Boskalis
Dredging & Marine Experts

ANNUAL REPORT 2012

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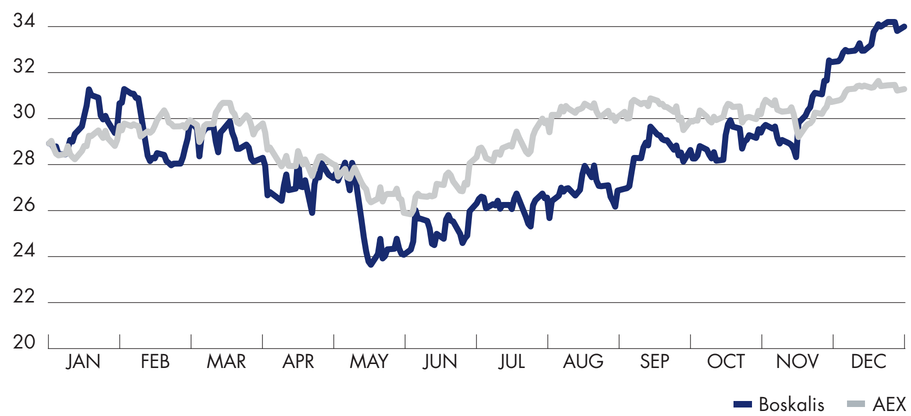
KEY FIGURES

(in EUR million, unless stated otherwise)	**2012**	2011
Revenue (work done)*	**3,081**	2,801
Order book (work to be done)	**4,106**	3,489
Operating profit	**336.9**	354.1
EBITDA*	**568.2**	590.5
Net profit	**250.2**	254.3
Net group profit*	**253.1**	261.0
Depreciation, amortization and impairment losses	**231.3**	236.4
Cash flow*	**484.4**	497.4
Shareholders' equity	**1,898**	1,733
Personnel (headcount)	**15,653**	13,935
RATIOS (IN PERCENTAGES)		
Operating result as % of revenue	**10.9**	12.6
Return on capital employed*	**11.1**	12.1
Return on equity*	**13.8**	15.4
Solvency*	**39.2**	37.4
FIGURES PER SHARE (IN EUR)		
Profit	**2.37**	2.48
Dividend	**1.24**	1.24
Cashflow*	**4.59**	4.86

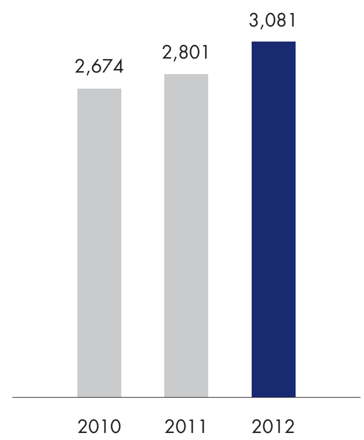
** Refer to glossary for definitions*

SHARE INFORMATION	**2012**	2011
(Share price in EUR)		
High	**34.50**	38.46
Low	**23.27**	20.67
Close	**34.00**	28.39
Average daily trading volume	**331,617**	390,069
Number of issued ordinary shares at year-end (x 1,000)	**107,284**	103,472
Average number of outstanding shares (x 1,000)	**105,644**	102,391
Stock market capitalization (in EUR billions)	**3.648**	2.938

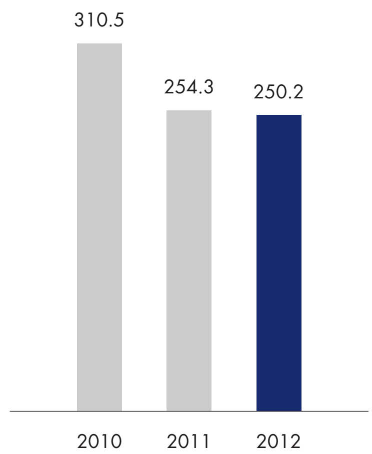
DEVELOPMENT BOSKALIS SHARE PRICE 2012, AEX INDEX REBASED TO BOSKALIS (in EUR)



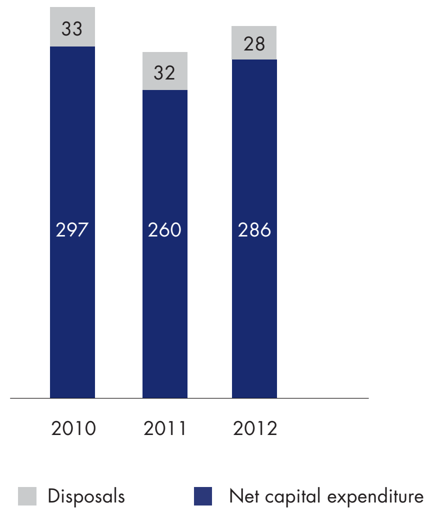
REVENUE (in EUR million)



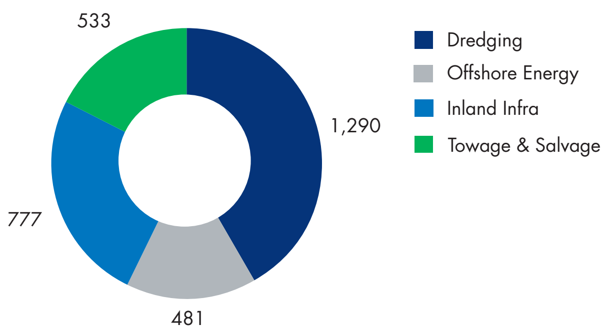
NET PROFIT (in EUR million)



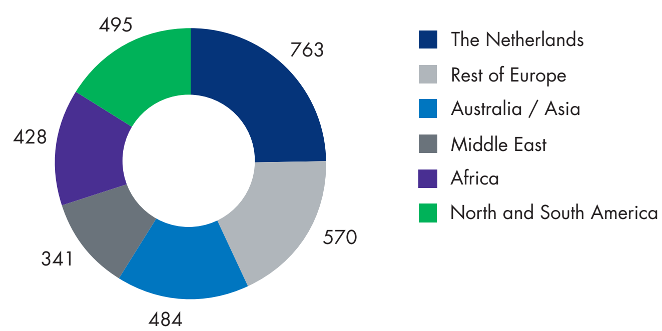
CAPITAL EXPENDITURE (in EUR million)



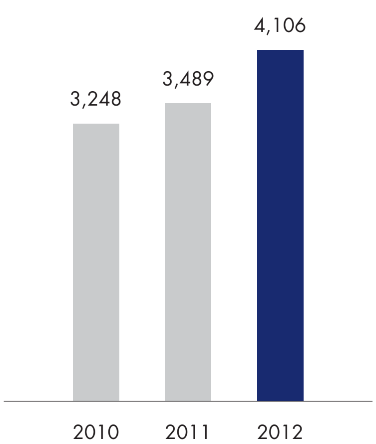
REVENUE BY SEGMENT (in EUR million)



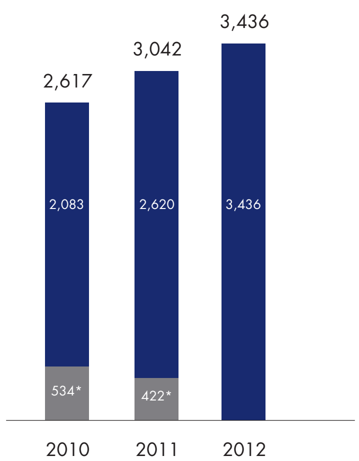
REVENUE BY GEOGRAPHICAL AREA (in EUR million)



ORDER BOOK (in EUR million)

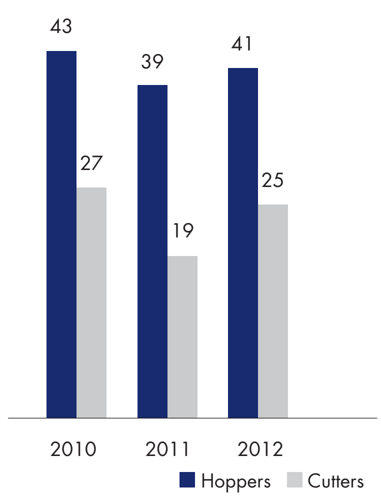


ACQUIRED ORDERS (in EUR million)



** one-off (de)consolidation effect(s)*

FLEET UTILIZATION (in weeks per year)



ANNUAL REPORT 2012

This Annual Report contains forward-looking statements. These statements are based on current expectations, estimates and projections of Boskalis' management and information currently available to the company. These forecasts are not certain and contain elements of risk that are difficult to predict and therefore Boskalis does not guarantee that its expectations will be realized. Boskalis is under no obligation to update the statements contained in this Annual Report.

Some of the projects referred to in this report were carried out in cooperation with other companies.

This is an English translation of the official Annual Report in the Dutch language. In the event of discrepancies between the two, the Dutch version shall prevail.


CRESTWAY

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CHAIRMAN'S STATEMENT

Dear shareholders,
Despite the challenging market conditions Boskalis had a good year. We realized a 10% revenue increase to a new record high of EUR 3.1 billion. Net profit came in at EUR 250 million and the order book increased to EUR 4.1 billion. In addition, we successfully completed the integration of SMIT and have further strengthened our financial position. We also made important steps towards the realization of our strategic objectives.

ECONOMIC CONDITIONS

Many of us had hoped that 2012 would be the year of revival. That the global economy, and in particular Europe, would start to recover after the downturn in 2008 and the ailing years that followed. The crisis has unfortunately turned out to be quite persistent. The euro was close to collapsing and the resulting uncertainty has weighed heavily on the economy and consumer confidence.

The Dutch economy continues to be under pressure and belts are being tightened – also when it comes to investments in infrastructure. We have been seeing this trend throughout Europe – particularly in Southern European countries. Even the Chinese growth engine started to show signs of weakness in the course of 2012, something that had an immediate effect on the prices of raw materials like iron ore, bauxite and copper. Developments that impact our industry, because they affect the investments of large mining companies.

All these developments illustrate that the economic conditions did not make it easy for Boskalis in 2012. Nevertheless we were successful in executing and securing projects. We have been able to fill the order book to a historical record high of EUR 4.1 billion well-spread across our activities and our core markets.

ENERGY

In 2012 we merged all Offshore energy-related activities in a new Offshore Energy division offering one compelling proposition to the energy markets.

In Australia we technically concluded the complex and impressive Gorgon project. Construction of the LNG port of Cuyutlán in Mexico was also completed during the year. In Brazil we worked hard on the extremely challenging project Superporto do Açu, a completely new port and supply base for the country's explosively growing offshore industry.

Important new projects we contracted in the energy segment include the Ichthys offshore gas project in Australia, the West of Duddon Sands wind park in the Irish Sea – an interesting combination of transport, heavy lift and rock installation activities, and the replacement of the Shell Bukom pipeline in Singapore – a combination of dredging and subsea services. In December we also signed various multi-year contracts worth EUR 100 million with Maersk relating to subsea services in the North Sea and the Norwegian Sea, and with Statoil for rock installation activities. In addition, we were awarded various contracts for laying cables in cooperation with partners.

This past year, Smit Lamnalco really took shape. The merging of the two organizations is bearing fruit: Smit Lamnalco successfully acquired a USD 120 million contract in Papua New Guinea and a USD 200 million contract in Iraq.

PORTS

In 2012 we were busy completing the Maasvlakte 2 project, the main highlight of which was the closing of the seawall in the presence of Her Majesty Queen Beatrix. We have made the Netherlands 2,000 hectares larger and moved the coastline 3.5 km further into the sea. This involved using 240 million m^3 of sand. We were also active in other parts of the world with the deepening and construction of ports in Bahía Blanca in Argentina, Mombasa in Kenya and Gävle in Sweden, and were awarded the contract to widen and deepen the access channel and port of Mumbai in India.

We can also look back on a good year with regard to our harbour towage services. In particular in Brazil, Canada and Singapore we were busy. In addition, we also successfully broadened and expanded our position in Zeebrugge, Belgium.

DRY INFRASTRUCTURE

In this segment, the acquisition of MNO Vervat was immediately fruitful in the first year with the A1/A6 project Diemen-Almere being awarded to the SAAone consortium, which includes Boskalis/MNO. Our share amounts to EUR 300 million.
The Boskalis Netherlands organization had a very good year under difficult market conditions – both with regard to the execution and the awarding of new contracts.
Archirodon had a year characterized by a relatively large number of smaller contracts, often also under difficult market conditions. A large amount of work was awarded in the second half of the year and the order book is now filled for the next two years.
At the end of 2012, we were approached by a party from the Middle East with regard to a potential sale of our 40% stake in Archirodon. We are currently in talks about this matter.

SALVAGE

It was also a busy and eventful year for Salvage. At the start of 2012 we successfully removed more than 2,000 tonnes of fuel from the cruise ship Costa Concordia, which ran aground on the Italian coast. During the year and across the world ship wrecks were cleared and assistance was provided to ships in distress.

SAFETY

All projects that we executed and that were contracted are subject to strict requirements with regard to safety systems and culture.
In projects and tenders we were able to distinguish ourselves with our safety program *NINA* (No Injuries No Accidents) that we successfully continued to implement throughout the organization in the past year. And it is paying off, because our dredging-related LTIF rate continued to fall in 2012, from 0.3 to 0.2 lost time injuries per 200,000 hours worked. Only two years ago, this rate was 0.7. We would like to extend this very positive development in the future, and will therefore continue to emphasize that safety always comes first at all times.

EXPANDING THE COMPANY

Despite being occupied in carrying out and securing new works and contracts over the past year we also spent a lot of time on expanding the company within the framework of the Corporate Business Plan 2011-2013. We concluded the integration with SMIT this year with the move of the corporate staff and business units to Papendrecht. In proper consultation with the Works Council that has now also been integrated, we have harmonized the HR conditions of the respective 220 SMIT employees.

At the end of the year we decided to take a major step in strengthening and expanding our company in the offshore energy sector. On 26 November we announced our intention to make an offer for Dockwise. With the support of more than 92% of the shares we presented the offer document to the remaining shareholders on 8 February. The offer closed just ahead of the publication of this report, at which point 99% of the shares had been tendered and therefore effectively completing the acquisition. Dockwise is the global market leader in heavy dry marine transport. With a fleet of 25 semi-submersible vessels, 1,400 employees and offices around the world, Dockwise makes a welcome addition to our activities, organization and equipment. With the acquisition of Dockwise we open a new chapter in the expansion of our beautiful company – a development that opens new windows for growth.

On behalf of the Board of Management I would like to thank all our colleagues for their efforts. I would also like to thank our clients, partners and shareholders for putting their trust in us.

Peter Berdowski

SMIT tugs provide assistance to a tanker in the Port of Rotterdam, the Netherlands

BOSKALIS AT A GLANCE

COMPANY PROFILE

Royal Boskalis Westminster N.V. (Boskalis) is a world-leading expert in the field of dredging and maritime services.

In addition to our dredging activities we offer a broad range of maritime services, such as harbour towage, emergency response and salvage related services, heavy transport and lifting as well as services for the offshore energy sector.

As a partner we are able to realize complex infrastructural works for our clients within the chain of design, project management and execution, on time and within budget, even at vulnerable or remote locations around the world. We strive for sustainable design and realization of our solutions.

Demand for our services is driven by growing energy consumption, growth in global trade, growth in world population and climate change. Boskalis operates worldwide but concentrates on six geographic regions which have the highest growth expectations for the energy and ports markets. This spread gives us both a solid foundation and the flexibility to be able to secure a wide range of projects, as well as providing excellent prospects for balanced and sustained growth. Our main clients are oil, gas and power companies, port operators, governments, shipping companies, international project developers, insurance companies and mining companies.

Boskalis has around 15,600 employees, including our share in associate companies. The safety of our own employees and those of our subcontractors is paramount. Boskalis operates a progressive global safety program which is held in high regard in the industry and by our clients. We operate on behalf of our clients in over 75 countries across six continents. Our versatile fleet consists of over 1,100 vessels and equipment. Our head office is based in the Dutch city of Papendrecht.
Royal Boskalis Westminster N.V. shares have been listed on NYSE Euronext Amsterdam since 1971.

Rainbowing TSHD Prins der Nederlanden works on closing the soft sea defense of Maasvlakte 2 in Rotterdam, the Netherlands

ACTIVITIES

DREDGING

Traditionally, dredging is the core activity of Boskalis. It involves all activities required to remove silt, sand and other layers from the water bed and in some cases utilizing them elsewhere, for example for land reclamation. The services we provide also include the construction and maintenance of ports and waterways, and coastal defense and riverbank protection, as well as associated specialist services such as underwater rock fragmentation.
In addition, Boskalis is active in the extraction of raw materials using dredging techniques. We already apply this onshore, but are also looking into the possibilities of mining raw materials from the seabed. Our global spread, high professional standards, versatile state-of-the-art fleet and conscious focus on cost efficiency have earned us a recognized position as a global market leader in dredging. We are renowned for our innovative approach and specialist knowledge of environmentally friendly dredging techniques. With our great expertise, multidisciplinary approach and extensive experience in engineering and project management we have proven time and again that we are able to realize complex projects on time and within budget, even at difficult locations.

OFFSHORE ENERGY

With our offshore services we support the activities of the international energy sector, including oil and gas companies and providers of renewable energy such as wind power.
We are involved in the development, construction, maintenance and decommissioning of oil and LNG-import/export facilities, offshore platforms, pipelines and cables and offshore wind farms. In performing these activities Boskalis applies its expertise in the areas of dredging, offshore pipeline, cable and rock installation, heavy transport, lift and installation work, as well as diving and ROV services.

INLAND INFRA

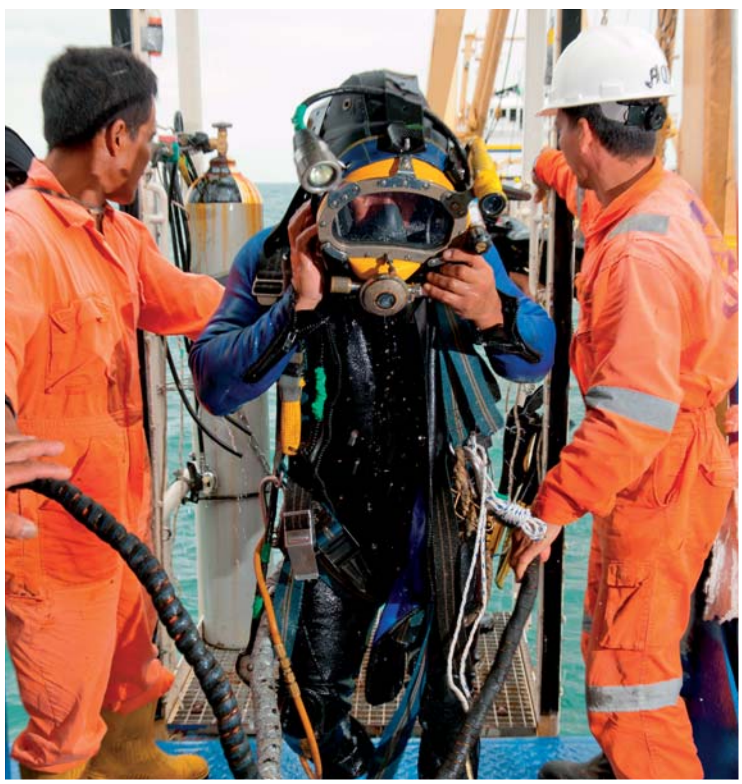
Boskalis also operates as a contractor of dry and maritime infrastructure projects. In the area of dry infrastructure we are involved mainly in the Netherlands in the design, preparation (by means of dry earthmoving) and execution of large-scale civil infra works, such as the construction of roads and railroads, bridges, dams, viaducts and tunnels. In doing so, we also perform specialist works such as soil improvement and land remediation. Maritime infrastructure projects are conducted through our strategic partner Archirodon (40% owned), primarily in the Middle East and North Africa. As a maritime contractor Archirodon has extensive experience in designing and constructing quay walls, jetties, breakwaters and oil and LNG terminals. In addition, the company is an all-rounder in the civil infrastructure and industrial installations markets, building for example water purification plants, sewer systems, dams, bridges, power stations, desalination plants and pumping stations.

TOWAGE

In the world's biggest ports SMIT Harbour Towage provides assistance to incoming and outgoing oceangoing vessels. With a versatile fleet of over 200 tugs we assist vessels including RoRo ships, oil and chemical tankers, container ships, reefers and mixed cargo ships. We operate our tug services in the Netherlands, Belgium, the United Kingdom, Canada, Brazil, Panama, Australia, Singapore, Malaysia, Indonesia, Vietnam, China and Taiwan. In addition, we offer a full range of services for the operation and management of onshore and offshore terminals through Smit Lamnalco, which is 50% owned by Boskalis. These include assistance with the berthing and unberthing of tankers at oil and LNG terminals and additional support services such as pilotage, subsea inspection and maintenance, firefighting, and the coupling and uncoupling of terminal connections.

SALVAGE

Through SMIT Salvage we provide services relating to the salvage of ships and wreck removal. SMIT Salvage provides assistance to vessels in distress and is able to spring into action at any time and anywhere in the world. We are able to do so by operating out of four locations which are strategically situated in relation to the main international shipping routes: Houston, Cape Town, Rotterdam and Singapore. Clearance of wrecks of sunken ships almost always takes place at locations where the wreck forms an obstruction to traffic or presents an environmental hazard. We have the advanced technology and expertise needed to remove hazardous substances such as bunker fuel from wrecks and boast a successful track record in salvaging ships.



