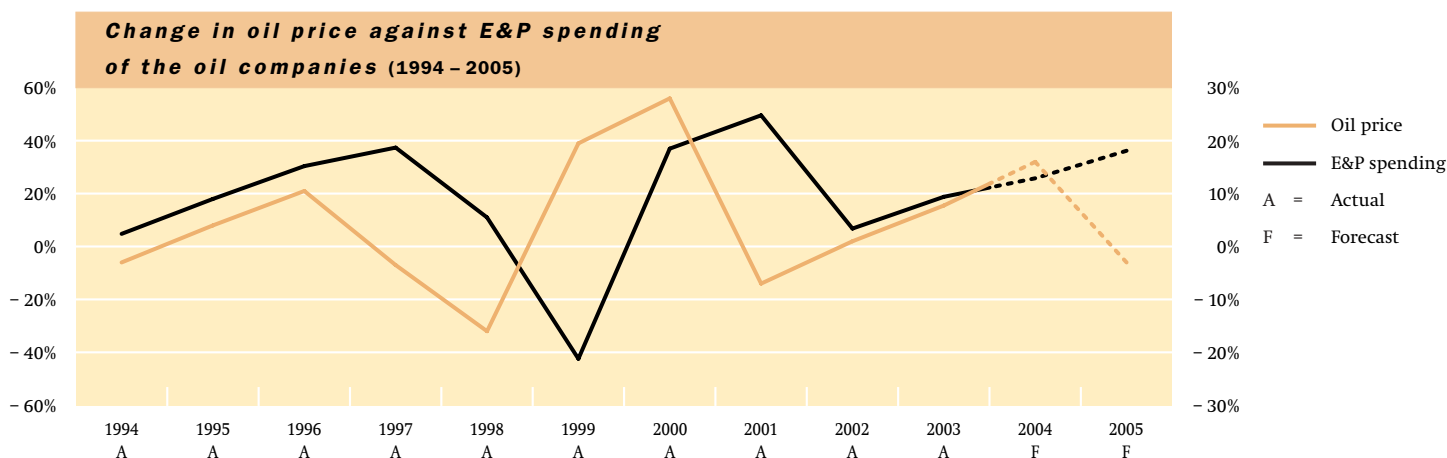
Sustainability, transparency and reliability have been core policy themes for Fugro for a very long time. Fugro's (financial) targets and the implementation of its strategy will be achieved on the basis of the following elements:

Market positions and acquisitions

Fugro's policy is based primarily on maintaining and, wherever possible, expanding its existing market positions. Complementing and broadening its package of services is a primary objective. Growth in other sectors, by reacting positively and flexibly to developments in new growth markets, is an equally important policy component. To broaden its base and ensure continued sustainable growth Fugro generally completes several acquisitions each year, usually to strengthen or acquire good market positions or to obtain valuable technologies.

Brent Blend, scale left.

E&P spending, scale right.



Source: ABN AMRO

Because acquisitions always involve a measure of risk, in general an extremely thorough and extensive due diligence is carried out before the decision to acquire a company is taken. This limits the risks considerably. Acquisition evaluation is based not only on financial criteria but also on:

- added-value for Fugro;
- cohesion with Fugro’s activities and culture;
- growth potential;
- a leading position in a niche market or region;
- technical and management skills;
- risk profile.

Research and development

Research and development are of strategic importance for Fugro. The search for ways to expand and improve its services to clients is unceasing and cooperation with its clients plays an important role in this. Many new ideas are generated through joint development projects. Specific measuring equipment, such as the ‘Georanger I’, an unmanned aircraft for geophysical surveys that went into operation in 2004 and analytical models play a major role.

Cooperation and scale advantages

Effective cooperation between the various business units and critical mass are key factors for the successful execution of large assignments. Capacity utilisation can be improved by the exchange of equipment and employees between the various activities and by broadening staff training. Fugro stimulates cooperative technological renewal, both within and outside the Group, by clustering the available knowledge and increasing its investment footprint. The integration of information systems and the utilisation of scale advantages enhance the service provided to clients.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Excellent strategic basis • Good market positions in many niche markets • High quality services • Sound financial and management systems 	<ul style="list-style-type: none"> • Solvency under desired level after acquisition of Thales GeoSolutions in 2003 • Structure of Development & Production activities • Vulnerability to rapid, strong changes in the dollar rate
Opportunities	Threats
<ul style="list-style-type: none"> • Increase investment of oil and gas industry • Growing demand for oil and gas • Increasing number of infrastructural projects • Growing demand from mining industry • Demand for optimisation of oil and gas fields in production 	<ul style="list-style-type: none"> • Global negative economic developments • Further downward development of dollar exchange rate • Collapse of oil price or demand for oil

IFRS

As of 2005, Fugro being a listed company on the stock exchange, has to report its financial statements in accordance with International Financial Reporting Standards (IFRS). Fugro has decided to early adopt IFRS and reports over the financial year 2004 in accordance with IFRS (and Dutch GAAP as required under Dutch law), with comparative figures for 2003. The 2003 results under IFRS are significantly lower compared to the 2003 Dutch GAAP results. The most significant decrease in the income statement related to the accounting of the reorganisation costs related to the Fugro-TGS acquisition. When the buyer forms a provision for reorganisation costs at the moment of acquisition, under IFRS these costs have to be recorded through the profit and loss account. These costs are therefore no longer part of the goodwill, as under Dutch GAAP.

The impact of the transition to IFRS will not, however, influence Fugro's strategy, operational development and cash flow in any way and will not result in any material changes to the historical picture of Fugro.

(in EUR x 1 mln.)

Shareholders' equity	31-12-2004	31-12-2003	01-01-2003
Dutch GAAP	260.1	240.8	271.7
Defined benefit pension obligations	(42.8)	(38.7)	(41.5)
Recognition of unused tax losses carried forward	6.8	8.3	6.4
Taxation effect of corrections in equity	15.5	12.4	12.8
Release of provisions	3.2	5.6	4.2
Reallocation of goodwill/introduction of capitalised software	(15.1)	(12.5)	(6.4)
Restructuring costs	(22.7)	(17.5)	-
Lapsed amortisation of goodwill	29.9	12.7	-
Equity component convertible notes	0.7	3.2	5.7
Revaluation assets under financial lease	4.3	4.3	5.8
Valuation of hedges	(15.0)	(6.3)	2.1
Other	(1.0)	(1.1)	(0.9)
IFRS	223.9	211.2	259.9

The items in Fugro's annual accounts that are subject to more material changes in valuation and/or presentation due to the transition to IFRS are:

- *Goodwill* in so far as this application results in a different valuation of assets and liabilities at the moment of acquisition (whether or not these assets and liabilities were previously identified separately); Under IFRS goodwill is no longer amortised but is tested annually for impairment;
- *Taxation* through a different (earlier) timing of recognition of unused tax losses carried forward in so far as it is probable these will be realised;
- *Provisions for major repairs and maintenance* which are not allowed under IFRS. Under IFRS costs for major repairs and maintenance are capitalised as a separate component of property, plant and equipment and depreciated over their useful life;
- *Pension liabilities* because liabilities that qualify as 'defined benefit plans' under IFRS must be recognised in the balance sheet.
- *Other provisions* in so far as these are not allowed under IFRS;
- Certain specific *long-term financial lease agreements* relating to two vessels under shared ownership, which under IFRS qualify as financial leases and therefore no longer can be treated off-balance sheet (these vessels were acquired in full ownership by Fugro in 2004);
- *Financial instruments* which will be recognised at fair value.

In the table on the left the statements of reconciliation between Dutch GAAP and IFRS for the relevant periods (equity as of 1 January 2003, 31 December 2003 and 31 December 2004). The table on page •• shows the reconciliation of the 2003 and 2004 results. It has to be said that it is expected under IFRS the net result will be structurally EUR 4 – 7 million below the Dutch GAAP result before amortisation of goodwill, mainly due to the different accounting treatment for issued options and differences in tax charges. As historical data are not yet available, the estimates cannot be benchmarked. The shareholders' equity compared to Dutch GAAP has been corrected by EUR 11.8 million as at 1 January 2003 and will develop as from this starting position.

Explanation

- According to IAS 19 a pension liability is recognised for defined benefit plans being the total of the net present value of the defined benefit obligation at balance sheet date, plus any actuarial gains (less actuarial losses)

minus any past service cost not yet recognised minus the fair value at balance sheet date of assets out of which the obligations are to be settled.