STRATEGY

Boskalis is a world-leading expert in the field of dredging and maritime services. Early in 2011 we presented our Corporate Business Plan for 2011-2013 and have made good progress in realizing this plan over the course of the past two years.

We are a leading services provider in the field of innovative and competitive all-round solutions in the maritime, coastal and delta regions of the world. We strive for sustainable design and realization of our solutions, with safety being given top priority.

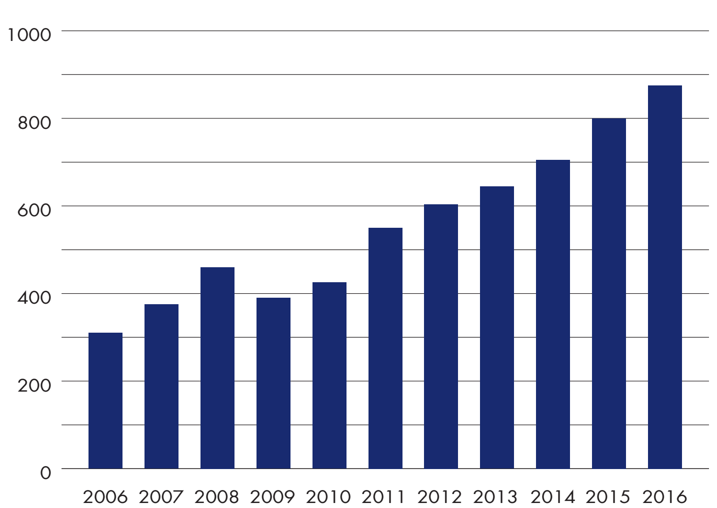
- **FOCUS**
- **OPTIMIZE**
- **REINFORCE**
- **EXPAND**

The successful integration of the SMIT activities was an important part of this. We have created further focus within our joint activities, and optimized and reinforced our combined knowledge, strength and expertise. Boskalis remains alert to opportunities for expansion if these complement or reinforce our existing activities. The intention announced in late 2012 to make an offer for Dockwise, global market leader in heavy maritime transport and lifting for the onshore and offshore sectors, is a consequence of this. The combination with Dockwise offers new strategic opportunities for accelerated growth of the offshore services. See inset on page 15.

MARKET DEVELOPMENTS

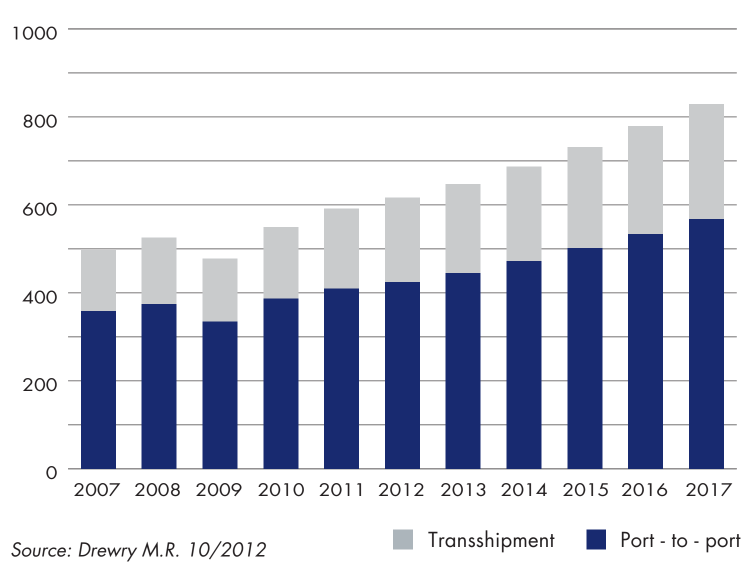
Boskalis concentrates on markets which show structural growth in the longer term. We consider the growth in world trade and the growing demand for energy as the two most important drivers for growth at ports and in the energy markets. Global market research conducted periodically by Boskalis shows these trends continuing, despite stagnation caused by the economic uncertainty in Europe and the United States. In the emerging countries Brazil, Russia, India and China derived demand for maritime infrastructure remains strong. The projected growth in world population continues to boost demand for our land reclamation and infra activities. The same applies to climate change, which is forcing governments on several continents to take steps to protect their populations against rising sea levels and flooding.

WORLDWIDE INVESTMENTS IN OIL AND GAS EXPLORATION AND PRODUCTION (USD billion)



Source: Barclays Capital - December 2012

CONTAINER THROUGHPUT (million TEU)



Source: Drewry M.R. 10/2012

Maintenance work on a riverbank in Nigeria

We see the demand for integrated solutions for complete maritime infrastructures growing, with attention to sustainable solutions taking an ever more prominent place on the agenda.

STRATEGIC FRAMEWORK

Boskalis' strategic agenda stems from our mission:
We are a leading services provider in the field of innovative and competitive all-round solutions in the maritime, coastal and delta regions of the world. We strive for sustainable design and realization of our solutions, with safety being given top priority.

Our strategy for achieving this mission is focused on growth. The implementation of our strategy is based on four pillars: Focus, Optimize, Reinforce and Expand.

FOCUS

- On Value-Adding Assets
- On market segments
- On geographic regions

Value-Adding Assets

Boskalis focuses on Value-Adding Assets through a combination of activities and equipment which enables us both to operate cost-effectively at the lower end of the market and to be successful in the complex turnkey/multidisciplinary integrated projects at the top end of the market.

Market segments

The markets which we target with our core activities are chosen based on the analysis of where our opportunities for growth and expansion are greatest. In each of these markets we provide our products and services both in combination and separately.

Energy

The oil and gas market is very important in terms of both size and growth potential. Boskalis designs and builds new ports for this market. For oil and gas companies we create new land, realize pipeline infrastructures and take care of their maintenance. We also execute offshore projects for these clients and provide a broad range of maritime services, including subsea, heavy transport, lift and installation. Through our associate company Smit Lamnalco we provide onshore and offshore terminal services. In addition to this traditional segment, the energy market comprises the strongly growing sustainable energy segment, where the emphasis for Boskalis lies on the foundations, construction and cabling of offshore wind farms. We also see growth potential in the use of (traditional) dredging solutions for the mining of raw materials.

Ports

For the design and construction of new ports as well as for the expansion and maintenance of existing ports, on behalf of governments and port operators, we call into play our main activities of dredging and earthmoving, with civil engineering work also playing a major role. At the operating stage we provide shipping companies and agents in these ports with services such as harbour towage. In addition, we can be of service to these same shipping companies and their underwriting agents with our salvage activities.

Infra

Infra comprises the construction of civil infrastructures and the defense and creation of new land. Our main clients in this area are governments and project developers. This market segment covers both wet and dry activities: land reclamation and coastal defense, the realization of maritime infrastructures through our partnership with Archirodon and large civil infrastructure projects in the Dutch market through our Dutch subsidiary MNO Vervat.

Geographic regions

Within the three market segments we target our services at a number of geographic regions. The choice for these regions is based on our market analysis, which shows where the main developments are taking place in the coming period and where the best opportunities lie for our combined activities.

We concentrate our activities on the following six geographic regions:

1. Northwest Europe
2. South and West Africa
3. Central and South America
4. Middle East
5. Southeast Asia
6. Australia

OPTIMIZE

- Expansion of cost leadership
- Further integration of activities
- Invest in developing competencies

As an expert Boskalis occupies a unique position on the global maritime market. There is no other company that offers such a broad and integrated range of maritime products and services. We want to reinforce and expand this position by fully leveraging the synergy benefits of the combinations within the group. We improve our chances in the high-end segment by investing in developing competencies which strengthen our position as a Design, Construct & Maintenance contractor. At the same time, our focus on efficiency improvements and cost savings allows us to remain strongly competitive.

Cost leadership
The integration with SMIT has resulted in demonstrable economies of scale and has increased our purchasing power towards suppliers. Benchmarking and sharing best practices allowed us to further reduce costs.

Integration of activities
Our broader range of products and services and our global presence create new commercial opportunities with both new and existing clients. In the business the two organizations are moving closer together and we are acting in concert in the market. The combining of the Boskalis and SMIT activities for the offshore oil and gas sector is a good example of this, offering major synergy benefits. Moreover, our support organization is becoming ever more efficient as we further integrate various corporate support activities and where possible physically accomodate them at one location.

Results in 2012
The integration of Boskalis and SMIT was successfully completed in 2012 with the process culminating in the majority of staff from the former SMIT office in Rotterdam moving to the Boskalis head office in Papendrecht during the second half of 2012. A more detailed account of this is included in the section 'Operational performance'. In addition, Boskalis' offshore activities merged with the former SMIT Transport & Heavy Lift, SMIT Marine Projects and SMIT Subsea at the end of 2012. This new integrated division, which presents itself under the brandname Boskalis Offshore, is split into four main activities: marine contracting, marine services, subsea contracting and subsea services.
2012 also saw the successful completion of the integration of SMIT Terminals with our associate company Lamnalco to form Smit Lamnalco. The new head office of this 50% associate is located in Rotterdam.

Invest in developing competencies
In order to provide our joint services in the higher segment we are combining and reinforcing the necessary competencies. In Design, Construct & Maintenance contracts these are primarily our knowledge of engineering, cost estimating, work preparation, risk management, project management and innovation. In addition, our knowledge of eco-dynamic design through the Building with Nature program and our environmental expertise through our in-house engineering consultancy Hydronamic are steadily gaining in importance. Over the past few years Boskalis has strongly developed these competencies and specialist knowledge with regard to large, complex dredging projects, marine contracting and large-scale marine salvage. We now want to further develop this expertise and use it to scale up the group's other activities towards turnkey projects. For example, we see opportunities in the energy market for positioning ourselves as a contractor on the one hand and providing integrated projects combined with the former SMIT activities on the other.

Results in 2012
Following on from 2011, last year we once again made good progress in developing our core competencies. Through the Boskalis Maritime Development Program we invested in enhancing the effectiveness of officers on board of the fleet, for example by strengthening their leadership competencies. In addition, a group of young first officers completed the Maritime Leadership Course, a program focusing on the core topics of cooperation and leadership as well as management skills. For financial professionals we developed the all-new Finance Development Program in 2012, consisting of various modules relating to our wider package of services. In 2012 in cooperation with the Dutch-based HAN University of Applied Sciences we developed a special two-year training course in Cost Engineering for a group of prospective cost engineers. The topic of developing competencies is covered in greater depth in our CSR report.

REINFORCE

- Invest in the fleet
- Combine terminal services

In order to maintain and reinforce our leading position we make targeted investments in our equipment. Our R&D department supports our newbuild program by refining techniques. In this way we not only respond to demand in the market but also boost demand by leading the way with advanced and cutting-edge technology. We invest on an ongoing basis, also in the sustainability of our equipment. More information can be found in our 2012 CSR report.

Invest in the fleet
We see sufficient opportunities in the market to warrant further selective investment in the dredging fleet. Over the next years investments will be aimed at replacing existing vessels.

Results in 2012
- The self-propelled jumbo cutter Taurus II was modernized in late 2011-early 2012. The vessel now has 60% more pump ashore capacity as well as an all-new electrical installation.
- In 2011 and 2012 the decision was taken to add two 4,500 m^3

hoppers, the Causeway and the Strandway, to the fleet. The first hopper is currently nearing completion and we expect to commission it in mid-2013. Construction work is underway on the second vessel, which is expected to be taken into service in first quarter of 2014.
- Following renovation, the megahopper Fairway will be recommissioned in the second half of 2013. The ship was taken out of service following a collision in 2007.

In order to increase our chances of securing contracts in the energy market, both in the oil and gas sector and in offshore wind parks, we are investing in expanding our fleet of specialist equipment and tugboats.

Results in 2012
- The fleet was augmented by the Rockpiper, a fallpipe vessel (for the covering and protection of pipelines and cables) which was commissioned in the first quarter of 2012. The fallpipe is made of a lightweight composite material which enhances the vessel's efficiency.
- To reinforce our cable-laying activities we invested in two multifunctional cable laying/rock installation vessels, the Ndeavor and the Ndurance, which will be commissioned in mid-2013, respectively.
- Two nearly new heavy anchor-handling tugs were purchased, the Union Princess and the Union Sovereign. The ships are suitable for towage work at sea, positioning and repositioning anchors and heavy chains as well as for supporting offshore activities such as performing inspections, repairs and maintenance work on offshore platforms.
- In China construction work on two anchor handlers, the Sentosa and the Seraya, is nearing completion. The two vessels will be commissioned in the second quarter of 2013.
- In connection with the expansion of our harbour towage activities in Brazil we placed a local order for six tugboats. The first vessel was delivered in January 2013, with the remaining tugs set to be commissioned subsequently at a rate of one every three months.
- Two heavier tugboats were purchased to carry out towage operations in the port of Zeebrugge, Belgium.
- For Asian Lift Singapore, a joint venture with Keppel Corporation Singapore, the Asian Hercules III is currently under construction, a large floating crane with a lift capacity of 5,000 tonnes. From the end of 2013, the Asian Hercules III is expected to be used for heavy lift work associated with the assembly of FPSOs in Singapore.
- In 2012 Smit Lamnalco invested in the construction of 14 ships for use on existing and new terminal services contracts.

Reinforce terminal services
The integration of SMIT Terminals with our associate company Lamnalco has created a new global leader in terminal services. Smit Lamnalco, in which Boskalis holds a 50% stake, has a fleet of over 190 ships, 50 current terminal contracts on its books and around 2,200 employees.

Results in 2012
Global leader in terminal services: the sale of the activities of SMIT Terminals to Lamnalco was effected at the end of 2011. During 2012 we worked on structuring the new organization and getting the new head office established in Rotterdam. We see further growth opportunities for Smit Lamnalco in regions such as the Middle East, West Africa, Russia and Australia, with the primary focus on the oil and gas market.

EXPAND

- Strengthen regional position
- Expand regional position
- Add global activities

Strengthen regional position using existing activities
We want to strengthen our position in the six geographic focus areas. By leveraging our market presence and strong client relationships we will be able to offer a wider range of activities. For example at remote locations, where we are building large-scale maritime infrastructures, we see opportunities to also offer terminal services and subsea diving services. We also see good

Last stage in the construction of the new LNG port at Swinoujscie in Poland opportunities for developing a broader range of activities in South America. In West Africa, where we have been successfully providing dredging and terminal services for many decades, we see opportunities for expanding our offshore activities in the area of transport and heavy lift.

Results in 2012

Over the past few years Boskalis has successfully completed several maritime infrastructure projects in Brazil. In addition, we are currently constructing a new port, including the revetments at the entrance of the harbor, in the country's biggest industrial port complex, Superporto do Açu. Boskalis also has a strong local presence as a provider of towage services for ports and terminals, with SMIT providing these services in six Brazilian ports. In the Netherlands Boskalis, along with its subsidiary MNO Vervat, has strengthened its position in the infra market with the acquisition of the sizeable project for the repositioning, broadening and maintenance of the Schiphol Airport-Amsterdam-Almere section of the A1 and A6 motorways. Boskalis has a 30% share in this DBFM (Design, Build, Finance, Maintain) contract worth in excess of EUR 1 billion, which it won in consortium with VolkerWessels, Hochtief and DIF.

Expand regional position with new activities

In our focus regions we also see demand arising for new activities to which we can apply our combined expertise. This demand is mainly fuelled by the developments in the energy market, with examples being the construction of offshore wind parks, the integration of the European gas and electricity markets and the removal of old oil platforms in the North Sea. We are increasingly involved in the laying of cabling infrastructures and the dismantling of oil platforms on a turnkey basis. In addition, the growing demand for raw materials also presents an opportunity to develop new activities, such as mineral extraction.

In the area of ordnance clearance Boskalis Hirdes expanded and reinforced its field of work in Germany with offshore ordnance clearance, deploying equipment including ROV's. This is done in close cooperation with Subsea Services, part of the Offshore Energy division.

We position ourselves as a provider of all-round solutions for maritime infrastructures, including the realization of maritime civil constructions. We have already been successfully providing these activities in the Middle East for many years, through our associate company Archirodon. We also want to offer this expertise in other parts of the world, partly through our subsidiary MNO Vervat. Given their complementarity with the dredging and earthmoving activities we see opportunities for expanding these activities in Northwest Europe and eventually also providing them internationally.

Results in 2012

In 2012 we contracted various projects which enabled us to strengthen our regional position with new activities.
Onshore and offshore mining: in Suriname we are currently executing an integrated mining project for the excavation of bauxite. In New Zealand we have successfully developed a concept for the deep-sea mining of phosphates. In the next few years we want to put this concept into practice together with Chatham Rock Phosphate Ltd, a New Zealand-based company in which Boskalis has also acquired a stake of nearly 20%.
Offshore energy: in Northwest Europe we expanded our position with activities for the offshore energy sector. In the Irish Sea we are constructing a large part of the West of Duddon Sands offshore wind park for DONG Energy and Scottish Power Renewables. The work includes the preparation of the seabed and the transportation and installation of 108 turbine foundations.
In addition, Boskalis is to carry out rock installation work for the Meerwind offshore wind park under development by WindMW in the German section of the North Sea. In 2012 Boskalis also won a contract to carry out inspection, repair and maintenance work on around 20 offshore oil production platforms and related infrastructure owned by Maersk Oil in the Danish section of the North Sea. For this client we will also execute preparatory activities and construction work on oil production platforms in the same part of the North Sea. In addition, Boskalis will execute various rock installation works at a depth of up to 600 meters for Statoil in the North Sea and Norwegian Sea until the end of 2015. In Asia we have been awarded a contract to perform transport, installation and dredging work on behalf of Shell Eastern Petroleum Ltd. The work relates to the partial replacement of a Single Point Mooring subsea pipeline in Singapore.

Add global activities

Boskalis wants to strengthen its leading position in existing activities at a regional and global level through organic growth and/or acquisitions. We are also open to acquisitions which allow us to add promising activities to our portfolio. However, we will only do this provided they are a good fit with the existing activities in a number of key aspects and add value in the top segment of the market.

Results in 2012

In late November 2012 we announced our intention to launch an offer for the shares of the stock listed company Dockwise and in the days following the announcement acquired 33% of the shares on the market. Combining our strengths will enable us to offer customers across the world unique added value with regard to the transportation and installation of equipment, such as offshore platforms and FPSOs. See inset on the next page.

DOCKWISE

On 26 November 2012 Boskalis announced its intention to launch an offer for Dockwise, which provides maritime services including transport services to the offshore and onshore industries and installation of extremely heavy offshore platforms.
The combination of the two companies offers new strategic opportunities for accelerated growth of our offshore services. The addition of the Dockwise activities creates a service provider with a broad range of services for clients in the oil and gas sector. The new combination will be even better able to cater to its clients worldwide under increasingly complex circumstances with optimum deployment of personnel and equipment. In addition, combining the Dockwise fleet with Boskalis' project management experience and engineering knowledge allows for accelerated realization of our strategic ambition of being able to execute Transport & Installation (T&I) projects. We also see possibilities for the wider deployment of Dockwise vessels within the group, for example on dredging, offshore and salvage projects. Dockwise employs over 1,400 people and has a fleet of 25 specially built semi-submersible vessels at its disposal.

SHAREHOLDER INFORMATION

It is important to us that the value of our share adequately reflects our performance and the development in our markets. We therefore strive to inform our stakeholders as completely and transparently as possible about our strategy and policy and the ensuing financial performance.

OPEN DIALOG

Transparent and regular communication with our stakeholders is something we value highly. We consider our financial stakeholders to include existing and potential shareholders, other investors and their brokers as well as the media. It is important to us to provide them with clear and accessible information. The Boskalis share is covered by the major Dutch brokers as well as a number of foreign brokers and their analysts, whom we also consider as belonging to our financial stakeholders. They want to provide their clients with good advice and information about our company, the dredging and maritime services markets and general developments in our markets. Questions from stakeholders are answered candidly; wherever possible we take the initiative when it comes to raising important issues. For example following an important announcement we proactively contact shareholders by phone, as we did last year in connection with the proposed offer for Dockwise. We maintain regular contact with major investors and analysts, for example by organizing annual visits to project sites. In 2012 we held approximately 300 meetings with investors from Western Europe, the United States, Australia and Canada, both during roadshows and conferences and in one-on-ones. Meetings with investors and analysts are held using publicly available presentations (www.boskalis.com) and stock price-sensitive information is never shared.

Construction of the Gorgon LNG port in Australia, completed in 2012

CORPORATE WEBSITE

Our corporate website provides a constantly updated source of information about our core activities and ongoing projects. The Investor Relations section offers share information and other information relevant to shareholders, as well as the latest and archived press releases and analyst and company presentations.

SHARE INFORMATION

Boskalis' authorized share capital of EUR 240 million is divided into 200 million shares, comprising 150 million ordinary shares and 50 million cumulative protective preference shares. The issued capital as at 1 January 2012 consisted of 103.5 million ordinary shares. Seventy per cent (70%) of shareholders opted to have their 2011 dividend distributed in the form of a stock dividend, in light of which we issued over 3.8 million new shares in 2012.
On balance, the issued share capital as at 31 December 2012 consisted of 107.3 million ordinary shares.

Royal Boskalis Westminster N.V. shares are listed on NYSE Euronext Amsterdam. Indices of which the share is a component include the Euronext Next 150 index and the Dow Jones STOXX 600 Index.

Tickers: Bloomberg: BOKA:NA, Reuters: BOSN.AS

In 2012, around 85 million Boskalis shares were traded on NYSE Euronext Amsterdam (2011: 100 million). The average daily trading volume in 2012 was over 330,000 shares. In the course of 2012 the share price rose by 20% from EUR 28.31 to EUR 34.00.
The market capitalization increased by 24% compared to the end of 2011 to EUR 3.65 billion.

SHAREHOLDERS

The following shareholders are known to have been holders of at least 5% in Boskalis as at 31 December 2012:
HAL Investments B.V.: 33.88%
Mondrian Investment Partners Limited: 5.18%
Sprucegrove Investment Management Limited: 5.18%

Besides these large shareholders, an estimated 14% of the shares are held by shareholders in the United States and Canada, 16% in the United Kingdom, 13% in the Netherlands and the remainder in mainly France, Germany and Scandinavia.

DIVIDEND POLICY

The main principle underlying the Boskalis dividend policy is to distribute 40% to 50% of the net profit from ordinary operations as dividend. At the same time Boskalis aims to achieve a stable development of the dividend in the longer term. The choice of dividend (in cash and/or entirely or partly in shares) takes into account both the company's desired balance sheet structure and the interests of shareholders.

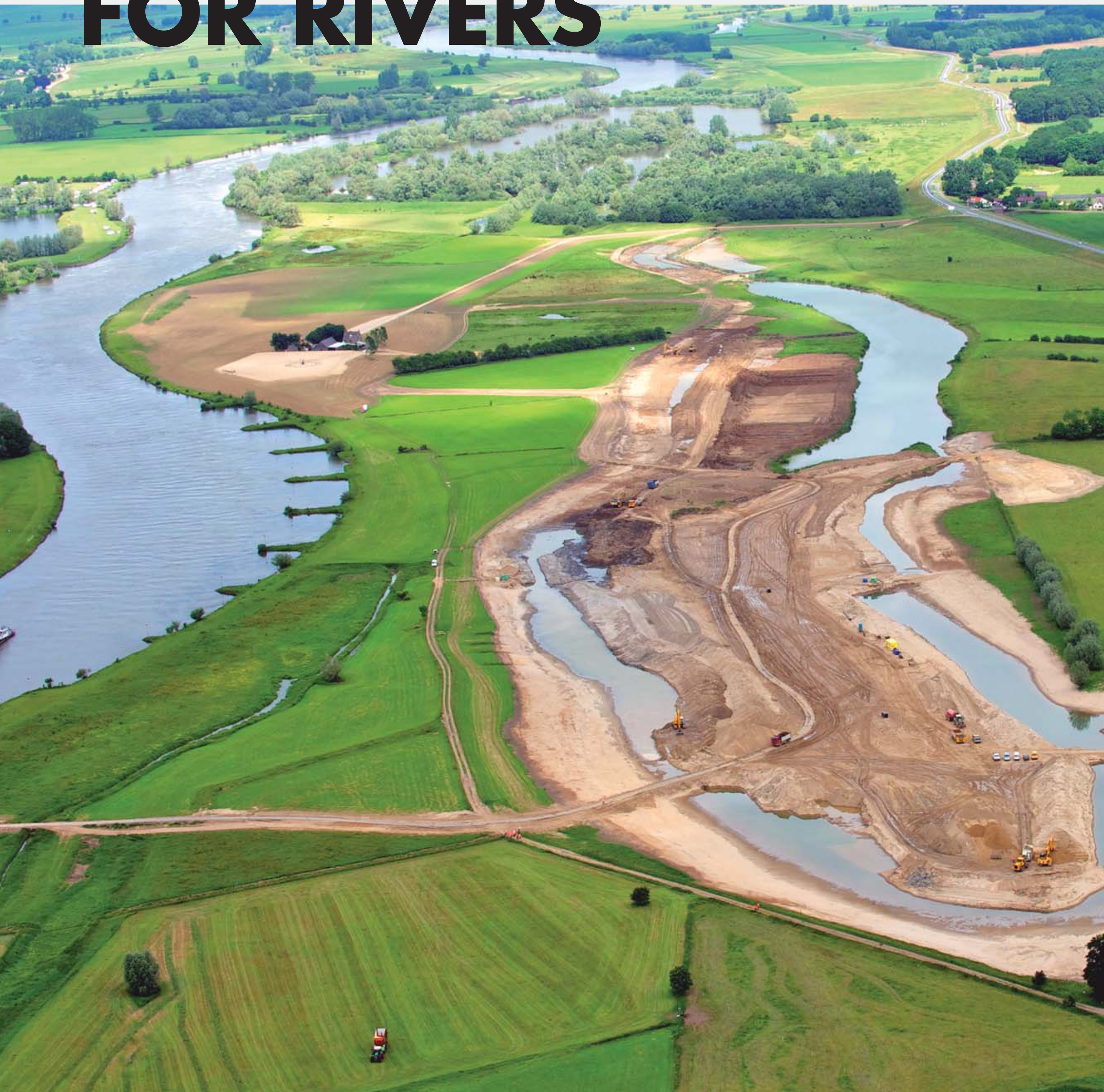
FINANCIAL AGENDA 2013

14 March	Publication of 2012 annual results
8 May	Trading update on first quarter of 2013
8 May	Annual General Meeting of Shareholders
10 May	Ex-dividend date
14 May	Record date for dividend entitlement (after market close)
27 May	Final date for stating of dividend preference
30 May	Determination and publication of conversion rate for dividend based on the average share price on 28 and 29 and 30 May (after market close)
4 June	Date of dividend payment and delivery of shares
15 August	Publication of 2013 half-year results
15 November	Trading update on third quarter of 2013

SHARE ISSUE

On 10 January 2013 Boskalis successfully placed a EUR 320 million share issue at a price of EUR 33.00 per share amid very strong interest. The proceeds of the issue, which was given the green light by an Extraordinary General Meeting of Shareholders held earlier that day, will be used towards partly financing the acquisition of Dockwise Ltd. A total of 4,896,180 new ordinary shares were placed with institutional investors at home and abroad by means of an accelerated bookbuild (ABB) offering. Another 4,800,789 shares were placed with HAL Investments B.V. and Project Holland Fund by means of a private placement. Following the share issue the stake held by HAL Investments remains unchanged at 33.88%. After completion of the ABB offering and the private placement Boskalis' total number of outstanding shares equals 116,980,648.

WORKING ON SAFETY BY MAKING ROOM FOR RIVERS



Rivers in the Netherlands are having to deal with growing amounts of rain and meltwater, which led to flooding in 1993 and 1995. The Dutch government's Room for the River program is designed to provide more space for the IJssel, Rhine, Lek and Waal rivers in over 30 places. The extra space lowers the water level and thus provides 4 million Dutch people with better protection against flooding. Boskalis has been contracted by Rijkswaterstaat, the executive arm of the Dutch Ministry of Infrastructure and the Environment, to participate in several of these projects.

Expanding the rivers rather than raising the dikes marks a turning point in the approach to flood protection. Rijkswaterstaat has opted for various solutions, including widening the flood plains, building dams and lowering groins. A unique aspect is the combination of flood protection and area development: the river expansion is seen as an opportunity to enhance the spatial quality of the river area, through urban and landscape embellishment and more recreational facilities.

One of the projects Boskalis is working on is the broadening of the river IJssel, which is being widened in eight places. "Digging ditches in the flood plains over a distance of 10 kilometers near the city of Deventer will allow more water to drain off," explained project leader Gerrit Jan van den Bosch. "Connecting up the groundflows is one of the big challenges in this project, which involves moving a total of 2.7 million cubic meters of soil, sand and clay. We are aiming to reuse this as effectively as possible; some of it will be transported to the town of Urk, where it will be used to build a 1,100 meter breakwater in the IJsselmeer lake, and some will be used to build mounds."

Work is also underway to adapt four flood plains along the Lower Rhine. Here Rijkswaterstaat has contracted Boskalis as head of integrated project management, including environment management. Building support is crucial to the smooth progress of infrastructure projects. Boskalis was chosen to lead the project because "We had already built up lots of contacts and relationships with stakeholders here, we didn't want to just throw these overboard when we handed over control," explained Marita Cals, environment manager at Rijkswaterstaat. A measurable benchmark for support is the number of opinions submitted and especially whether people lodge objections and appeals with the Council of State. These have a direct impact on the execution timetable. "Boskalis has continued the dialog with groups of government officials, administrators and local residents," continued Cals. "Very hands-on and with a great deal of personal contact. The clarity that they have conveyed right from the start has been greatly appreciated by all those involved."

Work on pipeline for the construction of artificial island off Punta Pacifica in Panama

REPORT OF THE SUPERVISORY BOARD

REPORT OF THE SUPERVISORY BOARD

The Supervisory Board wishes to express its appreciation of the efforts shown by the Board of Management and all employees in the strategic development of the company and extends its compliments for the results achieved in 2012.

In accordance with Article 27 of the Articles of Association of Royal Boskalis Westminster N.V., the Supervisory Board presents the 2012 annual report to the Annual General Meeting of Shareholders. The annual report, including the financial statements and the management statement, was drawn up by the Board of Management. The financial statements are accompanied by the report of the company's external auditor KPMG Accountants N.V., which is included on page 118 of this report.

We recommend the following to the Annual General Meeting of Shareholders:
- The adoption of the financial statements, including the proposed profit appropriation;
- The discharge of the members of the Board of Management in respect of their management activities during 2012;
- The discharge of the members of the Supervisory Board for their supervision of management during 2012; and
- The distribution to shareholders of a dividend of EUR 1.24 per ordinary share to be paid in ordinary shares, unless the shareholder opts for a cash dividend.

COMPOSITION OF THE BOARD OF MANAGEMENT

At the start of the 2012 reporting year the Board of Management consisted of three members. On 10 May 2012 the Supervisory Board appointed Mr. F.A. Verhoeven to the Board of Management for a period of three years. There were no other changes to the composition of the Board of Management during the year under review.

COMPOSITION OF THE SUPERVISORY BOARD

In 2012 the Supervisory Board consisted of six members.

Op 10 May 2012 the Annual General Meeting considered the re-appointment of Mr. M. Kramer, on the recommendation of the Supervisory Board. Supported by the Works Council, the Annual General Meeting re-appointed Mr. Kramer to the Supervisory Board for a period of four years.

There were no other changes to the composition of the Supervisory Board during the year under review.

SMIT tugs provide assistance to a tanker in the Port of Rotterdam, the Netherlands

ACTIVITIES OF THE SUPERVISORY BOARD

The Supervisory Board held six meetings with the Board of Management of the company. The attendance rate at the five regular meetings of the Supervisory Board was 100%. In view of a potential conflict of interest Mr. Van Wiechen did not take part in the meeting concerning the offer for Dockwise Ltd., nor in those parts of the regular meetings dealing with this topic. Mr. Van Wiechen is director of HAL Investments B.V., the principal shareholder in Boskalis and Dockwise Ltd., and a non-executive director of Dockwise Ltd. The Supervisory Board also met several times without the Board of Management being present.

Permanent items on the agenda of the Supervisory Board are: the development of the results, the balance sheet, and industry and market developments. With regard to with the market developments, the order book and potential large projects as well as the status of material projects contracted are discussed. During the year under review subjects discussed included the contracting of large projects such as JNPT in the port of Mumbai in India, the A1/A6 road-building project and the offshore project for Ichthys in Australia, as well as the execution of projects such as Maasvlakte 2 in the Netherlands, Gorgon in Australia and the removal of oil from the cruise liner Costa Concordia.

Other topics under scrutiny in 2012 included the corporate budget, liquidity, acquisition and investment proposals, the organizational structure and the staffing policies. Special attention was paid to the company's policy on safety, health and the environment, with extensive discussion of the company's safety program, *NINA* (No Injuries No Accidents), and how this program is being implemented within the organization and with subcontractors. The Board also discussed the revised Statement of General Business Principles and the new Supplier Code of Conduct as well as the company's compliance with the newly effective UK Bribery Act.

The Supervisory Board examined the company's strategy and the risks associated with it. In this context the Supervisory Board assessed the development of the strategy against the Corporate Business Plan for the years 2011-2013. Another regular topic of discussion concerned the principal risks inherent to the management of the company, such as the risks associated with contracting. Further information about this can be found on pages 47 to 51 of this report. The Audit Committee regularly assessed the structure and operation of the associated internal risk management and control systems and discussed these with the Supervisory Board. No significant changes were made to the internal risk management and control systems during the year under review. The meetings to discuss the annual and semi-annual results were held in the presence of the external auditor.

In 2012 the Supervisory Board gave extensive consideration to the Board of Management's proposals for the intended acquisition of Dockwise Ltd. The Supervisory Board approved the issuing of an offer subject to the customary conditions after determining that such would be consistent with the company's strategy and will deliver the desired further expansion and reinforcement of the company's position as a maritime services provider, in particular in the offshore energy market. The Supervisory Board also devoted attention to the potential divestment of the company's 40 per cent stake in Archirodon.

During the year under review the Supervisory Board paid a working visit to Brazil. During this visit the Supervisory Board familiarized itself with the hydraulic engineering activities being performed in that country at the OSX project in the port of Campos, as well as the port and terminal towage services provided by the subsidiary SMIT Brasil. Furthermore, extensive attention was paid to the market trends and possible new projects in Brazil in the area of marine infrastructure and maritime services development.
Two members of the Supervisory Board followed an introduction program at SMIT in order to become better acquainted with the company.

A number of Supervisory Board members met with the Works Council to discuss the results, the corporate strategy, the market developments, the current situation in relation to the pension funds as well as the effects of the merger and integration with Smit Internationale N.V.

The Supervisory Board has instituted three core committees – the Audit Committee, the Remuneration Committee and the Selection and Appointment Committee. They performed their tasks as follows:

AUDIT COMMITTEE

Members of the Audit Committee
The Audit Committee consists of two members: Mr. M. Niggebrugge (chairman) and Mr. J. van Wiechen.

Duties and responsibilities of the Audit Committee
The main duties of the Audit Committee are to advise the Supervisory Board on:

- Supervising and monitoring, and advising the Board of Management concerning, the operation of the internal risk management and control systems, including the supervision of compliance with the relevant legislation and regulations, and supervision of the operation of the codes of conduct.
- Supervising the provision of financial information by the company, its tax planning, the application of information, communication and communication technology, and the financing of the company.
- Maintaining regular contacts with the external auditor and supervising the relationship with the external auditor as well as the compliance with and implementation of the external auditor's recommendations.
- Nominating an external auditor for appointment by the General Meeting of Shareholders.
- The financial statements, the annual budget and significant capital investments by the company.
- Supervising the functioning of the internal audit function.

Activities during 2012
The Audit Committee met on three occasions during 2012, with both members as well as Mr. Hessels always being present. Regular topics discussed during these meetings included: the 2011 financial statements, the (interim) financial reporting for the 2012 financial year, the introduction of a new grouping of the segmented financial information, the results relating to large projects, developments in IFRS, in particular those relating to joint venture accounting, risk management and cost control, developments in the order book, the financing and liquidity of the company. Other topics of discussion included the impact of the situation on the financial markets, insurance matters, the company's tax position, the internal control procedures and administrative organization, the relevant legislation and regulations and the Corporate Governance Code. Another regular item was the new Dutch legislation governing the rotation of the external auditor. The follow-up of the Management Letter issued by the auditor as part of the audit of the 2011 financial statements was also discussed.

In addition, the Audit Committee focused more specifically on the integration of MNO Vervat B.V., acquired at the end of 2011, and the effects of the transfer of the SMIT Terminals and AHTS transport activities to the joint venture Smit Lamnalco, in which Boskalis holds a 50% stake. Extra attention was also paid to the integration of the accounting and reporting processes and systems at Boskalis and SMIT in the context of the takeover. The Audit Committee also discussed at length the development of the financial position of the pension funds with which Boskalis is involved.

Together with the internal auditor the Audit Committee discussed the activities performed by the internal auditor during 2012 as well as the internal Audit Plan for 2013.

In addition to the chairman of the Board of Management and the Chief Financial Officer, the Group Controller and the external auditor were also present at the meetings of the Audit Committee. During the year under review meetings were also held with the external auditor without the company's Board of Management being present. The Audit Committee discussed the audit fees and the audit approach with the external auditor. The Audit Committee also established the independence of the external auditor. The evaluation of KPMG's functioning as external auditor was completed and discussed, with the outcome being that KPMG's functioning as independent auditor is deemed satisfactory. KPMG delivers high-quality work, based on thorough risk analyses, an effective approach to control and a good knowledge of the business and international context in which Boskalis operates. It performs its activities with a high degree of expertise and professionalism.
It maintains good relationships with the Supervisory Board, Audit Committee and Board of Management, with due preservation of its independence. Given the further international expansion of Boskalis the further permanent strengthening of the management with regard to the use of international KPMG offices is of importance. Another permanent point for attention is ensuring that the core team at KPMG retains sufficient experience with and knowledge of the Boskalis control environment.

Reports and findings of the meetings of the Audit Committee were presented to the entire Supervisory Board.

REMUNERATION COMMITTEE

Members of the Remuneration Committee
The Remuneration Committee consists of two members: Mr. C. van Woudenberg (chairman) and Mr. M.P. Kramer.
The Remuneration Committee regularly avails itself of the services of an independent remuneration adviser selected by the Supervisory Board, and ascertained that this remuneration adviser does not provide advice to the members of the Board of Management.

Duties and responsibilities of the Remuneration Committee
The Remuneration Committee performs the following duties:
- Submitting proposals to the Supervisory Board concerning the remuneration policy to be pursued for the members of the Board of Management. The policy is submitted to the General Meeting of Shareholders for approval.
- Investigating whether the agreed remuneration policy is still up to date and if necessary proposing policy amendments.
- Submitting proposals to the Supervisory Board concerning the remuneration of individual members of the Board of Management (in accordance with the remuneration policy adopted by the General Meeting of Shareholders).
- Preparing the remuneration report on the remuneration policy pursued, subject to adoption by the Supervisory Board.

Activities during 2012
The Remuneration Committee met on two occasions during 2012, with both members attending all the meetings. In addition the committee also held regular consultations outside these meetings.

Reports and findings of the meetings of the Remuneration Committee were presented to the entire Supervisory Board.

Remuneration policy for the Board of Management
The remuneration policy for the Board of Management was adopted by the Extraordinary General Meeting of Shareholders on 21 January 2011. The remuneration policy is consistent with the strategy and core values of Boskalis, which are centered on long-term orientation and continuity, and take into account the interests of Boskalis' shareholders, clients, employees as well as the 'wider environment'. Throughout 2012 the remuneration policy was executed in accordance with the remuneration policy as adopted by the General Meeting of Shareholders. The full text of the remuneration policy as well as the remuneration report can be found on the website (www.boskalis.com).

Remuneration policy for the Supervisory Board
The remuneration policy for the Supervisory Board was adopted by the General Meeting of Shareholders on 10 May 2012. From 1 July 2012 the remuneration policy was executed in accordance with the remuneration policy as adopted in May.

SELECTION AND APPOINTMENT COMMITTEE

Members of the Selection and Appointment Committee
The Selection and Appointment Committee consists of two members: Mr. J.M. Hessels (chairman) and Mr. C. van Woudenberg.

Duties and responsibilities of the Selection and Appointment Committee
The duties of the Selection and Appointment Committee concern the following matters:
- Drawing up selection criteria and appointment procedures with respect to members of the Supervisory Board and members of the Board of Management of the company.
- Conducting a periodic assessment of the size and composition of the Supervisory Board and the Board of Management and drawing up the profile.
- Conducting a periodic assessment of the functioning of individual members of the Supervisory Board and Board of Management and reporting thereon to the Supervisory Board.
- Proposing appointments and re-appointments.
- Supervising the policy of the Board of Management with respect to selection criteria and appointment procedures for the senior management of the company.

Activities during 2012
In 2012 the Selection and Appointment Committee met on one occasion, with both members attending. In addition, the committee also consulted by telephone. During the year under review, the Selection and Appointment Committee discussed a balanced composition of the Board of Management, diversity, and the composition and size of the Supervisory Board, bearing in mind the Board's profile and retirement rota. In addition the Selection and Appointment Committee discussed the implications of the Dutch Act on Management and Supervision in preparation of this act coming into force. The committee has put forward a proposal to amend the Supervisory Board profile in order to incorporate the aim to arrive at a balanced distribution of seats on the Supervisory Board between men and women. In addition, the Selection and Appointment Committee analyzed the criteria for the new restrictions on supervisory roles at large public and private limited companies and foundations, and the implications this will have for future appointments and re-appointments.

According to the Supervisory Board retirement rota, the term of office of Mr. Kramer ended in 2012. The Supervisory Board simultaneously informed both the shareholders and the Works Council of the resulting vacancy. Mr. Kramer let it be known that he was available for re-appointment. The Supervisory Board proposed to the General Meeting of Shareholders that Mr. Kramer be re-appointed to the Supervisory Board. The proposal to re-appoint rested on the fact that Mr. Kramer has extensive experience as a member of the Supervisory Board and puts this membership into practice with great expertise. The recommendation to re-appoint Mr. Kramer was in accordance with the law and the Company's Articles of Association. The recommendation to re-appoint Mr. Kramer had the full support of the Works Council. On 10 May 2012, the General Meeting of Shareholders re-appointed Mr. Kramer for a period of four years.

Furthermore, the Selection and Appointment Committee discussed the appointment of Mr. F.A. Verhoeven as a member of the Board of Management. The Supervisory Board adopted the proposal for his appointment and, having sought the opinion of the General Meeting of Shareholders, on 10 May 2012 appointed Mr. Verhoeven to the Board of Management for a period of three years.