- According to IAS 12 deferred taxes are recognised for unused tax losses carried forward to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.
- According to IAS 16 and 37 maintenance provisions are no longer allowed. Furthermore, a reorganisation provision has been released to equity as of 1 January 2003 because this is no longer allowed under IFRS.
- According to IFRS items in 'intangible assets' in the opening balance sheet have been reassessed which resulted in the recognition of intangible assets (mainly software) which are amortised over their useful life. Furthermore, the Dutch GAAP amortisation of goodwill has been reversed. Impairment tests have not resulted in impairment losses.
- A special adjustment is the reversal of the restructuring provision of EUR 22.7 million relating to the acquisition of Thales GeoSolutions which was recorded against goodwill under Dutch GAAP which is not allowed under IFRS 3. EUR 17.5 million of this amount is attributable to 2003 and EUR 5.2 million to 2004.
- The capitalisation of two financial leases regarding two vessels according to IAS 17 and the applied revaluation to fair value, resulting in an increase of the carrying value by EUR 5.8 million;
- In accordance with IAS 32 and 39 the equity component of the convertible notes has been recognised separately. The difference in the fair value of the hedging instruments with regard to the future interest-bearing payments from the Private placement has been recorded in the equity.

(in EUR x 1 mln.)

Income statement	2004	2003
Dutch GAAP	49.5	32.4
Capitalisation of software	4.4	4.6
Software depreciation	(7.1)	(6.8)
Reversal of goodwill amortisation	17.2	12.7
Reversal restructuring provision	(5.2)	(17.5)
Costs option plan	(3.5)	(1.9)
Interest convertible notes	(2.6)	(2.5)
Other	(3.4)	(2.1)
IFRS	49.3	18.9

The differences in the income statement are mainly explained in the disclosure on the differences in equity.

Another, almost neutral in result, item is the reallocation of some 50% shareholdings (third party costs, other costs, depreciation of property, plant and equipment and interest costs).

The box shows the main standards of IFRS and IAS, as used for the preparation of this Annual Report.

Applied standards of IFRS and IAS

IFRS1: first-time adoption of IFRS	IAS 12: income taxes	IAS 31: interests in joint ventures
IFRS2: share-based payment	IAS 14: segment reporting	IAS 32: financial instruments: disclosure and presentation
IFRS3: business combinations	IAS 16: property, plant and equipment	IAS 33: earnings per share
IAS 1: presentation financial statements	IAS 17: leases	IAS 34: interim reporting
IAS 2: inventories	IAS 18: revenue recognition	IAS 36: impairment of assets
IAS 7: cash flow statements	IAS 19: employee benefits	IAS 37: provisions, contingent liabilities and contingent assets
IAS 8: accounting policies, changes in accounting estimates and errors	IAS 21: effects of changes in foreign exchange rates	IAS 38: intangible assets
IAS 10: post balance sheet date events	IAS 23: borrowing costs	IAS 39: financial instruments: recognition and measurement
IAS 11: construction contracts	IAS 24: related party disclosures	
	IAS 27: consolidated and separate financial statements	
	IAS 28: investments in associates	

Consolidated Dutch GAAP balance sheet

(before proposed appropriation of result)

(EUR x 1,000)	2004	2003
Fixed assets		
Intangible fixed assets	302,089	291,942
Tangible fixed assets	232,116	236,689
Financial fixed assets	9,288	24,421
	543,493	553,052
Current assets		
Stocks and work in progress	94,677	72,102
Accounts receivable	305,927	339,543
Cash and Banks	26,330	65,288
	426,934	476,933
Total assets	970,427	1,029,985
Equity	260,132	240,783
Third party interests	4,666	2,949
Group equity	264,798	243,732
Provisions	13,479	34,246
Long term debts	397,474	412,700
Short term liabilities	294,676	339,307
Total liabilities and shareholders equity	970,427	1,029,985

Consolidated IFRS balance sheet

As at 31 December

(EUR x 1,000)	2004	2003
Assets		
Property, plant and equipment	232,956	268,801
Intangible assets	293,991	273,951
Financial fixed assets	9,287	14,663
Deferred tax assets	24,627	20,403
Total non-current assets	560,861	577,818
Inventories	51,802	37,001
Trade and other receivables	336,124	370,773
Income tax receivables	8,233	5,174
Cash and cash equivalents	26,330	65,237
Total current assets	422,489	478,185
Total assets	983,350	1,056,003
Equity		
Issued and paid-in capital	3,110	3,033
Share premium	207,159	207,159
Reserves	(35,673)	(17,868)
Retained earnings	49,317	18,872
Total equity attributable to equity holders of the parent	223,913	211,196
Minority interests	4,327	2,468
Total equity	228,240	213,664
Liabilities		
Interest-bearing loans and borrowings	184,268	431,895
Employee benefits	48,208	45,044
Provisions	1,075	584
Deferred tax liabilities	3,722	1,483
Total non-current liabilities	237,273	479,006
Bank overdraft	41,018	44,436
Interest-bearing loans and borrowings	227,887	2,263
Trade and other payables	219,594	269,443
Provisions	963	22,448
Other taxes and social securities	16,812	15,286
Income tax payable	11,563	9,457
Total current liabilities	517,837	363,333
Total liabilities	755,110	842,339
Total equity and liabilities	983,350	1,056,003

Consolidated Dutch GAAP income statement

(EUR x 1,000)	2004	2003
Revenues	1,021,639	830,067
Third party costs	(375,242)	(286,520)
Staff costs	(333,706)	(300,195)
Depreciation	(65,367)	(49,483)
Other operational expenses	(136,321)	(117,576)
	<u>(910,636)</u>	<u>(753,774)</u>
Operating result before amortisation of goodwill	111,003	76,293
Amortisation of goodwill	(17,241)	(12,686)
Operating result (EBIT)	93,762	63,607
Interest revenues	2,114	1,405
Financing costs	(25,312)	(19,928)
	<u>(23,198)</u>	<u>(18,523)</u>
Operational result before taxes	70,564	45,084
Taxation	(17,769)	(11,660)
Operating result after taxes	52,795	33,424
Third party share	(3,339)	(1,004)
Net result	<u>49,456</u>	<u>32,420</u>
Net result before amortisation of goodwill	<u>66,697</u>	<u>45,106</u>
Net result per share before amortisation of goodwill (EUR)	4.49	3.12
Net result after dilution (EUR)	4.25	3.00
Net result per share after amortisation of goodwill (EUR)	3.33	2.24
Net result after dilution (EUR)	3.20	2.21

Consolidated IFRS income statement

For the year ended 31 December

(EUR x 1,000)	2004	2003
Revenue	1,008,008	822,372
Third party costs	(364,644)	(273,372)
Net revenue own services	643,364	549,000
Other income	16,540	16,889
Personnel expenses	(331,623)	(297,829)
Depreciation	(66,139)	(54,004)
Amortisation	(7,078)	(6,780)
Other operating expenses	(150,828)	(144,004)
Operating profit before financing costs	104,236	63,272
Financing income	2,391	237
Financing expenses	(34,237)	(32,558)
Net financing costs	(31,846)	(32,321)
Share of profit of non-consolidated subsidiaries	139	181
Profit before tax	72,529	31,132
Income tax expense	(19,944)	(11,436)
Profit for the period	52,585	19,696
Profit for the period attributable to:		
Equity holders of the parent	49,317	18,872
Minority interest	3,268	824
Profit for the period	52,585	19,696
Basic earnings per share (EUR)	3.32	1.30
Diluted earnings per share (EUR)	3.29	1.47

Tables and graphs (Dutch GAAP)

(on 31 December, x EUR 1 mln.)

Turnover distribution per division	2004	2003*	2002	2001	2000
Geotechnical	278	280	323	309	281
Survey	478	346	371	392	314
Geoscience	266	204	252	209	118
Total	1,022	830	946	910	713
USD average	0.81	0.88	1.06	1.13	1.09

* The turnover of Fugro-TGS has been consolidated as from its acquisition date (19 November 2003).

The historical figures for offshore Survey and Development & Production have been recalculated in line with the structure introduced in 2002.

(in percentages)

Turnover growth	Auto-nomous	Acquisi-tions	Divest-ments	Exchange rate differences	Total
2004	10.2	16.2	(0.6)	(2.7)	23.1
2003	(7.7)	4.9		(9.4)	(12.2)
2002	3.4	4.0		(3.4)	4.0
2001	18.4	8.6		0.6	27.6
2000	10.9	8.9		10.6	30.4
1999	(9.5)	1.8	(0.6)	2.9	(5.4)
1998	18.5	3.2		(1.7)	20.0
1997	18.5	6.0	(7.4)	10.9	28.0
1996	20.0	3.0		4.0	27.0
1995	4.9	1.0		(7.1)	(1.2)
Average (1995 – 2004)	8.8	5.8	(0.9)	0.5	14.1

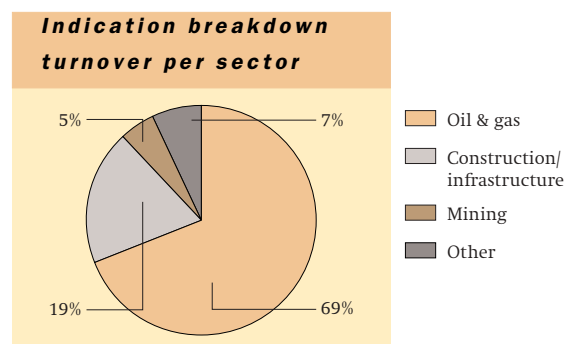
(on 31 December, x EUR 1 mln.)