Reports and findings of the meetings of the Selection and Appointment Committee were presented to the entire Supervisory Board.

DUTCH CORPORATE GOVERNANCE CODE

Since the introduction of the Dutch Corporate Governance Code (the 'Code') in 2004, the principles of proper corporate governance and best practice provisions set out in the Code have regularly been discussed at Supervisory Board meetings. The principal points of the Boskalis Corporate Governance policy can be found on pages 54 and 55 of this annual report.
In the opinion of the Supervisory Board, the provisions of the Code regarding the independence of the members of the Supervisory Board have been complied with. The Supervisory Board considers Mr. van Wiechen not to be independent in the sense of the Code.

Outside the presence of the board members, the Supervisory Board discussed the performance of the Board of Management and its individual members. It also discussed the performance of the Supervisory Board, the chairman of the Supervisory Board, the three committees and the individual members of the Supervisory Board as compared to the profile. This evaluation took place with the aid of a questionnaire as well as through collective and bilateral discussions of the Supervisory Board, the chairman of the Supervisory Board and the individual members of the Board of Management.

The Supervisory Board wishes to express its appreciation of the efforts shown by the Board of Management and all employees in the strategic development of the company and extends its compliments for the results achieved in 2012.

Papendrecht / Sliedrecht, 13 March 2013

Supervisory Board

Mr. J.M. Hessels, chairman
Mr. H.J. Hazewinkel, deputy chairman
Mr. M.P. Kramer
Mr. M. Niggebrugge
Mr. J. van Wiechen
Mr. C. van Woudenberg

Floating sheerlegs Taklift 7 dismantles an old drilling rig in the North Sea

WEST OF DUDDON SANDS: OPTIMUM SYNERGY

Preparing the transportation of transition pieces for wind turbines

Since the end of 2012 we have been presenting ourselves as a global expert in the field of offshore projects and services under the name of Boskalis Offshore. A clear profile towards the market and a perfect example of optimum synergy, with activities which were previously marketed under the name of both Boskalis and SMIT now being provided jointly under a single name. "The activities of the integrated Boskalis Offshore comprise both projects (contracting) and services. In addition we work both above (marine) and below (subsea) the water surface. We now approach the market with four core activities: marine contracting, marine services, subsea contracting and subsea services," said Wim Vogelaar, business unit manager of Marine Contracting & Marine Services.

The construction of the West of Duddon Sands offshore wind farm in the Irish Sea is just one example of optimum synergy resulting from the integration of the aforementioned activities. We are executing the work in collaboration with our partner Volker Construction International under the name of Offshore Windforce for our client, a joint venture between DONG Energy and Scottish Power Renewables. The work includes the preparation of the seabed and the transportation and installation of 108 turbine foundations. Our oceangoing flat-top barges and tugs will transport monopiles and transition pieces from Aalborg in Denmark to Belfast, a distance of 1,500 kilometers. A Boskalis fallpipe vessel will apply an initial scour protection filter layer on the seabed, after which the wind turbine sections will be transported from Belfast to the wind park. Once they have been installed we will apply a further layer of scour protection around the piles. We will also lay the cables connecting the 108 wind turbines.

Frank Verhoeven, member of the Board of Management, said: "In support of the execution of integrated offshore energy projects by Boskalis Offshore we deploy new advanced vessels, such as the fallpipe vessel Rockpiper commissioned in 2012. We also have great expectations for the multifunctional N-class vessels set to enter service in 2013. In addition to cable laying and rock installation, these can be used as diving support vessels or offshore construction vessels on FPSO projects."

TSHD Prins der Nederlanden and CSD Edax apply sand for the seawall of Maasvlakte 2 in Rotterdam, the Netherlands

REPORT OF THE BOARD OF MANAGEMENT

MARKET DEVELOPMENTS

The markets in which Boskalis operates are driven in the long term by growth in global trade, energy consumption and the world's population, as well as by the effects of climate change.

The medium-term picture is mixed for the markets in which we operate. On the one hand we are seeing continued reluctance on the part of governments, particularly in Europe, to invest. On the other we are seeing private initiatives for new infrastructure projects being developed by clients in various regions of the world and across the different market segments. This applies in particular to energy and raw materials-related projects in South America, West Africa and Australasia as well as to port developments outside of Europe.

Market developments in the offshore energy market have a bearing on a substantial part of our business. We expect demand for and construction of new oil and LNG import and export terminals (Dredging and Dockwise) to lead to growth in terminal services (Smit Lamnalco).

For the rest, developments at Offshore Energy are strongly dependent on an upturn in demand from the energy markets, particularly those in North-West Europe, Brazil and Southeast Asia.

FINANCIAL PERFORMANCE

Royal Boskalis Westminster N.V. (Boskalis) achieved a record revenue of EUR 3.1 billion in 2012 (2011: EUR 2.8 billion). Net profit amounted to EUR 250 million, thus remaining virtually stable compared to 2011 (EUR 254 million). Despite the slight decline in net profit and a substantial increase in the number of outstanding shares as a consequence of the recent equity issue in connection with the acquisition of Dockwise, Boskalis intends to pay-out an unchanged dividend of EUR 1.24 per share.

EBITDA dropped to EUR 568 million (2011: EUR 591 million) and the operating result (EBIT) fell to EUR 337 million (2011: EUR 354 million). The contribution from Dredging declined as a consequence of lower volume of work. Challenging market conditions in Inland Infra led to a lower result with an increase in revenue. The remaining activities, Offshore Energy and Towage & Salvage, achieved a respectively virtually stable and slightly higher operating result.

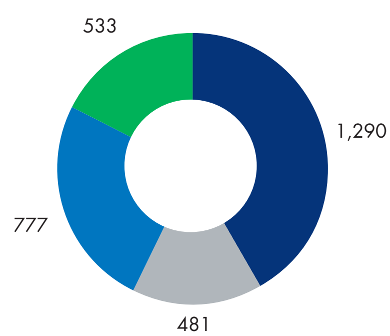
The order book increased to EUR 4,106 million as per end-2012 (end-2011: EUR 3,489 million). Compared to the 2012 mid-year level the order book was also higher at the end of the year.

OPERATIONAL AND FINANCIAL DEVELOPMENTS

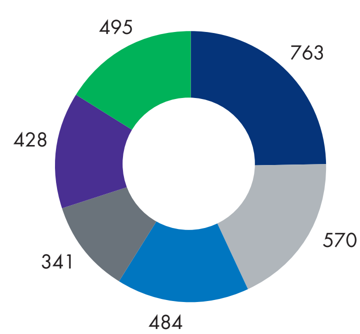
REVENUE

During the year under review revenue rose by 10% to EUR 3.08 billion (2011: EUR 2.80 billion), with the increase being mainly attributable to the effect of the consolidation of MNO Vervat, acquired at the end of 2011. Adjusted for this and for the effect of transferring the terminal activities to Smit Lamnalco in October 2011, the increase in revenue was just over 1%. Revenue in the Dredging segment declined by 15%, impacted by the conclusion of large projects in the Netherlands and Australia. The Offshore Energy segment saw revenue increase by 30%, with growth spread broadly across the activities in this segment. The Inland Infra segment recorded a sharp rise in revenue, mainly as a result of the aforementioned acquisition of MNO Vervat. Revenue in the Towage & Salvage segment rose slightly, mainly as a result of the increased revenue of the harbour towage activities.

BY SEGMENT	2012	2011
(in millions of EUR)		
Dredging	**1,290**	1,525
Offshore Energy	**481**	371
Inland Infra	**777**	382
Towage & Salvage	**533**	519
Non-allocated group revenue	**-**	4
Group	**3,081**	2,801



BY GEOGRAPHICAL AREA	2012	2011
(in millions of EUR)		
The Netherlands	**763**	633
Rest of Europe	**570**	494
Australia / Asia	**484**	690
Middle East	**341**	318
Africa	**428**	296
North and South America	**495**	370
Group	**3,081**	2,801



RESULT

The operating result excluding the result of associated companies and before interest, taxes, depreciation, amortization and impairments (EBITDA) was EUR 568 million (2011: EUR 591 million).

The operating result (EBIT) in 2012 was EUR 337 million (2011: EUR 354 million).

RESULT BY SEGMENT	2012	2011
(in millions of EUR)		
Dredging	**200.6**	216.6
Offshore Energy	**60.3**	62.1
Inland Infra	**38.1**	47.7
Towage & Salvage	**74.0**	69.1
Non-allocated group costs	**–36.1**	–41.4
Total	**336.9**	354.1

The decline in the operating result was mainly attributable to the lower results in the Dredging and Inland Infra segments.

NET PROFIT

The operating profit (EBIT) was EUR 337 million. Net of financing expenses of EUR 34.5 million and EUR 0.3 million in results from associated companies, pretax profit came to EUR 303 million. Net profit attributable to shareholders totaled EUR 250 million (2011: EUR 254 million).

ORDER BOOK

In the course of 2012 Boskalis acquired, on balance, EUR 3,436 million worth of new contracts, broadly spread across the world and the various segments. At the end of 2012 the total order book stood at EUR 4,106 million, setting a new record high (end-2011: EUR 3,489 million).

ORDER BOOK	31 Dec 2012	31 Dec 2011
(in millions of EUR)		
Dredging	**1,260**	1,333
Offshore Energy	**820**	411
Inland Infra	**1,416**	1,149
Towage & Salvage	**610**	596
Total	**4,106**	3,489

DREDGING

Construction, maintenance and deepening of ports and waterways, land reclamation, coastal defense and riverbank protection, underwater rock fragmentation and the extraction of minerals using dredging techniques.

The composition of the Dredging segment changed in 2012. Previously (up to and including the 2012 half-year results) a sub-category of specialist niche services was presented within this segment, comprising the energy-related activities of Boskalis Offshore and the dry earthmoving-related activities of Boskalis

Environmental and Cofra. With effect from 2012 Boskalis Offshore is part of the Offshore Energy segment and the dry earthmoving-related activities are part of the Inland Infra segment. The comparative figures for 2011 have been adjusted to reflect this new segment structure.

DREDGING	2012	2011
(in millions of EUR)		
Revenue	**1,290**	1,525
EBITDA	**286.0**	301.9
Operating result	**200.6**	216.6
Order book	**1,260**	1,333

REVENUE

Revenue in the Dredging segment totaled EUR 1,290 million (2011: EUR 1,525 million).

REVENUE BY MARKETS	2012	2011
(in millions of EUR)		
European home markets	**468**	523
Non-European home markets	**143**	191
International projects	**679**	811
Total	**1,290**	1,525

European home markets
Revenue in the European home markets (the Netherlands, Germany, United Kingdom, Nordic countries) declined by 11% to EUR 468 million (2011: EUR 523 million). The decline was mainly attributable to the lower activity level in the Netherlands as a result of the conclusion of work on the Maasvlakte 2 project and a lower volume of coastal defense projects. The Maasvlakte 2 project will be technically concluded in the course of 2013, followed by a 10-year maintenance period for the soft sea defense. Projects contributing to revenue in the Netherlands included coastal defense work along the Wadden islands (Texel) and maintenance work on the access channel to Europoort in the Port of Rotterdam. In the other European home markets work took place on a large number of maintenance projects in ports and waterways, as well as on a number of coastal defense projects in the United Kingdom.
In addition in Germany Boskalis Hirdes, with its expertise in the area of onshore ordnance clearance, was engaged in a lot of offshore ordnance clearance work by combining its own expertise with that of Subsea Services, part of the Offshore Energy division (formerly SMIT Subsea).

Non-European home markets
Revenue in the home markets outside Europe (Nigeria and Mexico) fell by 25% to EUR 143 million (2011: EUR 191 million). The decline in revenue is attributable to a lower activity level in Mexico, where the sizable Cuyutlán project came to an end. In Nigeria the activity level was comparable to 2011, with a strong contribution coming from the Onne Port project, which involves expanding the port for the offshore industry. While the prospects for further growth in Nigeria remain good, decision-making processes at oil and gas companies with regard to major investment decisions are proving to be slower than has tended to be the case in the past.

International project market
Revenue from the international project market was EUR 679 million (2011: EUR 811 million). The second half of the year saw the technical conclusion of the sizable Gorgon project in Western Australia, but it is expected that the financial settlement of this project will take at least the rest of 2013. It was a busy year in Central and South America, with work including the port development at Complex Superporto do Açu in Brazil and the Lelydorp total mining project in Suriname.

Fleet developments
Good utilization of the hopper fleet in the second half of the year resulted in an annual utilization rate of 41 weeks (2011: 39 weeks). The utilization rate of the cutter fleet was in line with the first half of the year and stood at 25 weeks for the whole of 2012 (2011: 19 weeks).

SEGMENT RESULT

The operating result (EBIT) of the Dredging segment totaled EUR 201 million (2011: EUR 217 million). The decline in the result was less than the drop in revenue; this was due to good results on a number of large projects reaching completion as well as results from the financial settlement of projects that had previously been technically completed and which do not make a substantial contribution to revenue.

ORDER BOOK

In 2012 on balance EUR 1,217 million of new work was acquired.

ORDER BOOK BY MARKETS	31 Dec 2012	31 Dec 2011
(in millions of EUR)		
European home markets	**354**	469
Non-European home markets	**51**	108
International projects	**855**	756
Total	**1,260**	1,333

In addition to a large number of smaller ports and waterways maintenance projects, several noteworthy contracts were acquired. These included a substantial project acquired in India for the deepening and widening of the access channel of the port of Mumbai and one in Kenya for the expansion of the container terminal by reclaiming land in the port of Mombasa.

At the end of 2012 the order book stood at EUR 1,260 million (end-2011: EUR 1,333 million).

OFFSHORE ENERGY

Offshore dredging and rock installation projects, heavy transport, lift and installation work, diving and ROV services in support of the development, construction, maintenance and decommissioning of oil and LNG import/export facilities, offshore platforms, pipelines and cables and offshore wind farms.

The Offshore Energy segment is a new segment, established in 2012 to combine all the existing activities that directly and indirectly support the offshore industry. The segment comprises services in the areas of subsea contracting (formerly the specialist niche activity Boskalis Offshore, part of the old Dredging *segment), subsea services (formerly SMIT Subsea, part of the old Transport & Heavy Lift segment) and marine contracting & marine services (formerly SMIT Marine Projects and SMIT Transport, both part of the former Transport & Heavy Lift segment). Since the end of 2012 all these activities are marketed under the name Boskalis Offshore. The comparative figures for 2011 have been adjusted to reflect this new segment structure.*

OFFSHORE ENERGY	2012	2011
(in millions of EUR)		
Revenue	**481**	371
EBITDA	**95.4**	107.8
Operating result	**60.3**	62.1
Order book	**820**	411

REVENUE

Revenue in the Offshore Energy segment rose by 30% compared to 2011 to EUR 481 million (2011: EUR 371 million).

At subsea contracting there was a high activity level with offshore dredging projects in various countries in addition to rock installation work to protect pipelines in for example Norway and on the Macedon project in Australia. At marine contracting, preparations started in the second half of the year for the West of Duddon Sands offshore wind farm in the Irish Sea as well as for the installation of an FPSO in Brazil.
The transport division of marine services experienced good capacity utilization in both Europe and Singapore. Capacity utilization of the floating sheerleg cranes showed a mixed picture, with Europe underperforming but the Asian Lift joint venture in Singapore performing well by contrast. With regard to the diving and inspection activities (subsea services) a busy year drew to a close including a strong capacity utilization of the diving support vessels on the North Sea.

SEGMENT RESULT

The operating result could not match the growth in revenue, totaling EUR 60.3 million (2011: EUR 62.1 million). Difficult working conditions on a number of projects in progress had a negative impact on the result.

ORDER BOOK

Compared to the end of 2011 the order book doubled to EUR 820 million (end-2011 EUR 411 million). A large number of projects were acquired in 2012, including the West of Duddon Sands offshore wind farm project, various rock installation works for companies including Statoil, subsea inspection and maintenance contracts for companies including Maersk Oil and a substantial offshore contract from Impex for the Ichthys project in Australia.

INLAND INFRA

Construction of roads and railways, bridges, dams, overpasses and terminals including earthmoving, soil improvement and remediation. Through a strategic partner also civil infrastructure projects such as quay walls, breakwaters, water purification plants, sewer systems and the industrial construction of facilities such as power plants and desalination plants.

The former Dry Infrastructure and Maritime Infrastructure segments were combined in 2012 to create the new Inland Infra segment, in light of the fact that their activities, margin profile and capital requirement are similar. The dry earthmoving-related activities of Boskalis Environmental and Cofra have also been added to this segment. Previously these activities were part of the specialist niche services within the Dredging segment.

INLAND INFRA	2012	2011
(in millions of EUR)		
Revenue	**777**	382
EBITDA	**78.8**	68.0
Operating result	**38.1**	47.7
Order book	**1,416**	1,149

REVENUE

Revenue in the Inland Infra segment more than doubled to EUR 777 million (2011: EUR 382 million). The activities acquired from MNO Vervat at the end of 2011 contributed EUR 324 million to revenue in the year under review, thus accounting for a major part of the revenue growth. The remaining growth was evenly spread between the dry earthmoving activities in the Netherlands and the civil activities of our strategic partner Archirodon, in which Boskalis holds a 40% stake.

SEGMENT RESULT

The operating result in the Inland Infra segment, including the proportionate consolidation of joint venturess, was EUR 38.1 million (2011: EUR 47.7 million). Results in the Netherlands were under pressure from the difficult market conditions, particularly in the local and regional infra markets. Despite the addition of MNO Vervat the result came in lower than in 2011, when an exceptionally good result which included the results of previously completed projects and payment for a project that was prematurely terminated.

Following careful preparation in 2012 the Boskalis-MNO Vervat integration process began in earnest in early 2013. The integration is aimed at phasing out the regional/local activities of MNO Vervat in the Netherlands and merging the operational support and staff departments. In addition to taking on smaller projects in the western part of the Netherlands the new organization's main focus will be on contracting complex projects capitalizing on the combined strength and distinctive capabilities of both organizations.

Archirodon, which mainly operates in Saudi Arabia and a number of other countries in the Middle East and North Africa, experienced increased competition in several countries, resulting in lower margins in these countries. This meant that a lower result was achieved on increased revenue compared to 2011.

ORDER BOOK

In line with the strategic focus of the new Boskalis-MNO Vervat organization on the Dutch market the SAAone project was successfully acquired in late 2012. This project, which takes the form of a DBFM (Design, Build, Finance & Maintain) contract, concerns the reconstruction, widening and maintenance of the A1 and A6 motorways between Diemen and Almere in the Netherlands. The capital works of the project amounting EUR 187 million has been included in the order book.

On balance EUR 1,044 million worth of new work was acquired in 2012, boosting the order book by EUR 267 million. At the end of 2012 outstanding orders totaled EUR 1,416 million (end-2011: EUR 1,149 million). This includes our 40% share in the order book of Archirodon, which amounted to EUR 579 million.

TOWAGE & SALVAGE

Towage: towage services and berthing and unberthing of oceangoing vessels in ports and at offshore terminals, management and maintenance both above and below the surface of onshore and offshore oil and gas terminals and associated maritime and management services.
Salvage: providing assistance to vessels in distress, wreck clearance, environmental care services and advice.

In the year under review the former Harbour Towage and Terminal Services segments were combined under the name Towage. The nature of these activities and the type of equipment deployed is very similar. The salvage activities, which were formerly a part of the Transport, Heavy Lift & Salvage segment, were also added to this segment. Salvage relies on a close-knit global network of contacts for tugboats and other equipment so as to be able to provide rapid assistance to a vessel in distress. Equipment from the Harbour Towage and Terminal Services activities of this segment is also regularly deployed.

TOWAGE & SALVAGE	2012	2011
(in millions of EUR)		
Revenue	**533**	519
EBITDA	**142**	149
Operating result	**74.0**	69.1
Order book	**610**	596

REVENUE

Revenue in the Towage & Salvage segment rose to EUR 533 million in 2012 (2011: EUR 519 million).

Boskalis is active in providing towage services through SMIT Harbour Towage in the port of Rotterdam and in countries including Belgium, Brazil, Panama, Canada, Australia and Singapore. Revenue from the harbour towage activities rose in 2012, mainly as a result of growth in a number of specific maritime transport segments, such as agribulk in South America, offshore shipbuilding activities in Singapore and the deployment of equipment in connection with salvage projects.

Boskalis is also active, mainly through its 50% stake in Smit Lamnalco, in providing towage and additional services around offshore terminals, often under long-term contracts. At the end of 2011 the SMIT Terminals activities were sold to (Smit) Lamnalco, in which Boskalis already held a 50% interest. In 2012 the terminal activities experienced a slight decline in revenue, wholly attributable to the SMIT Terminals deconsolidation effect. Organically Smit Lamnalco experienced strong revenue growth.
In spite of a few high-profile successful salvage operations 2012 was a relatively quiet year for Salvage. Noteworthy projects which were successfully completed include the salvage of a VLOC (Very Large Ore Carrier), the cruise ship Costa Concordia (oil removal and environmental protection work, Italy), the Sep Orion (oil removal from a capsized jack-up, Brazil), the Ocean Eclipse (refloating a diving support vessel at the yard in Singapore), the Stolt Valor (extinguishing a fire on a chemical tanker and preparing the vessel for towage) and the MSC Flaminia (firefighting on the Atlantic Ocean, towage and delivery to Wilhelmshaven, Germany as port of refuge).

SEGMENT RESULT

The operating result, including the proportionate consolidation of associates, was EUR 74.0 million (2011: EUR 69.1 million).

ORDER BOOK

The order book grew slightly to EUR 610 million (end-2011: EUR 596 million) and contains only terminal contracts. In the first half of 2012 Smit Lamnalco won a 10-year contract for the provision of terminal services to an ExxonMobil LNG terminal in Papua New Guinea. Later in the year another sizeable contract was acquired in Iraq.

HOLDING

Non-allocated head office activities.

HOLDING	2012	2011
(in millions of EUR)		
Revenue	**-**	4.0
Operating result	**-36.1**	-41.4

SEGMENT RESULT

The operating result for the reporting period mainly includes the usual non-allocated head office costs, as well as various non-allocated (mainly non-recurring) costs. The latter include costs connected with the integration and relocation of most of the SMIT organization from Rotterdam to the head office in Papendrecht. In 2011 the result was also affected by costs connected with the integration and reorganization of the (former) SMIT activities.

OTHER FINANCIAL INFORMATION

Depreciation, amortization and impairments totaled EUR 231 million in 2012 (2011: EUR 236 million). The decline was largely attributable to the Smit Lamnalco transaction.
From the fourth quarter of 2011 the depreciation charge relating to the (former) SMIT Terminals activities was recognized for 50% compared to 100% in the first three quarters of 2011. In 2012 a net impairment charge of EUR 4.1 million was taken on several units of equipment (2011: EUR 6.4 million).

The result from associated companies was EUR 0.3 million (2011: EUR 2.0 million).

The tax burden declined in 2012 to EUR 49.5 million (2011: EUR 54.7 million). The effective tax rate fell to 16.4% (2011: 17.3%), mainly owing to the use of unrecognized tax losses.
In 2012 the return on equity was 13.8% (2011: 15.4%).

CAPITAL EXPENDITURE AND BALANCE SHEET

In the year under review a total amount of EUR 314 million was invested. Important investments in the Dredging segment concerned the conversion of the Taurus II mega cutter, reconstruction work on the Fairway, a 36,000 m³ mega hopper, and two 4,500 m³ hoppers to replace smaller hoppers already taken or to be taken out of service. The Taurus was taken back into service in early 2012 and the Fairway and the Causeway (the first of the 4,500 m³ hoppers) are expected to enter service in the second half of 2013.
Investments in the Offshore Energy segment included the Rockpiper (a new fallpipe vessel), the Ndurance and Ndeavor (new multifunctional cable laying/offshore vessels), the purchase of two AHTS vessels (the Union Princess and the Union Sovereign) and the Asian Hercules III (a 5,000 MT floating sheerleg crane in the Asian Lift JV). The Rockpiper entered service in early 2012; delivery of the Ndurance and Ndeavor is expected in the second half of 2013 with the Asian Hercules III following late 2013.
Towage & Salvage made various smaller investments in the past year, for example in six new tugs for SMIT Brasil. Four of these are scheduled for delivery in 2013.

Working capital increased relative to the end of 2011 i.e. became less negative. On a number of larger projects nearing completion with above-average favorable payment conditions, the item 'due to customers' fell during the year under review. Furthermore, less favorable payment conditions applied to a number of projects in progress at the end of 2012, resulting in an increase in amounts due from customers. Boskalis operates a strict risk acceptance and hedging policy for credit risks. Insofar as they are not fully covered by credit insurance, guarantees and such like, these risks are taken into proper consideration in valuing amounts receivable.

Capital expenditure commitments as at 31 December 2012 declined to EUR 126 million (end-2011: EUR 193 million). These commitments mainly concern the aforementioned investments.

In the fourth quarter of 2012 a 33.3% stake in Dockwise Ltd was acquired for a consideration of EUR 225 million (with the average purchase price per share amounting to EUR 17.07). This interest has been recognized as an 'associated company.' The acquisition of the shares was funded from existing cash resources and bank facilities.

In 2011 Boskalis provided a bridging loan in connection with the sale of the SMIT Terminal activities to Smit Lamnalco. The second half of 2012 saw the successful conclusion of a complete refinancing of Smit Lamnalco. The refinancing included full repayment of the bridging loan, resulting in receipts of EUR 77 million.

Cash flow amounted to EUR 484 million (2011: EUR 497 million).

The cash position was EUR 390 million at the end of 2012 (end-2011: EUR 383 million). Of the total cash position, EUR 264 million was freely available and EUR 126 million was tied up in associated companies and projects being executed in conjunction with third parties.

The company's solvency ratio was 39.2% at 31 December 2012. At the end of 2011 the solvency ratio was 37.4%.

After the company pledged a wholly voluntary one-off capital contribution of EUR 30 million to the Smit pension fund at the end of 2010, payable in four annual installments, of which the last in 2013, in early 2012 the company pledged another one-off, wholly voluntary capital contribution of EUR 25 million to the Boskalis pension fund. This contribution will be effected in the first quarter of 2013. Under IFRS accounting principles, as applied, the contributions do not have an effect on the earnings.

Interest-bearing debt totaled EUR 988 million at 31 December 2012 and the net debt position stood at EUR 598 million (end-

2011: EUR 410 million). This increase in the net debt position was largely attributable to the 33.3% stake in Dockwise acquired in 2012 (EUR 225 million). The majority of the debt position consists of long-term US Private Placement (USPP) loans and drawings on the three- and five-year syndicated bank facility. In connection with the funding of the offer for all the remaining outstanding shares in Dockwise the bank facility will be repaid in 2013 and replaced with a new facility taken out as part of the Dockwise acquisition financing package.

Boskalis must comply with various covenants as agreed with the syndicate of banks and the USPP investors. These agreements were comfortably met as at 31 December 2012. The main covenants relate to the net debt : EBITDA ratio, with a limit of 3, and the EBITDA : net interest ratio, with a minimum of 4. At 31 December 2012, the net debt : EBITDA ratio stood at 0.9 and the EBITDA : net interest ratio at 24.4.

OTHER DEVELOPMENTS

DOCKWISE

On 26 November 2012 Boskalis announced its intention to launch an offer for Dockwise Ltd, which provides maritime services including heavy transport services to the offshore and onshore industry. The combination of the two companies offers new strategic opportunities for accelerated growth in the offshore market. The new combination will be even better placed to cater to its clients under increasingly complex circumstances.
During the fourth quarter of 2012 Boskalis accumulated a 33.3% stake in Dockwise. In order to finance the offer for all the remaining outstanding shares in Dockwise, at an offer price of EUR 18.50, on 10 January 2013 Boskalis issued EUR 320 million worth of new shares. A total of 9,696,969 new Boskalis shares were placed at a price of EUR 33.00 per share with parties including existing large shareholders. HAL Investments B.V. (33.88%) maintained its existing interest by participating pro rata in the issue. Furthermore at the end of January 2013 Boskalis signed the funding agreements for the necessary debt financing. The credit facilities comprise a syndicated bank facility consisting of a combination of a three-year loan (USD 525 million) and a five-year revolving credit facility (EUR 500 million). In addition Boskalis concluded a one-year bridging loan (USD 525 million), which will be replaced with a debt capital markets instrument in the course of 2013.

Backed by 92% of the share capital Boskalis launched a mandatory offer for the remaining shares in Dockwise on 8 February 2013. The offer period ended on 13 March 2013 and 99% of the share capital was tendered. On formal settlement of the offer on 20 March Boskalis will acquire decisive control over Dockwise with effect from that same date.

ARCHIRODON

At the end of 2012 Boskalis was approached by a party from the Middle East interested in acquiring our 40% stake in Archirodon. Follow-up talks have been taking place since November. Further details will be announced as and when these talks result in an actual transaction.

SAAM

In late 2011 Boskalis and Sudamericana Agencias Aereas y Maritimas S.A. (SAAM) announced they were exploring the possibilities and opportunities for a joint towage operation in North and South America. These talks recently intensified again, with the structure of a potential combination having been revised: instead of a full 50/50 joint venture the possibility of Boskalis being assigned a leading role in Brazil and SAAM in Central and North America is now under consideration. The combination of SMIT and SAAM will create a leading provider of towage services in Central and South America. Besides producing operational synergies, the joint operation will also significantly strengthen the partners' combined market positions.

BUILDING SOUTH AMERICA'S BIGGEST PORT

In Brazil Boskalis is involved in building the Complex Superporto do Açu, set to be the biggest port in South America. This huge industrial port complex is rapidly starting to take shape and will in the near future provide 50,000 jobs. At present 6,000 people are involved in this major project, 450 of whom are employees of Boskalis.

Boskalis is realizing the access channel and the nearby TX2 port terminal, which will accommodate the biggest shipyard in Latin America. Boskalis' cutter suction dredgers and trailing suction hopper dredgers will dredge a total volume of 41 million cubic meters of sand and clay. Work on the revetments started in February 2013 and involves placing geotextile and rock over a distance of 2.5 kilometers along the access channel.

"Part of the dredged mixture will be used to reclaim land as a platform for the new port. Not all the sand will be needed for this and the excess will be stored in depots, ready to use for future expansion," said Boskalis project leader Louw Dekker. The fact that the depots are located some 9 kilometers away from the building site presented quite a challenge, explained Dekker. "We had to pump the dredged mixture over this considerable distance and force back the return water. This required the installation of two extra-strong pumps and the laying of no less than 20 kilometers of pipeline."

The turtle season, which runs from 1 October to 1 February, presents another logistical challenge. "During this period access to the beach and the offshore area is prohibited because the turtles are laying their eggs, so we had to plan our work around it. We did so successfully."

The project, which had a very short lead time, was a great opportunity for Boskalis to showcase its inventiveness and flexibility. "For example, the first cutter suction dredger Cyrus II had a relatively short amount of time to cut through the beach. Moreover the plans for the construction of this port were only made recently, and various changes were made during the course of the building process. The timetable did not suffer as a result. The client has every confidence in our ability to adapt smoothly," said Dekker.

"In addition, Boskalis was held up by the client as an example to all the other contractors on the work in terms of our safety policy. Recent audits and inspections showed that Boskalis delivers the best safety performance: we worked more than 1,200,000 hours without any accidents resulting in absenteeism."

OPERATIONAL PERFORMANCE

Anchor handler Union Boxer transports production platform parts to a gas field in the British section of the North Sea

SAFETY

The safety of our own employees and those employed by our subcontractors is a core value within our organization and is given top priority. This is reflected in the steady downward trend in the Lost Time Injury Frequency (LTIF) – the figure that expresses the number of incidents per 200,000 hours worked resulting in absence from work – over the past years.

Our central safety objective is 'No Injuries No Accidents' (*NINA*). This is also the name of our progressive safety program, which not only enjoys broad support amongst our employees, but is also attracting a lot of positive attention within the industry and from our clients. Since the program was introduced in 2010 there has been a steady and spectacular decline in the dredging-related LTIF from 0.7 in 2010 to 0.3 in 2011 and 0.2 in 2012.

PRO-ACTIVE SAFETY CULTURE

What makes *NINA* special is that it brings about a culture change. Whereas the traditional approach to safety tends to focus mainly on following procedures, *NINA* requires commitment from within and instills ownership. Or, put simply, *NINA* is not about 'we have to' but about 'we want to'. To achieve this, the program holds each employee personally responsible for his or her own contribution to safety and ensures that safety can be discussed openly by all employees, regardless of their position.

Five short and sharply worded values with five supporting rules provide the framework aimed at preventing incidents. In just two years we have achieved a clear and very positive development in the safety experience. Everyone in a management position has received training and *NINA* has been embraced and has become a household name both within our organization and beyond. There is no question as to the benefits and necessity of *NINA*, and further embedding the program within the organization will be a matter of constant attention in the coming years.

INTRODUCTION OF NINA AT SMIT

The integration of Boskalis and SMIT was completed in 2012. The organizational structure is clear and cooperation is developing in all areas. For a successful introduction of *NINA* at the former SMIT units the conditions must allow for sufficient calm and focus. The new Offshore division, which combines various Boskalis and SMIT units, is the first integrated business unit to have reached a logical point for the introduction of *NINA*. The management systems are being harmonized and we have started conducting internal audits. In consultation with the business units we are making preparations for the introduction of *NINA* and adopting it as the joint approach to safety.

For more detailed information about SHE-Q, please refer to our CSR report.

PERSONNEL & ORGANIZATION

INTEGRATION OF STAFF DEPARTMENTS

With effect from 1 January 2012 shore and office staff of SMIT became part of the Boskalis workforce through a so-called Transfer of Undertaking. During 2012 all SMIT head office staff relocated to the office in Papendrecht. They work according to the new organizational model based on integrated departments. The next step was to harmonize the HR conditions. In June a proposal to this effect was submitted to the Works Council, which granted its consent in September. The subsequent period was spent on providing information and staff meetings, after which all SMIT employees in this group were issued with a new employment contract. The harmonization process allows for a three-year transition period to the Boskalis system.

In 2012 preparations were made for the integration of MNO Vervat with the Dutch Boskalis organization which will take further shape in 2013.

PERSONNEL POLICY

The expansion of our activities, both at sea and onshore, means a transformation for our company. This also calls for a fundamental rethink of our strategic staff deployment planning, labor market policy and conditions of employment. We need more professionals with different knowledge and expertise for the equipment in our new Offshore Energy division for example, such as fallpipe vessels, cable-laying vessels and Diving Support Vessels. The new activities are compelling us to think further about a tailored personnel policy. In any case it is placing demands on our training program, which we are continually developing. It is our policy to use our own training programs to fast-track staff to the required level. This applies to shore staff and employees on projects as well as crew members aboard the ships.

For a more detailed account of our social performance please refer to our CSR report.

EQUIPMENT

During the year under review the Boskalis and SMIT Fleet Management departments were combined to form a single department based at head office. This department is responsible for the management and maintenance of the dredging fleet and the SMIT vessels used for Heavy Lift & Transport. Equipment used for the terminal and harbour towage activities is managed locally.

Employees of the new Fleet Management department were already working closely together during 2012 and the move into the same office in Papendrecht will further encourage cross-pollination of knowledge between the various teams. The objective of Fleet Management remains the same: to ensure that the equipment is reliable and available for deployment on projects. The fleet management activities of SMIT Transport Antwerp will also be integrated in 2013.

Fleet Management is also responsible for carrying out the newbuild and maintenance program. The Strategy section provides a summary of the progress on the fleet investment program. Fleet Management also sees to it that decommissioned ships are dismantled in an environmentally friendly way.

RESEARCH AND DEVELOPMENT

Boskalis makes targeted investments in applied (scientific) research and the development of new techniques to keep us ahead of the field. Innovations in working methods and equipment allow for the efficient and sustainable deployment of our people and resources. New activities we have added to our portfolio in the past few years call for new ideas and applications or the refinement of existing techniques.

DEEP-SEA MINING

Boskalis sees possibilities for mining raw materials from the seabed. In New Zealand, in tandem with our client and partner Chatham Rock Phosphate Limited (CRP), we are conducting an engineering study into phosphate mining. This raw material, a key component in artificial fertilizer, is in increasingly short supply. The agriculture sector in New Zealand needs a million tonnes of phosphates a year for fertilization; at present a large part of this is imported. It would therefore appear that deep-sea mining of this mineral has great economic potential and offers considerable environmental benefits. Boskalis and CRP are co-developing a technical concept for profitable and sustainable seabed mining of rock phosphate. The feasibility study has been completed and the basic engineering is in a completion phase, in which we are looking at how dredging equipment and working methods need to be adapted. The results of this phase, expected in mid-2013, and obtaining the required legal permits should provide the certainty for future investment decisions. In 2012 Boskalis acquired a stake of almost 20% in Chatham Rock Phosphate, which is in turn seeking funding from private parties for the further elaboration of this promising concept.

APPLYING EXISTING KNOWLEDGE TO NEW ACTIVITIES

Accurate underwater positioning is becoming increasingly important to our activities. We have built up a great deal of knowledge and expertise in this area in the course of our dredging work. Boskalis has teams of surveyors and specialist equipment at its disposal. We are now rapidly adapting our organization so that this knowledge can also be applied to our offshore and cable-laying projects, subsea work and salvage activities. The new activities are also raising new research questions, mainly in relation to activities in the Offshore Energy segment. For example, our knowledge of soil composition, earthmoving techniques and surveying comes in extremely useful in connection with the laying of cables and installation of constructions on the seabed.

SCIENTIFIC RESEARCH

Boskalis has for many years supported fundamental scientific research relevant to our industry, sometimes at sector level, and sometimes through individual funding of a study. At present there are various doctorate research projects underway which should produce interesting findings for our activities. In 2013 a doctorate study will be completed into the impact of clay jetting; this involves the draghead of a trailing suction hopper dredger using a high-pressure jet spray to cut the clay loose. We believe that such techniques can also be applied to very hard or frozen soil.

Together with Van Oord, IHC and Delft University of Technology we have launched a study into cutting soil at great depth and thus under high pressure (hyperbaric conditions) for the purpose of deep-sea mining. In the context of this same partnership we are supporting two doctorate research studies into wear and tear of dredging equipment. The part involving research into the effect of mixture flows on wear and tear started in 2012, with the study into equipment behavior to follow at a later date.

In the framework of the Dutch government's top sector policy (Top Sector Water) Boskalis is also involved in follow-up research to the Building with Nature innovation program which we supported for many years. The first study will be into the environmental impact of projects under extreme conditions. At present there are no clear rules and guidelines for this. The study will look at how knowledge of the ecosystem can be translated into an impact assessment, in order to demonstrate whether a maritime project can be carried out responsibly.

For a more detailed account of our involvement in scientific research please refer to our CSR report.

ICT

In 2012 a new office building was realized at our head office site in Papendrecht to accommodate the SMIT office and shore staff. This group of colleagues started moving in from the summer. This was also the starting signal for a major internal relocation process aimed at housing employees according to the integrated organizational structure. In total some 800-1,000 workstations were rearranged, including ICT facilities. In the last few months of the year preparations were made for the forthcoming integration of the ICT workstations of MNO Vervat.

Building the seawall at the artificial island off Punta Pacifica in Panama

CORPORATE SOCIAL RESPONSIBILITY

Our strategy is aimed at sustainable design and execution of our solutions around the globe.

In our CSR report we account for material and relevant non-financial aspects of our performance arising from our strategy and core activities. We report in accordance with the international guidelines set out by the Global Reporting Initiative (version G3-1). In selecting the performance indicators and compiling our CSR report, we take the information requirement of our main stakeholders into account.

Our strategy is aimed at sustainable design and execution of our solutions around the globe. In order to safeguard our social, societal and environmental responsibility as much as possible, our CSR policy focuses on the key areas where our impact is greatest:

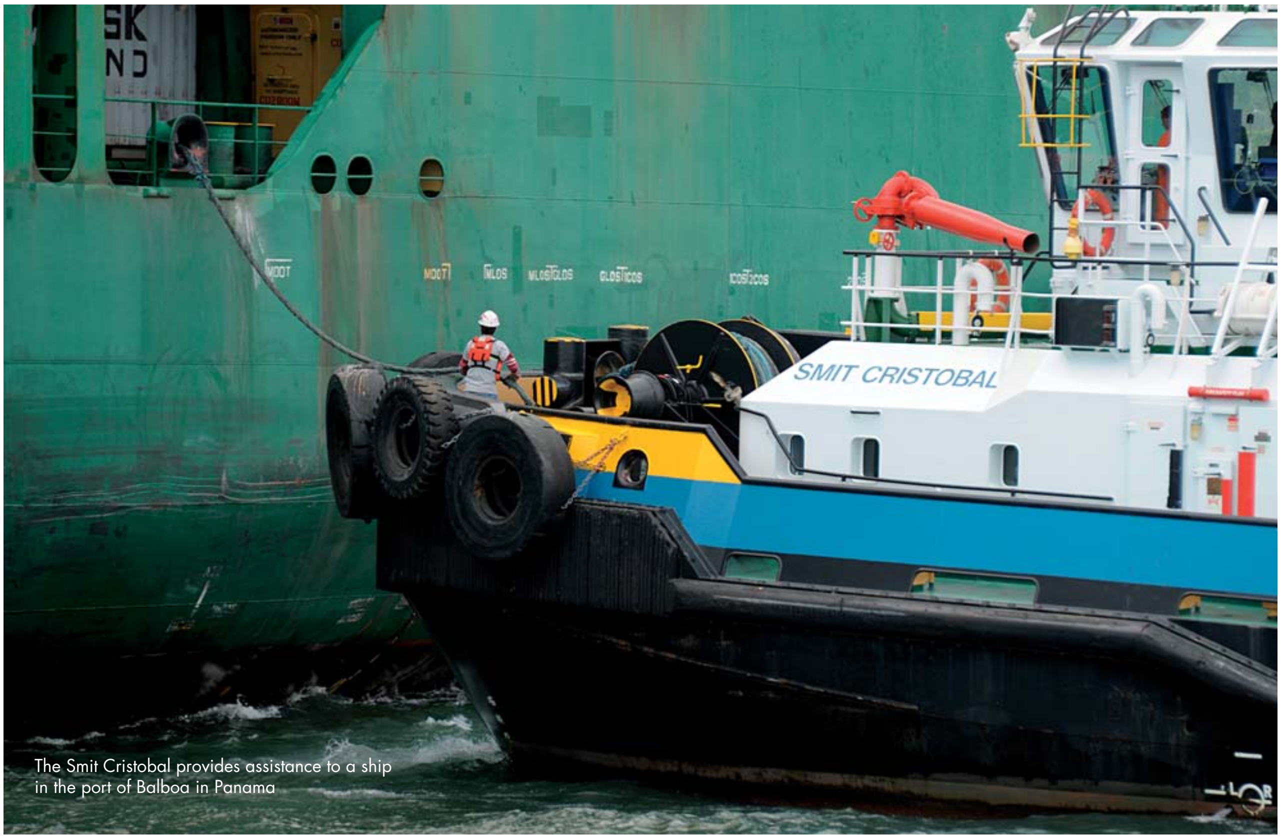
- Our **social performance** is mainly concerned with our employees, with the objectives being to promote their safety, opportunities for self-development and well-being.
- Our **societal performance** is expressed in contributions to local communities, investment in education, research and knowledge transfer, and social sponsorship and donations.
- Our **environmental performance** is mainly concerned with limiting and preventing a negative impact on the environment, with objectives being the further expansion of our environmental expertise, the provision of eco-dynamic designs and the ongoing investment in and deployment of environmentally friendly equipment.