Geographical distribution of turnover*	2004	2003**	2002	2001	2000
The Netherlands	95	110	136	125	101
Europe (excluding the Netherlands)	385	303	307	298	205
North and South America	302	226	278	273	227
Asia and Australia	141	135	150	162	143
Near East, Middle East and Africa	99	56	75	52	37
Total	1,022	830	946	910	713

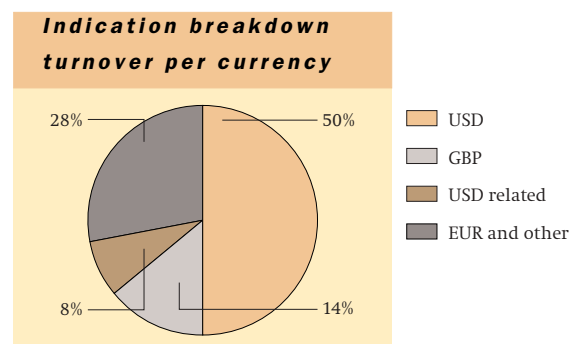
* Based on the place of business of the subsidiary that executes the project.

** The turnover of Fugro-TGS has been consolidated as from its acquisition date (19 November 2003).

(For the year 2004)



(For the year 2004)



Exchange rates (in EUR)	USD end of period	USD average	GBP end of period	GBP average
31 December 2004	0.73	0.81	1.42	1.47
30 June 2004	0.82	0.82	1.49	1.49
31 December 2003	0.79	0.88	1.42	1.45
30 June 2003	0.88	0.90	1.45	1.46
31 December 2002	0.95	1.06	1.53	1.59
30 June 2002	1.00	1.11	1.54	1.61
31 December 2001	1.13	1.13	1.64	1.62
30 June 2001	1.18	1.13	1.66	1.62
31 December 2000	1.08	1.09	1.61	1.65
30 June 2000	1.05	1.06	1.58	1.65

Personnel figures	2004	2003	2002	2001	2000
Average number of employees during the year	7,864	7,160	7,003	6,523	5,492
Turnover per employee (x EUR 1,000)	129.9	115.9	135.1	139.5	129.9
Turnover own services per employee (x EUR 1,000)	82.2	75.9	88.2	88.6	84.3
Geographical distribution at year-end					
The Netherlands	890	993	1,121	1,164	1,041
Europe excluding the Netherlands	1,954	2,238	1,717	1,749	1,122
North and South America	2,268	2,333	1,663	1,658	1,440
Asia and Australia	1,391	1,776	1,444	1,449	1,202
Near East, Middle East and Africa	1,112	1,132	978	933	951
Total at year-end	7,615	8,472	6,923	6,953	5,756

(x EUR 1 mln.)

Backlog at start of the year (for the next twelve months)	2005	2004	2003	2002	2001
Geotechnical					
Onshore definite	49.8	50.9	61.5	78.2	64.4
Onshore probable	25.0	35.8	32.8	32.1	42.3
Offshore definite	37.9	24.3	35.7	30.8	23.1
Offshore probable	24.0	20.4	17.1	24.5	36.9
	136.7	131.4	147.1	165.6	166.7
Survey					
Offshore definite	131.5	118.6	79.6	69.9	80.2
Offshore probable	121.8	122.5	84.5	119.1	96.9
Onshore definite	10.0	7.4	10.2	11.8	18.9
Onshore probable	13.1	13.2	15.6	24.4	19.5
Positioning definite	15.8	12.9	13.2	14.6	14.3
Positioning probable	3.2	3.8	6.6	2.6	2.9
	295.4	278.4	209.7	242.4	232.7
Geoscience					
Development & Production definite	72.1	64.8	37.0	38.5	11.5
Development & Production probable	51.0	60.1	42.2	32.2	19.8
Airborne Survey definite	25.1	26.2	20.4	25.8	9.5
Airborne Survey probable	8.9	12.2	9.5	17.4	7.1
	157.1	163.3	109.1	113.9	47.9
Total	589.2	573.1	465.9	521.9	447.3
Applicable USD-rate	EUR 0.73	EUR 0.79	EUR 0.95	EUR 1.13	EUR 1.08

Recalculated at the exchange rates of 31 December 2003, the backlog at the start of 2005 would have been EUR 21.8 million more (EUR 611.0 million).

Backlog comprises turnover for the coming twelve months and includes:

- awarded projects not yet started, and unfinished elements of on-going projects (definite);
- projects that are highly likely to be awarded (probable).

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