In 2012 we took part in the CDP (Carbon Disclosure Project) for the first time. Early 2013 Boskalis Nederland reached the highest level of the CO_2 performance ladder (level 5).

The 2012 CSR report (at GRI level B) is available on the corporate website www.boskalis.com/csr.

CSD Orion carries out dredging work in preparation of bauxite mining in Suriname

RISK MANAGEMENT



The Smit Cristobal provides assistance to a ship in the port of Balboa in Panama

STRATEGY AND BUSINESS DRIVERS

Boskalis' strategy is aimed at being prepared for the opportunities and challenges that present themselves to the company. This strategy is focused on profitable growth in attractive market segments as well as expanding and reinforcing the core activities in the Dredging, Offshore Energy, Inland Infra and Towage & Salvage segments.

The markets in which Boskalis operates are mainly driven by long-term economic factors, such as the growth of the global population, expansion of the global economy and growth in international trade and transport volumes, particularly over water. The long-term prospects for these factors are favorable.

Effective management of risks and opportunities is essential for the successful delivery of the group's strategy and plans. Identifying, measuring and monitoring risks and opportunities, particularly with respect to the preparation and execution of projects, is embedded in our management approach. The developments in the global economy and the financial markets in recent years have once again underlined the necessity of disciplined and structured risk management.

An overview of the key strategic, operational and financial reporting risks is set out below.

STRATEGIC AND MARKET RISKS

The Boskalis markets are heterogeneous and often develop differently. In most cases, the (end) clients are national, regional and local governments, or associated institutions such as port authorities or private port operators, major international oil & gas and energy companies and other large private clients such as container shipping companies and mining companies.

Despite the favorable long-term growth prospects, our markets may – certainly in the short and medium term – be negatively impacted by factors outside our control. These include general or regional geopolitical developments, such as political unrest, piracy, regime changes, government-imposed trade barriers, turmoil on financial markets or crises in the financial sector, and similar developments. Such developments may negatively affect our activities in certain regions or even globally if they have major negative consequences for the economic developments in certain regions or for the global economy, or for exploration and exploitation activities in the energy products and commodities markets. Boskalis aims to respond as effectively as possible to both positive and negative developments in individual market segments by means of a global spread of its activities, an extensive and versatile fleet operating out of various international locations, and strong positions in our home markets. Moreover, our activities are largely focused on the development, construction and maintenance of infrastructure, which means that longer-term developments will generally outweigh short-term economic fluctuations.

Boskalis does not include contracts in the order book until agreement has been reached with the client. Although experience shows that once agreement has been reached cancellations or substantial reductions in the size of contracts are rare, such cancellations or substantial reductions of work in the portfolio cannot be ruled out. As a consequence, if such cancellation or substantial reduction occurs, losses may arise from the unwinding or settlement of the financial derivatives which were taken out to cover the related currency risks and/or fuel cost risks but for which the underlying transaction or cash flows will no longer be realized.

Boskalis deals with large, internationally operating competitors as well as more regional and local competitors with activities restricted to one or several submarkets. In most cases, projects and service contracts are awarded through public or private tender procedures. Competition for most contracts is price-based. However, clients – particularly in the oil & gas sector and private port operators – are increasingly taking other factors, including qualitative ones such as assuring safety and environmental guidelines and policy, into consideration when awarding contracts. We have appropriate approval processes in place for the submission of tenders, including the evaluation of identified risks and/or potential risk factors associated with the execution of a particular project.

Boskalis' activities are capital-intensive, with dredging in particular being a capital-intensive business with high entry and exit barriers, especially for companies operating globally. Because of the capital-intensive nature of the activities, market prices are to a great extent influenced by the relationship between the demand for services and the available capacity or utilization levels of the equipment. This means that a broad international spread of market positions as well as a leadership position in terms of equipment, costs and standardization of equipment are key success factors. Boskalis places a great deal of emphasis on these, both as a critical point of attention in operational management and in terms of investment strategy. A sound evaluation and approval process is in place for individual investment proposals.

A key principle of our tender policy is to aim for a good balance in terms of project size and type (Dredging, Offshore Energy, Inland Infra and Towage & Salvage) and as even as possible a spread in geographical terms.

In the course of implementing its strategy, Boskalis also acquires other companies. In order to be able to realize the anticipated results, Boskalis attaches great importance to integrating such acquisitions with care. Creating value for our stakeholders and retaining key personnel are important elements in this process.

OPERATIONAL RISKS

The operational risks faced by Boskalis are varied in nature, particularly as the group operates in various activity segments around the world. This means that the activities are exposed to economic, legal and political risks in the countries where the company operates.

The main operational risks for Boskalis concern the contracting and execution of projects for clients, as outlined above. For most of our activities, particularly in the Dredging, Offshore Energy (Subsea Contracting and Marine Contracting) and Inland Infra segments as well as several activities in the Towage & Salvage segment, such as the salvage of sunken or stranded vessels (Salvage), the most common contract type is 'fixed price/lump sum'. With this type of contract, the contractor's price must include virtually all the operational risks as well as the cost risks associated with the procurement of materials and subcontractor services. Normally it is difficult or impossible to charge clients for any unexpected costs arising during the course of a project. Furthermore, many contracts include 'milestones' as well as associated penalty clauses if they are not achieved. For these reasons, considerable emphasis is placed on identifying, analyzing and quantifying operating, cost and delay risks of this kind during the tendering procedure and when calculating the cost price.

Operational risks mainly relate to unexpected soil and settlement conditions, variable weather or working conditions, technical suitability of the equipment, wear and tear on equipment (for example due to the processing of dredged materials), damage to third-party equipment and property and the performance of subcontractors and suppliers. Boskalis focuses on proactively controlling such risks, first of all by adopting a structured approach in the tender phase to identify risks and their possible consequences. Contracts are assigned to various risk categories based on size and risk profile. Each risk category has its own specific tender procedures and requirements for authorizing the tender price and conditions. Above a certain level of risk, these need to be authorized at Board of Management/Group Director level.

In the preparatory phase of the tender, and depending on the risk classification and nature of the projects, we use resources such as subsea and soil investigations, readily accessible databases containing historical data, and extensive risk analysis techniques. The results of the risk analysis are then used as a factor in determining the cost price and/or selling price, and in establishing the tender and/or contract conditions. When a contract is awarded, an updated risk analysis is part of the thorough project preparation process, based upon which concrete actions are taken as necessary. In addition, ample attention is devoted to the education and training of staff, the implementation of a certified quality and safety program, and optimal maintenance of equipment. Where possible, certain risks are insured.

The ability to manage operational risks effectively and responsibly is key to the company's professionalism and expertise.

Risks related to price developments on the procurement side, such as costs of materials, sub-contracting costs and fuel prices, as well as increases in cost of labor, are all taken into account in cost-price calculations. Wherever possible and especially on projects with a long execution time, cost indexation clauses are included in the contract, particularly with regard to labor and fuel costs.

Within the Towage & Salvage segment, the Harbour Towage division is characterized by a broad geographical spread of the activities, with towage contracts often being carried out under long-term contracts in which fees are reviewed annually. This allows for taking into account changes in local wage cost developments, fuel price developments and the available capacity of the equipment – for example tugboats – concerned. Terminal services, most of which have been incorporated into the joint venture Smit Lamnalco (50% stake) since the end of 2011, are usually performed under long-term contracts with a fixed price for the contract period, corresponding to the wishes and specifications of the client. Most contracts include some form of price indexation.

For the Salvage activities related to shipping accidents, contracts with clients concerning vessels in distress are often concluded based on a standardized 'Lloyd's Open Form' (LOF). This means that compensation is based on a valuation mechanism related to various factors including the salvage value of the ship and its cargo, the technical complexity of the salvage operation, environmental risks and the use of own equipment and subcontractors.
This valuation results in a lump sum, which is finalized through negotiations with the client or through an arbitration process. Should it transpire in the course of a salvage operation that the final salvage fee will not be sufficient to cover the costs involved, then the LOF (contract) can be converted to a contract based on a daily hire fee, thus limiting the financial risks.

Within the Offshore Energy segment, the Marine Services division (Transport & Heavy Lift), equipment tends to be leased for relatively short periods (spot markets), meaning that the operational risks in general, certainly when compared to the other activities, are relatively limited. Local management on projects and operations is expected to have an understanding of the complexity of working under the specific local circumstances. The scale of local operations is often too small to warrant a fully-fledged organization, complete with extensive support services and staff departments. This is compensated for by regular visits by responsible managers and employees from the relevant business units and support from highly qualified central staff departments at the head office.

FINANCIAL RISKS

In conducting its business Boskalis is exposed to various non-operational, financial risks. This section describes the main categories of financial risk.

CURRENCY RISKS

A large proportion of the activities, particularly dredging projects, are not contracted in euros. Generally, positions in non-euro currencies are fully hedged as soon as they occur, usually by means of forward exchange contracts. The US dollar exchange rate in relation to the euro is particularly relevant in this context.
A large proportion of the projects are contracted in US dollars or in currencies that are to a greater or lesser extent linked to the US dollar. Most of our major international competitors in the dredging industry also have cost structures largely based on the euro.
This means that exchange rate fluctuations have no major impact on our relative competitive position. In a number of market segments there is competition from parties whose cost structures are not based on the euro, and the competitive impact of currency fluctuations in these market segments is greater. However, on balance, exchange rate fluctuations only have a relatively limited impact on the company's competitive position.

Several important associate companies of Boskalis (Archirodon, Smit Lamnalco, Keppel Smit Towage, Asian Lift) are largely or entirely based on the US dollar or Singapore dollar. However, both the revenue structure and the cost structure of these companies are also largely or entirely based on these same currencies. These holdings are viewed from a long-term perspective. Exchange rate risks related to the investments in these holdings are not hedged as it is assumed that currency fluctuations and developments in interest rates and inflation will offset each other in the long term. The income statements of these associate companies are translated at average exchange rates. Translation differences are charged or credited directly to shareholders' equity.

POLITICAL AND CREDIT RISKS

These risks include unrest or disruption due to political developments and violence, and the risk of non-payment by clients. Boskalis operates a strict acceptance and hedging policy with regard to political and payment risks. Except where first-class clients with an excellent credit rating are involved, these risks are in principle covered by measures such as credit insurance, bank guarantees and advance payments. As a matter of principle, revenue and profits are only accounted for once it is sufficiently certain they will be realized. In situations where clients take the form of specially established investment or operating companies (special purpose vehicles) increased attention is paid to identifying and managing potentially atypical risks.

FUEL PRICE RISKS

Material fuel costs are hedged in a number of different ways. Where possible, fuel cost variation clauses are included in the contract. Some contracts may require fuel to be supplied by the client. In other cases, where substantial fuel risks exist, these are usually hedged with financial instruments such as forward contracts or futures.

Financial derivatives (such as forward contracts, options, interest rate swaps and futures) are only used to hedge currency risks, fuel cost risks and/or other risks where there is a physical underlying transaction. However, there is a risk that, as a consequence of a cancellation or substantial downsizing of contracts, losses may arise from the unwinding or settlement of the financial derivatives taken out to hedge the underlying transaction or cash flows which will now no longer be realized.

LIQUIDITY AND FUNDING RISKS

As is customary in the contracting industry, Boskalis also has large amounts outstanding in the form of bank guarantees and surety bonds (guarantees from insurance companies), mainly in favor of clients. Given that the availability of sufficient credit and bank guarantee facilities is essential to the continuity of the business, Boskalis' funding policy is aimed at maintaining a solid financial position. Solid balance sheet ratios and the use of diversified sources of funding provide for sufficient capacity to absorb liquidity risks and guarantee constant availability of adequate borrowing capacity and guarantee facilities. The company has ample credit and bank guarantee facilities at its disposal and operates well within the applicable covenants in financing agreements. With reference to the developments on the financial markets, in particular the problems affecting the European banking sector and the euro, additional specific control measures have been or will be taken if there is reason to do so, particularly with regard to liquidity management.

INTEREST RATE RISKS

We have limited our exposure to interest rate fluctuations by agreeing a fixed interest rate on our US private placement and by using interest rate swaps.

DAMAGE AND LIABILITIES

Boskalis has taken out an appropriate package of insurance facilities to cover its tangible fixed assets and potential third-party liabilities.

INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS

The internal risk management and control systems are based on the principles of effective management control at various levels in the organization and tailored to the day-to-day working environment in which Boskalis operates worldwide. One of the main foundations for risk control is the internal culture of the company, which is characterized by a high degree of transparency with regard to the timely identification, evaluation and reporting of risks and the avoidance of potentially perverse incentives. Given the hands-on nature of our company and our short lines of communication, there are three important factors in assessing and evaluating the internal risk management and control systems and practices at Boskalis:

1. In our daily operations the backbone of our operational risk management and control is formed by an extensive framework of quality assurance rules, procedures and systems, including clear guidelines for responsibilities, decision making and risk control. The adequacy of this framework is reviewed regularly, also in light of the increasing diversity of our contracting and project activities we perform in line with our strategy. In addition to audits by external certification agencies, Boskalis also performs regular internal audits under the auspices of the SHE-Q department. Reports of these audits are a regular topic of discussion at meetings between the Board of Management and the business unit managers.

2. The daily management of the organization is based on clear responsibilities and short, clear lines of command which are unambiguously defined. Speed, know-how and decisiveness are of the essence, both competitively and in project implementation. Daily management is hands-on.

3. The progress and development of the operating results and the company's financial position, as well as the operational and financial risks, are monitored by means of structured periodical reporting, analysis of the financial results and performance reviews at Board of Management and senior management levels.

RISKS WITH REGARD TO FINANCIAL REPORTING

STRUCTURE OF THE FINANCIAL REPORTING

Financial reporting at Boskalis is structured within a tight framework of budgeting, reporting and forecasting. A distinction is made between reports for internal and external use. External reporting at group level consists of an annual report, including financial statements audited by the external auditor, as well as a half-yearly report containing summarized financial information, both consolidated and segmented. The external reports are set up in accordance with EU-IFRS on the basis of the internal financial reporting.

Internal financial reporting or 'management reporting' consists of extensive consolidated quarterly reports in which current developments are compared to the quarterly (cumulative) budgets. In addition, each quarter forecasts are drawn up of the annual results, cash flows and balance sheet positions at the end of the financial year. The quarterly budgets are part of the annual group budget, which is set every year by the Supervisory Board and the Board of Management. The internal financial reporting has a layered structure - in accordance with the internal allocation of management responsibilities - with consolidation taking place at successive levels, starting with the projects, through the business units and divisions and ending with the consolidated group reports. The financial and operating results are analyzed and clarified at each of these levels. Project and contract managers are responsible for budgets, income statements and balance sheets for their projects or contracts, and these are drawn up in accordance with the applicable guidelines and instructions. In turn, business unit managers are responsible for their business unit's financial reports.

Boskalis holds substantial investments in associate companies and is represented on the board of companies in which it holds significant participating interests. This gives it access to (interim) reporting. The figures of significant holdings are verified by an external auditor.

The Board of Management discusses the quarterly reports with the relevant business unit managers in formal quarterly meetings. These meetings are minuted. The consolidated group reports are discussed with the Supervisory Board on a quarterly basis.

The structure and quality of the financial accounting and control systems of Boskalis and its group companies are assured by unambiguous periodical internal and external audits. Relevant aspects of the financial accounting and control systems are set out in manuals, guidelines and procedures, all of which are available electronically. Staff are trained in how to apply accounting standards, guidelines and procedures. Internal audits to monitor and improve quality and discipline are conducted on the basis of random and ad hoc investigations ('financial audits') that also encompass internal procedures and training. Moreover, the quality of the financial control systems is evaluated regularly in the context of the activities of the external auditors, who report on it in the management letter.

STATEMENT REGARDING THE RISKS RELATING TO FINANCIAL REPORTING

Despite the risk management and control systems that Boskalis has put in place, there can be no absolute certainty that mistakes, losses, fraud or unlawful activities can be prevented.

The effectivesness and functioning of the internal risk management and control systems have been discussed with the Supervisory Board. No material changes were introduced in the risk management and internal control systems during the course of the year under review. Having considered the structure and operation of the financial reporting and control systems at Boskalis, the Board of Management is of the opinion that:

- the internal risk management and control systems provide a reasonable degree of assurance that the financial reporting does not contain any errors of material importance; and
- the risk management and control systems have worked properly during the year under review.

SMIT TOWAGE ASSISTS SHIPS IN THE PORT OF ZEEBRUGGE

SMIT Towage Northwest Europe has traditionally held a strong position in the seaports along the river Scheldt, and in the ports of Rotterdam and Liverpool, occupying an important position with a fleet of 50 tugboats. In late 2011 SMIT won the tender for all towage activities issued by the Zeebrugge Port Authority (MBZ), making it the only operator licensed to carry out towage operations in this port for a period of seven years.

Powerful tugs
Zeebrugge mainly handles large seagoing container vessels, RoRo carriers and LNG tankers. “In order to cope with the growth in the number of shipping movements and be able to provide effective assistance to the increasingly large ships, we have added three heavier tugboats to our fleet,” said Mark van Dongen, Manager Commercial at SMIT Towage Northwest Europe. In all, SMIT operates six tugboats of various power classes (65-95 ton bollard pull) supported by a fireboat in the Port of Zeebrugge, with a total of 60 crew.

The kiwi port of Europe
The Port of Zeebrugge is able to handle various types of cargo but primarily holds an important position for fresh foodstuffs, explained Van Dongen. “Kiwis in particular are supplied through Zeebrugge, which is the official European distribution center for Zespri kiwis from New Zealand. Which is why we have named one of our new tugs the Smit Kiwi.”

Ready for the biggest ships
“In December the world’s biggest container ship, the CMA/CGM Marco Polo, sailed into Zeebrugge. At 396 meters long – around four soccer pitches – and almost 54 meters wide, the Marco Polo’s dimensions are huge. With a capacity of 16,020 TEU, the ship is capable of loading a string of containers measuring 97 kilometers. Thanks to our powerful tugs we were able to assist this ship into the port without any problems.”

CORPORATE GOVERNANCE

The Board of Management and the Supervisory Board are jointly responsible for looking after the interests of our stakeholders.

APPLICATION AT BOSKALIS

Boskalis operates a two-tier board model, which means that management and supervision are segregated.

The Board of Management is responsible for the day-to-day management of the business, and for setting out and realizing the company's long-term strategy along with the associated risks, the results and entrepreneurial matters relevant to the company. The Board of Management is responsible for establishing the company's objectives, implementing its business policies and for the resulting performance. The Board of Management is accountable to the Supervisory Board and the General Meeting of Shareholders. In performing its tasks, the Board of Management is guided by the interests of the company and its activities, and takes into account any relevant interests of parties involved with the company.

The Supervisory Board is responsible for supervising management performance and advising the Board of Management. The Supervisory Board is supported in its work by three so-called core committees: the Audit Committee, the Remuneration Committee and the Selection and Appointment Committee. For a summary of the committees' activities in 2012, please refer to pages 24 and 25 of this report.

At Boskalis there is close collaboration between the Supervisory Board and its committees, the Board of Management and the stakeholders. The Board of Management and the Supervisory Board are jointly responsible for looking after the interests of our stakeholders, which includes creating shareholder value in the long term.

Our stakeholders are those groups and individuals that directly or indirectly influence the company's activities, or are influenced by them. They include the employees, shareholders and other financiers, suppliers, clients, government bodies and the communities in which Boskalis operates.

At least one General Meeting of Shareholders takes place every year. Its tasks include the adoption of financial statements and it holds authority with regard to the appointment and dismissal of Supervisory Board members.

The interests of employees are promoted by the Works Council, which provides ongoing employee representation as required under the Dutch Works Councils Act. It is the task of the Works Council to ensure that management objectives correspond to those of the employees.

The general standards and values relating to our business activities are set out in the Statement of General Business Principles which can be found on the company's website. At the beginning of the year under review this statement was revised, partly to reflect the UK Bribery Act coming into force. We have also adopted a Supplier Code of Conduct. In addition, the core values and rules for safety at work are set out in our safety program, *NINA* (No Injuries, No Accidents). The Board of Management regularly stresses the importance of complying with the general business principles and the *NINA* principles. The Board of Management also provides employees with the opportunity to report any alleged irregularities of a general, operational or financial nature to an independent confidential counsellor, without jeopardizing their legal position.

COMPLIANCE

Boskalis shares are listed and traded on NYSE Euronext Amsterdam N.V.

The Dutch Corporate Governance Code (the 'Code') applies to all Dutch companies listed on the stock exchange and comprises a code of conduct for governance best practice. This Code includes both specific principles and best practice provisions, as well as guidelines for their proper supervision.

Boskalis subscribes to the notion that a sound and transparent system of checks and balances is key to maintaining confidence in companies operating on the capital market. Boskalis believes clarity and openness in accountability and supervision are the cornerstones of good management and entrepreneurship.

As required since the introduction of the Code in 2004, Boskalis published an 'Apply or Explain' report that sets out how the principles and best practice provisions are applied at Boskalis. This report is available on the website and copies can also be requested from the company.
Boskalis subscribes to and applies all the principles and best practice provisions contained in the Corporate Governance Code, with the exception of the following provisions:

- In deviation of best practice II.1.1., the chairman of the Board of Management has been appointed for an indefinite period. This appointment predates the introduction of the Corporate Governance Code. The contract was also entered into prior to the introduction of the Corporate Governance Code and applies for an indefinite period. Boskalis does apply this best practice provision to the other members as well as new members of the Board of Management.
- The contracts between the company and two members of the Board of Management deviate from best practice provision II.2.8. The contract of the chairman provides for a severance payment equal to 18 months and the contract of the Chief Financial Officer provides for a 24-month severance payment. Boskalis does apply this best practice provision to the contracts of all other members as well as new members of the Board of Management.

The Dutch Act on Management and Supervision came into force on 1 January 2013. Boskalis has amended the Supervisory Board regulations and profile to incorporate both the change with regard to conflicts of interest and the objective to achieve gender balance on the Supervisory Board.

The size and composition of the Board of Management are based on the profile and strategy of the company. The expertise, experience and various competencies of the members of the Board of Management should contribute to this profile and strategy. In the year under review the combination of these elements resulted in the four members of the current Board of Management being male, meaning that the Board of Management, partly due to the nature of the company, is a reflection of the company's employee population. When drafting the profile for new members of the Board of Management emphasis will be placed on diversity in view of the objective of achieving a balanced gender representation on the Board of Management.

The composition and size of the Supervisory Board are based on the company's profile and strategy. As stated in the Profile drawn up by the Board of Management, the expertise, experience and various competencies of members of the Supervisory Board should contribute to proper supervision of the company's management and general performance. In the year under review, the combination of these elements resulted in the six members of the current Supervisory Board being male. In view of the objective to achieve gender balance, the Supervisory Board has added to the Profile that every effort will be made to achieve a balanced composition, where possible in terms of both age and gender. The Supervisory Board has the specific objective of appointing a female member to its ranks from 2015, or sooner if possible.

When making appointments in the coming reporting year, the Supervisory Board will take into account the new restrictions on supervisory roles at large public and private limited companies and foundations, and will further flesh out the conditions for agreements between the company and members of the Board of Management.

The Corporate Governance Declaration can be found on the corporate website www.boskalis.com.

OUTLOOK

Capital expenditure for the coming year is expected to be around EUR 325 million, excluding Dockwise. Dockwise which can be funded from the cash flow. The acquisition financing for Dockwise and the refinancing of existing Dockwise and Boskalis bank facilities will push up the total debt position. Subsequent to the (re)financing, Boskalis will retain a solid financial position.

For 2013, we expect that the current market developments will once again have a dampening effect on the structurally positive trends that underpin our strategy. Current information suggests that the year ahead will bring little change to the market picture compared to 2012. At Dredging we expect to see healthy fleet utilization levels and a stable operating margin development. The same outlook also applies to the other activities Offshore Energy, Inland Infra and Towage & Salvage.

The project-based nature of a significant part of our activities tends to make it difficult to give a specific quantitative forecast of the full-year result early on in the year. In addition the 2013 result will be strongly influenced by the consolidation of Dockwise (from the beginning of the second quarter of 2013), the possible sale of our 40% stake in Archirodon and the customary exceptional (one-off) effects associated with an acquisition. In light of these factors we are currently unable to provide quantitative guidance with regard to the 2013 full-year result.

Beach replenishment work on the
Dutch Wadden island of Texel

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Board of Management of Royal Boskalis Westminster N.V. hereby declares, in accordance with article 5:25c of the Dutch Financial Supervision Act, that to the best of its knowledge:

(1) the financial statements, which have been prepared in accordance with the applicable standards for preparing financial statements and as included on pages 61 to 116 of the Annual Report, provide a true and fair view of the assets, liabilities and financial position as at 31 December 2012 as well as the profit or loss of Royal Boskalis Westminster N.V. and all the business undertakings included in the consolidation;
(2) the annual report provides a true and fair view of the condition, the business performance during the financial year of Royal Boskalis Westminster N.V. and the companies associated with it whose details are included in the financial statements, as at the balance sheet date of 31 December 2012;
(3) the annual report provides a description of the material risks faced by the company.

Papendrecht / Sliedrecht, 13 March 2013

Board of Management
dr. P.A.M. Berdowski, chairman
T.L. Baartmans
J.H. Kamps, CFO
F.A. Verhoeven

Building a viaduct near Schiphol airport in the Netherlands

SALVAGING THE FLAMINIA A JOB SKILLFULLY DONE

The container ship the Flaminia was on her way from the US to Europe with hazardous substances on board when a serious fire broke out. The salvage operation was complicated by adverse weather conditions and a complex coordination process among the large number of parties involved. Nevertheless, SMIT Salvage succeeded in expertly bringing this process to a safe conclusion.

The fire broke out when the ship, sailing under the German flag, was in the middle of the Atlantic Ocean. The crew were unable to extinguish it. As soon as the incident was reported SMIT Salvage mobilized a salvage team. A total of three tug boats set off towards the ship, carrying crew, fire extinguishing equipment and an extra generator. As soon as they arrived at the scene the team with 15 experts – which included a fire expert and a gas doctor – started work to cool the hull, explained Richard Janssen, commercial manager at SMIT Salvage. “That took days. Heat cameras and other equipment were used to establish which holds were on fire. Only once the temperature had been lowered sufficiently and weather conditions permitted, was the salvage team able to board the ship to make their initial inspection.”

The cargo manifest showed that there were 149 containers of hazardous cargo on board, two of which contained explosive material. Janssen: “The operation was suspended so as not to put our people in danger. Together with the manufacturer we looked at what effect the fire would have on this material.” Once the fire was under control, the search was on to find a sheltered location along the English coast so that the ship could be prepared for towing to a port where it could be offloaded. This was no easy matter because it was where the Olympic sailing events were taking place. A complex coordination process followed, involving numerous government agencies, insurers, the charter company, the shipping company and the cargo stakeholders.

It also turned out to be difficult to get permission to bring the ship in. “All the countries involved wanted to send inspection teams, given the concerns about odor nuisance and the risk of fire.” Janssen continued: “These processes were handled by one of our specialist teams, in close consultation with the inspector aboard the Flaminia.” It took several weeks before the German government declared itself prepared to receive the ship. Once all the coastal states had granted permission for free passage, the ship was towed to Wilhelmshafen, where the two containers of explosive material were safely unloaded along with the remaining cargo.

The new fallpipe vessel Rockpiper at a quarry in Norway

BOSKALIS
FINANCIAL STATEMENTS 2012

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CONSOLIDATED INCOME STATEMENT

(in thousands of EUR)	Note	2012	2011
OPERATING INCOME			
Revenue	[6]	**3,080,862**	2,801,037
Other income	[7]	**14,460**	8,780
		3,095,322	2,809,817
OPERATING EXPENSES			
Raw materials, consumables, services and subcontracted work	[8]	**- 1,947,497**	- 1,669,675
Personnel expenses	[9]	**- 579,658**	- 549,661
Depreciation, amortization and impairment losses	[14/15]	**- 231,310**	- 236,388
		- 2,758,465	- 2,455,724
OPERATING RESULT		**336,857**	354,093
FINANCE INCOME AND EXPENSES			
Finance income	[10]	**14,968**	22,987
Finance expenses	[10]	**- 49,448**	- 63,355
		- 34,480	- 40,368
Share in result of associated companies (after taxation)	[16]	**252**	2,020
PROFIT BEFORE TAXATION		**302,629**	315,745
Taxation	[11]	**- 49,502**	- 54,735
NET GROUP PROFIT		**253,127**	261,010
NET GROUP PROFIT ATTRIBUTABLE TO:			
Shareholders		**250,193**	254,254
Non-controlling interests		**2,934**	6,756
		253,127	261,010
Average number of shares	[22.4]	**105,644,024**	102,390,642
Earnings per share	[22.4]	**EUR 2.37**	EUR 2.48
Diluted earnings per share	[22.4]	**EUR 2.37**	EUR 2.48

The notes on pages 70 to 111 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF RECOGNIZED AND UNRECOGNIZED INCOME AND EXPENSES

(in thousands of EUR)	Note	2012	2011
NET GROUP PROFIT FOR THE PERIOD		**253,127**	261,010
UNRECOGNIZED INCOME AND EXPENSES FOR THE PERIOD			
Currency translation differences on foreign operations		**- 2,976**	- 823
Actuarial gains and losses and asset limitation on defined benefit pension schemes	*[24.1]*	**- 34,322**	- 58,789
Movement in fair value of cash flow hedges	*[27.2]*	**- 18,988**	6,074
Income tax on unrecognized income and expenses	*[13]*	**11,601**	10,847
Unrecognized income and expenses for the period, net of income tax		**- 44,685**	- 42,691
TOTAL RECOGNIZED AND UNRECOGNIZED INCOME AND EXPENSES FOR THE PERIOD		**208,442**	218,319
ATTRIBUTABLE TO:			
Shareholders		**203,686**	212,528
Non-controlling interests		**4,756**	5,791
TOTAL RECOGNIZED AND UNRECOGNIZED INCOME AND EXPENSES FOR THE PERIOD		**208,442**	218,319

The notes on pages 70 to 111 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

(in thousands of EUR)	Note	DECEMBER 31 2012	2011
ASSETS			
Non-current assets			
Intangible assets	[14]	**596,013**	595,596
Property, plant and equipment	[15]	**2,260,968**	2,206,038
Investments in associated companies	[16]	**255,838**	23,428
Non-current receivables	[17]	**23,959**	112,064
Derivatives		**819**	155
Deferred income tax assets	[13]	**25,712**	28,813
		3,163,309	2,966,094
Current assets			
Inventories	[18]	**105,150**	97,717
Due from customers	[19]	**239,253**	234,353
Trade and other receivables	[20]	**953,036**	949,171
Derivatives		**15,571**	7,080
Income tax receivable	[12]	**14,350**	21,298
Cash and cash equivalents	[21]	**398,102**	397,957
		1,725,462	1,707,576
TOTAL ASSETS		**4,888,771**	4,673,670
Group equity			
Issued capital	[22]	**85,827**	82,777
Share premium	[22]	**229,452**	230,360
Other reserves	[22]	**201,499**	230,175
Retained earnings	[22]	**1,381,227**	1,189,500
Shareholders' equity		**1,898,005**	1,732,812
Non-controlling interests		**18,147**	14,503
TOTAL GROUP EQUITY	[22]	**1,916,152**	1,747,315
LIABILITIES			
Non-current liabilities			
Interest-bearing borrowings	[23]	**605,473**	679,696
Employee benefits	[24]	**113,084**	83,864
Deferred income tax liabilities	[13]	**78,038**	93,483
Provisions	[25]	**26,402**	26,996
Derivatives		**18,771**	10,462
		841,768	894,501
Current liabilities			
Due to customers	[19]	**352,893**	488,881
Interest-bearing borrowings	[23]	**382,317**	112,572
Bank overdrafts	[21]	**8,120**	15,364
Income tax payable	[12]	**138,114**	149,816
Trade and other payables	[26]	**1,223,254**	1,233,125
Derivatives		**20,247**	20,853
Provisions	[25]	**5,906**	11,243
		2,130,851	2,031,854
TOTAL LIABILITIES		**2,972,619**	2,926,355
TOTAL GROUP EQUITY AND LIABILITIES		**4,888,771**	4,673,670

The notes on pages 70 to 111 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of EUR)	Note	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Net group profit		**253,127**	261,010
Depreciation, amortization and impairment losses		**231,310**	236,388
Cash flow		**484,437**	497,398
Adjustments for:			
Finance income and expenses		**34,480**	40,368
Taxation		**49,502**	54,735
Results from disposals of property, plant and equipment		**- 11,094**	- 4,101
Movement non-current receivables		**10,959**	5,488
Movement provisions (including direct equity movements)		**- 7,899**	- 20,712
Movement in inventories		**- 5,647**	- 4,635
Movement trade and other receivables		**10,093**	- 64,014
Movement trade and other payables		**- 57,588**	72,505
Movement due from and due to customers		**- 149,833**	- 14,390
Result of associated companies		**- 252**	- 2,020
Cash generated from operating activities		**357,158**	560,622
Dividends received		**2,109**	729
Interest received		**8,576**	8,324
Interest paid		**- 38,842**	- 44,578
Income taxes paid		**- 50,181**	- 75,915
Net cash from operating activities		**278,820**	449,182
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of intangible assets and property, plant and equipment, excluding capitalized borrowing costs		**- 313,893**	- 293,326
Proceeds from disposals of property, plant and equipment		**39,447**	35,831
Investment in group companies, net of cash acquired		**—**	- 105,256
Disposal of (a part of) group companies, net of cash disposed and loans issued		**—**	82,953
Repayment of outstanding loan by joint venture		**77,299**	—
Net investments in associated companies		**- 232,664**	1,772
Net cash used in investing activities		**- 429,811**	- 278,026
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans		**696,403**	529,088
Repayment of loans		**- 495,413**	- 607,195
Transaction costs paid relating to the arrangement of credit facilities		**- 2,226**	- 2,149
Net investment in non-controlling interests		**10**	- 19,939
Dividends paid to the Company's shareholders		**- 38,493**	- 44,686
Dividends paid to non-controlling interests		**- 1,122**	- 5,673
Net cash used in / from financing activities		**159,159**	- 150,554
NET INCREASE IN CASH AND CASH EQUIVALENTS		**8,168**	20,602
Net cash and cash equivalents as at January 1	*[21]*	**382,593**	356,269
Net increase in cash and cash equivalents		**8,168**	20,602
Currency translation differences		**- 779**	5,722
MOVEMENT IN NET CASH AND CASH EQUIVALENTS		**7,389**	26,324
NET CASH AND CASH EQUIVALENTS AS AT DECEMBER 31	*[21]*	**389,982**	382,593

The notes on pages 70 to 111 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousands of EUR)	ISSUED CAPITAL	SHARE PREMIUM	OTHER RESERVES	RETAINED EARNINGS	TOTAL	NON-CONTROLLING INTEREST	TOTAL GROUP EQUITY
Note	*[22.1]*	*[22.1]*	*[22.5]*	*[22.2]*			
Balance as at January 1, 2012	**82,777**	**230,360**	**230,175**	**1,189,500**	**1,732,812**	**14,503**	**1,747,315**
TOTAL RECOGNIZED AND UNRECOGNIZED INCOME AND EXPENSES FOR THE PERIOD							
Net group profit for the period				**250,193**	**250,193**	**2,934**	**253,127**
Unrecognized income and expenses for the period							
Foreign currency translation differences for foreign operations, after taxation			**- 4,974**	**–**	**- 4,974**	**1,822**	**- 3,152**
Effective cash flow hedges, after taxation			**- 14,239**	**–**	**- 14,239**	**–**	**- 14,239**
Defined benefit plan actuarial gains (losses) and asset limitation, after taxation			**- 27,294**	**–**	**- 27,294**	**–**	**- 27,294**
Realization through sale of underlying asset			**- 716**	**716**	**–**	**–**	**–**
Movement other legal reserve			**18,547**	**- 18,547**	**–**	**–**	**–**
Total unrecognized income and expenses for the period			**- 28,676**	**- 17,831**	**- 46,507**	**1,822**	**- 44,685**
Total recognized and unrecognized income and expenses for the period			**- 28,676**	**232,362**	**203,686**	**4,756**	**208,442**
TRANSACTIONS WITH SHAREHOLDERS, RECOGNIZED DIRECTLY IN EQUITY							
Distributions to shareholders							
Cash dividend	**–**	**–**	**–**	**- 38,493**	**- 38,493**	**- 1,122**	**- 39,615**
Stock dividend	**3,050**	**- 908**	**–**	**- 2,142**	**–**	**–**	**–**
Movements in interests in subsidiaries							
New in consolidation	**–**	**–**	**–**	**–**	**–**	**10**	**10**
Total transactions with shareholders	**3,050**	**- 908**	**–**	**- 40,635**	**- 38,493**	**- 1,112**	**- 39,605**
Balance as at December 31, 2012	**85,827**	**229,452**	**201,499**	**1,381,227**	**1,898,005**	**18,147**	**1,916,152**

The notes on pages 70 to 111 are an integral part of these consolidated financial statements.

(in thousands of EUR)	ISSUED CAPITAL	SHARE PREMIUM	OTHER RESERVES	RETAINED EARNINGS	TOTAL	NON-CONTROLLING INTEREST	TOTAL GROUP EQUITY
Note	*[22.1]*	*[22.1]*	*[22.5]*	*[22.2]*			
Balance as at January 1, 2011	80,779	231,335	150,803	1,102,053	1,564,970	34,324	1,599,294
TOTAL RECOGNIZED AND UNRECOGNIZED INCOME AND EXPENSES FOR THE PERIOD							
Net group profit for the period				254,254	254,254	6,756	261,010
Unrecognized income and expenses for the period							
Foreign currency translation differences for foreign operations, after taxation			2,373	—	2,373	- 965	1,408
Effective cash flow hedges, after taxation			5,153	—	5,153	—	5,153
Defined benefit plan actuarial gains (losses) and asset limitation, after taxation			- 49,252	—	- 49,252	—	- 49,252
Revaluation existing participation prior to business combination with SMIT			17,316	- 17,316	—	—	—
Movement other legal reserve			103,782	- 103,782	—	—	—
Total unrecognized income and expenses for the period			79,372	- 121,098	- 41,726	- 965	- 42,691
Total recognized and unrecognized income and expenses for the period			79,372	133,156	212,528	5,791	218,319
TRANSACTIONS WITH SHAREHOLDERS, RECOGNIZED DIRECTLY IN EQUITY							
Distributions to shareholders							
Cash dividend	—	—	—	- 44,686	- 44,686	- 5,673	- 50,359
Stock dividend	1,998	- 975	—	- 1,023	—	—	—
Movements in interests in subsidiaries							
New in consolidation	—	—	—	—	—	6	6
Non-controlling interest in Smit Internationale N.V.	—	—	—	—	—	-19,945	-19,945
Total transactions with shareholders	1,998	-975	—	-45,709	-44,686	-25,612	-70,298
Balance as at December 31, 2011	82,777	230,360	230,175	1,189,500	1,732,812	14,503	1,747,315

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

Royal Boskalis Westminster N.V. is a leading global services provider operating in the dredging, dry and maritime infrastructure and maritime services sectors. Royal Boskalis Westminster N.V. (the 'company') has its registered office in Sliedrecht, the Netherlands, and its head office is located in Papendrecht, the Netherlands. The company is a public limited company listed on the NYSE Euronext Amsterdam stock exchange. The consolidated financial statements of Royal Boskalis Westminster N.V. for 2012 include the company and group companies (hereinafter referred to jointly as the 'Group' and individually as the 'Group entities') and the interests of the Group in associated companies and entities over which it has joint control.

The consolidated financial statements were prepared by the Board of Management and have been signed on March 13, 2013. The financial statements 2012 will be submitted for approval to the Annual General Meeting of Shareholders of May 8, 2013.

2. COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

2.1 COMPLIANCE STATEMENT

The consolidated financial statements and the accompanying explanatory notes have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union, and with Part 9 of Book 2 of the Dutch Civil Code.

2.2 NEW AND REVISED STANDARDS

There are no standards, amendments to standards and interpretations, that are being applied for the first time in 2012 and that have a significant effect on the financial statements.

2.3 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The following standards, amendments to standards and interpretations, are not effective in 2012 and / or not yet endorsed by the European Committee. They have therefore not been applied in these consolidated financial statements. Based on the current insights, the Group does not plan to adopt these standards and interpretations early and the extent of the possible impact has not been determined. The most important possible changes for the Group can be summarized as follows:

- The new IAS 19 Employee Benefits includes a number of changes with respect to the recognition, presentation and disclosure, which should make pensionreporting less complex and more comparable. Key change for the Group comprises that the expected return on plan assets and the interest cost on the pensionobligation should be based on the IAS 19-discount rate (which is derived from a high quality corporate bond rate) and the disclosure requirements, mainly related to specific pensionrisks are strongly extended. If IAS 19R was already applied in 2012, this would have had a negative effect on Net Group Profit of EUR 1.1 million.
- IFRS 9 Financial instruments: classification and measurement, has an effective date for annual periods starting on or after January 1, 2015 with earlier application being permitted.
- IFRS 10 Consolidated financial statements replaces all the guidance on control and consolidation in IAS 27 and SIC 12. IFRS 10 introduces a single consolidation model based on control, irrespective the type of entity to be consolidated. The consequences of the modifications, which have an effective date for annual periods starting on or after January 1, 2014, are under review, but are expected to be not material.
- IFRS 11 Joint arrangements revises the accounting for joint ventures (in the new standard called "joint arrangements"). Most important change is that for joint arrangements the option of applying the "equity" method or proportional consolidation is removed; only the equity method can be applied for joint ventures and joint operations should be consolidated proportionally. IFRS 11 and the amended IAS 28 are effective for annual periods beginning on or after January 1, 2014. The impact of these modifications are under review, but are expected to be not material on the net group profit.
- IFRS 12 Disclosure of interests in other entities includes the disclosure requirements for subsidiaries, associates and joint arrangements, as well as unconsolidated structured entities. IFRS 12 is effective for annual periods beginning on or after January 1, 2014. The consequences of the modifications are under review.
- IFRS 13 Fair value measurement establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements, but does not introduce new fair value measurements.
- The amendments in IAS 1 Presentation of items of other comprehensive income require that an entity presents separately the items of other comprehensive income that would be reclassified to profit or loss in the future from those that would never be reclassified to profit or loss. The possible consequences of these modifications, which are effective for annual periods beginning on or after July 1, 2012, are still under review.

3 PRINCIPLES OF FINANCIAL REPORTING

The principles for financial reporting subsequently disclosed are applied consistently for all periods included in these consolidated financial statements and have been applied consistently by the Group entities.

3.1 FORMAT AND VALUATION

The consolidated financial statements are drawn up in euros, the Group's functional currency. The consolidated financial statements are based upon historical cost to the extent that IFRS does not prescribe another accounting method for specific items. Preparing financial statements means that estimates and assumptions made by the management partly determine the recognized amounts under assets, liabilities, revenues and costs. The estimates and assumptions are mainly related to the measurement of intangible assets (including goodwill), property, plant and equipment, results on completion of work in progress, pension liabilities, taxation, provisions and financial instruments. Judgements made by management within the application of IFRS with an material effect on the financial statements are the qualifications of investments as Group companies, joint ventures or associated companies. Details are incorporated in the explanatory notes to these items. Next to the elements already explained in the explanantory notes to the financial statements, there are no other critical valuation judgements in the application of the principles that need further explanation. The estimates made and the related assumptions are based on management's experience and understanding and the development of external factors that can be considered reasonable under the given circumstances. Estimates and assumptions are subject to alterations as a result of changes to facts and understanding and may have different outcomes per reporting period. Any differences are recognized in the balance sheet or income statement, depending on the nature of the item. The actual results may deviate from results reported previously on the basis of estimates and assumptions. Unless stated otherwise, all amounts in the notes in these financial statements are stated in thousands of euros.

3.2 CONSOLIDATION

3.2.1. BUSINESS COMBINATIONS AND ACQUISITIONS OF NON-CONTROLLING INTERESTS

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as:
- the fair value of the consideration transferred; plus
- the recognized amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in the income statement.

The consideration transferred does not include amounts related to the settlement of preexisting relationships. Such amounts are recognised in the income statement. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Accounting for acquisitions of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions.

3.2.2 GROUP COMPANIES

Group companies are included in the consolidation for 100% on the basis of existing control, taking into account any minority interests. The financial statements of Group companies are included in the consolidated financial statements from the date that control commences until the date that control ceases.

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the income statement. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as a joint venture or as an associated company depending on the level and nature of influence retained.

3.2.3 JOINT VENTURES

Joint ventures are those entities over which the Group has joint control, whereby this control has been laid down in a contract and strategic decisions on financial and operational policy are taken by unanimous agreement. Joint ventures, both strategic alliances and contractual project-driven construction consortiums, are included in the consolidation on a proportional basis in accordance with the share in joint control. Amounts receivable from and payable to project-driven construction consortiums are eliminated in the consolidation. Elimination differences as a result of imbalances between partners in current account relation with project-driven construction consortiums are recognized in the consolidated balance sheet under other receivables or other creditors.

3.2.4 ASSOCIATED COMPANIES

Shareholdings that are not eligible for consolidation based on control, but where there is significant influence on the financial and operating policy, are recognized under associated companies. Significant influence is presumed to exist when the Group holds 20 percent or more of the voting power of another entity. The consolidated financial statements include the Group's share in the result of associated companies, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases (see note 3.8).

3.2.5 ELIMINATION OF TRANSACTIONS UPON CONSOLIDATION

Intragroup receivables and payables, as well as intragroup transactions and finance income and expenses and unrealized results within the Group and with associated companies and joint ventures, are eliminated in preparing the consolidated financial statements to the extent of the Group's share in the entity.

3.3 FOREIGN CURRENCIES

The assets and liabilities of foreign Group companies and joint ventures that are denominated in functional currencies other than the euro have been translated at the exchange rates as at the end of the reporting period. The income statement items of the foreign Group companies and joint ventures concerned have been translated at average exchange rates, which approximate the applicable exchange rates at transaction settlement date. Resulting currency translation differences are added or charged directly to the currency translation reserve in group equity. Exchange rate differences as a result of operational transactions are included in the consolidated income statement of the reporting period. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences on non-current receivables, loans and other borrowings are recognized as finance income and expenses; other foreign currency differences as a result of transactions are recognized in the related items within the operating result.

3.4 DERIVATIVES AND HEDGING

It is the policy of the Group to use cash flow hedges to cover all operational currency risks that mainly relate to future cash flows from contracts that are highly probable and that are denominated in currencies other than the relevant functional currency. Fuel price risks and interest rate risks in future cash flows can be hedged from time to time using specific derivatives.

Hedge accounting is applied to the majority of cash flow hedges as follows. On initial designation of the hedge, the Group formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be "effective" in offsetting the changes in the fair value or cash flows of the respective hedged items during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 80 - 125 percent. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported net income.

The application of hedge accounting means that movements in the market value of cash flow hedges not yet settled – including results realized on the "rolling forward" of existing hedges as a result of differences between the duration of the hedges concerned and the underlying cash flows – will be directly added or charged to the hedging reserve in group equity, taking taxation into account. If a cash flow hedge added or charged to the group equity either expires, is closed or is settled, or the hedge relation with the underlying cash flows can no longer be considered effective, the accumulated result will continue to be recognized in group equity as long as the underlying cash flow is still expected to take place. When the underlying cash flow actually takes place, the accumulated result is included directly in the income statement. Movements in the market value of cash flow hedges to which no hedge accounting is applied (ineffective cash flow hedges and the ineffective portion of effective cash flow hedges) are included in the income statement for the reporting period. Results from settled effective cash flow hedges and the movements in the market value of ineffective cash flow hedges insofar these relate to non-current receivables, loans and other borrowings are recognized as finance income and finance expenses and otherwise in the related items within operating result. The purchase or sale of financial instruments is generally recorded at transaction rate. Derivatives are stated at fair value; attributable transaction costs are recognized in the income statement as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described.

3.5 IMPAIRMENT

The book value of the assets of the Group, excluding inventories, assets arising from employee benefits and deferred income tax assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, an estimate of the realizable amount of the asset is made. For goodwill, assets with an indefinite useful life, the realizable amount is estimated annually. An impairment loss is recognized when the book value of an asset or its cash-generating unit to which it belongs exceeds its realizable amount.

Impairment losses are recognized in the income statement. Impairment losses recognized in respect of cash generating units are allocated first to reduce the book value of any cash-generating units (or groups of units) goodwill and then proportionally deducted from the book value of the assets of the unit (or group of units).

The realizable amount of receivables accounted for at amortized cost is calculated as the present value of expected future cash flows, discounted at the effective interest rate. For the other assets or cash generating units, the realizable amount equals the fair value less costs to sell or value, whichever is higher. In determining the value, the present value of estimated future cash flows is calculated using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Indications of impairment of floating and other construction material are based on long-term expectations for the utilization of equipment or of interchangeable equipment. If there is any indication of impairment, the realizable value of the asset concerned is determined on the basis of the net realizable value or present value of the estimated future cash flows.

In respect of goodwill no impairment losses are reversed. An impairment loss in respect of an receivable account for at amortized cost is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recorded. For other assets, impairment losses are reversed if the estimates used to determine the realizable amount give cause to do so, but only to the extent that the book value of the asset does not exceed the book value net of depreciation or amortization that would have applied if no impairment loss had been recognized.

3.6 INTANGIBLE ASSETS

Goodwill arises upon acquiring Group companies, joint ventures and associated companies and is calculated as the difference between the acquisition price and the fair value of the assets and liabilities acquired, according to the accounting principles of Royal Boskalis Westminster N.V. The goodwill has been allocated to the cash generating unit representing the lowest level within the Group at which the goodwill is monitored for internal management purposes, which does not exceed the level of the Group's operating units. Goodwill and other intangible assets are capitalized net of accumulated amortization and accumulated impairment losses. Goodwill and intangible assets with an infinite useful life are not systematically amortized, but are tested for impairment every year or in case of an indication for impairment (see note 3.5). Negative goodwill that may arise upon acquisition is added directly to the income statement. In respect of associated companies, the book value of goodwill is included in the book value of the investment.

Other intangible assets are capitalized only when it is probable that future economic benefits embodied in an asset, will flow to the Group and the cost of the asset can be reliably measured. Other intangible assets with a finite useful life are stated at cost less accumulated amortization and accumulated impairment losses. Amortization of trademarks valued at acquisition takes place over four years, the amortization of customer portfolios and contracts valued at acquisition takes place over seven to thirteen years.

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is expensed as incurred. Development expenditure is capitalized when material. Development activities are particularly related to investments in dredging equipment. The limited costs for research and development are by their nature directly charged to the income statement.

3.7 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost price less accumulated depreciation calculated from the date of commissioning and accumulated impairment losses. The cost price is based on the purchase price and / or the internally generated cost based on directly attributable expenses. The depreciation, allowing for an assumed residual value, is calculated over the estimated remaining useful lives assigned to the various categories of assets. Modifications and capacity enhancing investments are also capitalized at cost and amortized over the remaining life of the asset. Property, plant and equipment under construction are included in the balance sheet on the basis of installments paid, including interest during construction. Where property, plant and equipment consist of components with different useful lives, they are accounted for as separate items.

Buildings are depreciated over periods ranging from ten to fifty years. The depreciation periods of the majority floating and other construction materials ranges from ten to twenty years. Furnitures and other fixed assets are depreciated over a period between three and ten years. Land is not depreciated.

The wear of dredging equipment is highly dependent on unpredictable project-specific combinations of soil conditions, material to be processed, maritime circumstances, and the intensity of the deployment of the equipment. As a result of this erratic and time-independent patterns, the maintenance and repair expenses for upkeep the assets are charged to the income statement. In exceptional cases, maintenance and repair expenses are eligible for capitalization and linear depreciation.

Upon its disposal the revaluation surplus of an item of property, plant and equipment is transferred from the revaluation reserve to the retained earnings.

Methods for depreciation, useful life and residual value are reassessed at the end of each financial year and amended if necessary.

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's consolidated balance sheet.

3.8 ASSOCIATED COMPANIES

Associated companies are initially recognized at cost including the goodwill determined at acquisition date. Subsequently accounted companies are accounted for using the equity method, adjusted for differences with the accounting principles of the Group, less any accumulated impairment. When the Group's share of losses exceeds the book value of the associated company, the book value is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associated company.

3.9 NON-CURRENT RECEIVABLES

The non-current receivables are mainly held on a long-term basis and/or until maturity and are carried at amortized cost. Accumulated impairment losses are deducted from the book value.

3.10 INVENTORIES

Inventories, which mainly consist of fuel, auxiliary materials and spare parts, are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of selling.

3.11 DUE FROM AND DUE TO CUSTOMERS

Due from and due to customers concerns the gross amount yet to be charged which is expected to be received from customers for contractual work done up to the reporting date (hereinafter: "work in progress") and services rendered (mainly salvage work). Work in progress is valued at the cost price of the work done, plus a part of the expected results upon completion of the project in proportion to the progress made and less progress billings, advances and possible provisions for losses. Provisions are recognized for expected losses on work in progress as soon as they are foreseen, and deducted from the cost price; if necessary, any profits already recognized are reversed. Revenues from additional work are included in the overall contract revenues if the client has accepted the sum involved in any way. Claims and incentives are carried in construction work in progress if negotiations with the customer are in a sufficiently advanced stage. The cost price includes project costs, consisting of payroll costs, materials, costs of subcontracted work, rental charges and maintenance costs for the equipment used and other project costs. The rates used are based on the expected average occupation in the long run. The progress of a project is determined on the basis of the cost of the work done in relation to the expected cost price of the project as a whole. Profits are not recognized unless a reliable estimate can be made of the result on completion of the project. The balance of the value of work in progress, progress billings and advance payments is determined per project. For projects where the progress billings and advance payments exceed the value of work in progress, the balance is recognized under current liabilities instead of under current assets. The respective balance sheet items are "due from customers for work in progress" and "due to customers".

Salvage work that is completed at the balance sheet date, but for which the proceeds are not yet finally determined between parties, is recognized at expected proceeds taking into account the estimation uncertainty less progress billings and advances. If the revenue of a completed salvage contract cannot be estimated reliably, revenue is recognized to the maximum of the extent of the recognized expenses. For expected losses on salvage work, provisions are recognized as soon as they are foreseen.

3.12 TRADE AND OTHER RECEIVABLES
Trade and other receivables are stated initially at fair value and subsequently at amortized cost less accumulated impairment losses, such as doubtful debts. Amortized cost is determined using the effective interest rate.

3.13 CASH AND CASH EQUIVALENTS
Cash and cash equivalents consist of cash and bank balances and deposits with terms of no more than three months. The explanatory notes disclose the extent to which cash and cash equivalents are not freely available as a result of transfer restrictions, joint control or other legal restrictions. Bank overdrafts are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

3.14 SHARE CAPITAL
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

3.15 INTEREST-BEARING BORROWINGS
Interest-bearing borrowings are liabilities to financial institutions. At initial recognition, interest-bearing borrowings are stated at fair value less transaction costs. Subsequently, interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

3.16 EMPLOYEE BENEFITS
Defined contribution pension schemes
A defined contribution pension scheme is a post-employment benefit scheme under which an entity pays fixed contributions into a separate entity. The entity will have no legal or constructive obligation to pay further amounts if the pension fund has insufficient funds to pay employee benefits in connection with services rendered by the employee in the current of prior periods. Obligations for contributions to defined contribution pension schemes are recognized as an employee benefit expense as part of the personnel expenses in the income statement when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payment is available. Contributions to a defined contribution pension sheme payable more than twelve months after the period during which the employee rendered the services, are discounted.

Defined benefit pension schemes
A defined benefit pension scheme is every post-employment benefit scheme other than a defined contribution scheme. For each separate defined benefit pension scheme, the net asset or liability is determined as the balance of the discounted value of the future payments to employees and former employees, less the fair value of plan assets. The calculations are done by qualified actuaries using the projected unit credit method. The discount rate equals the yield on high quality corporate bonds as at the balance sheet date, with the period to maturity of the bonds approximating the duration of the liability. If the calculation results in a positive balance for the group, the asset is included up to an amount equal to any unrecognized past service pension costs and the discounted value of economic benefits in the form of possible future refunds or lower future pension premiums from the fund. In calculating the discounted value of economic benefits, the lowest possible financing obligations are taken into account as applicable to the individual schemes in force within the group. An economic benefit is receivable by the Group if it can be realized within the period to maturity of the scheme or upon settlement of the scheme's obligations. Actuarial gains and losses, including any movements in limitations on the net pension assets, are recognized in the unrecognized results within the Consolidated statement of recognized and unrecognized income and expenses. Past service costs are charged to the income statement on a straight-line basis over the average period until the benefits become vested, insofar as the benefits are not granted unconditionally.

Short-term employee benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee, and the obligation can be estimated reliably.

Other long-term employee benefits
The other long-term employee benefits consist mainly of jubilee benefits. The calculation of these liabilities is executed according to the 'projected unit method' using the actuarial assumptions for the predominant defined benefit scheme.

Share-based remuneration plans
Member of the Board of Management are granted a bonus scheme that is based on the development of the share price, whereby the bonus is distributed in cash. The fair value of the amount payable over the year, is recognised as personnel expenses in the income statement, with a corresponding increase in liabilities. The liability is remeasured each reporting date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expenses in the income statement.

3.17 PROVISIONS

Provisions are determined on the basis of estimates of future outflows of economic benefits relating to operational activities for legal or constructive obligations of an uncertain size or with an uncertain settlement date that arise from past events and for which a reliable estimate can be made. Provisions are discounted insofar as the difference between the discounted value and nominal value is material. Provisions, if applicable, relate to reorganization, warranties, provisions for unfavarouble contracts and onerous contracts, legal proceedings and submitted claims. Provisions for reorganization costs are recognized when a detailed and formal plan is announced at balance sheet date to all those concerned or when the execution of the plan has commenced. Provisions for warranties are recognized for warranty claims relating to completed projects with agreed warranty periods applying to some of the consolidated/proportionally consolidated entities. The book value of these provisions is based on common practice in the industry and the company's history of warranty claims over the past ten years for relevant projects.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group form a contract are lower than the unavoidable cost of meeting its obligations under the contract.

In accordance with the Group's policy and applicable legal requirements, a provision for site restoration in respect of contaminated land, and the related expenses, is recognized when the land is contaminated.

3.18 TRADE AND OTHER PAYABLES

Trade and other payables are recognized initially at fair value and subsequently at (amortized) cost. Insofar as the difference between the discounted and nominal value is not material, trade and other payables are stated at cost.

3.19 REVENUE

Revenu of the operational segments Dredging, Offshore Energy and Inland Infra mainly consists of the cost price of the work done during the reporting period, plus a part of the expected results upon completion of the project in proportion to the progress made during the reporting period, and including and/or deducting the provisions recognized and/or used and released during the reporting period for expected losses. Revenues from additional work are included in the overall contract revenues if the client has accepted the sum involved in any way. Claims and incentives are carried in construction work in progress if negotiations with the customer are in a sufficiently advanced stage. The applied "percentage-of-completion" method is, by its nature, based on an estimation process. Revenue also includes services rendered to third parties during the reporting period. The revenue from services relates in particular to activities of Harbour Towage and to hire or to make available equipment and/or personnel and this revenue is recognized in the income statement in proportion to the stage of completion of the work performed at the reporting date. The stage of completion is determined based on assessments of the work performed. Revenue from salvage work that is completed at the balance sheet date (part of the operational segment Towage & Salvage), but for which the proceeds are not finally determined between parties, is recognized at expected proceeds taking into account the estimation uncertainty. When it is uncertain whether the economic benefits of work done or services rendered will flow to the Group, the relevant revenue is not recognized.

Revenue does not include any direct taxes.

3.20 OTHER INCOME

Other income mainly consists of book profits from disposals and insurance results.

3.21 RAW MATERIALS, CONSUMABLES, SERVICES AND CONTRACTED WORK

Raw materials, consumables, services and contracted work consist of the cost price of the work done during the reporting period, excluding personnel expenses, amortization and depreciation. This item also includes among others equipment utilization costs, cost of operational leases, general overhead costs, external costs for research and development where not capitalized, currency translation differences, fair value changes of derivatives and other results/late results.

3.22 PERSONNEL EXPENSES

Personnel expenses consist of wages and salaries for own personnel and the related social security charges and pension costs, including paid and accrued contributions for defined pension contribution plans and the movement in the assets and liabilities from defined benefit plans, excluding actuarial gains and losses and the limitation on net pension plan assets added or charged directly to group equity.

3.23 LEASE PAYMENTS

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.24 FINANCE INCOME AND EXPENSES

Finance income comprises interest received and receivable from third parties, currency gains and gains on financial instruments to hedge risks of which the results are recognized through the finance income and expenses. Interest income is recognized in the income statement as it accrues, using the effective interest rate method.

Finance costs include interest paid and payable to third parties, which are allocated to reporting using the effective interest method, currency losses, arrangement fees, and losses on financial instruments used to hedge risks of which the results are recognized through the finance income and expenses. The interest component of financial lease payments is recognized in the income statement using the effective interest rate method.

Borrowing costs not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the income statement.

3.25 SHARE IN RESULT OF ASSOCIATED COMPANIES

Share in result of associated companies comprises the share in the results after taxation of the participating interests not included in the consolidation and, if applicable, (the reversal of) impairment losses recognized in the reporting period.

3.26 TAXATION / DEFERRED INCOME TAX ASSETS AND LIABILITIES

Taxation is calculated on the basis of the result before taxation for the reporting period, taking into account the applicable tax provisions and tax rates, and also includes adjustments on taxation from previous reporting periods and movements in deferred taxes recognized in the reporting period. Taxation is included in the income statement unless it relates to items directly recognized in equity, in which case taxation is included in equity. Income tax expense also include the corporate income taxes which are levied on a deemed profit basis and revenue bais (withholding tax). Temporary differences are accounted for in deferred tax assets and/or deferred tax liabilities. Deferred tax assets are only recognized to the extent that it is probable that taxable profit will be available for realization in the foreseeable future. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. Deferred income tax assets and liabilities are recognized at norminal value. Additional income taxes that arise from the distribution of dividends are recognized at the same time that the liability to pay the related dividend is recognized.

3.27 PROFIT PER SHARE

The Group discloses profit per ordinary share as well as diluted profit per ordinary share. The net profit per ordinary share is calculated based on the result attributable to the Group’s shareholders divided by the calculated average of the number of issued ordinary shares during the reporting period. In calculating the dilluted profit per share the result attributable to the Group’s shareholders and the calculated average number of issued ordinary shares are adjusted for all potentially diluting effects for ordinary shares.

3.28 DIVIDENDS

Dividends are recognized as a liability in the period in which they are declared.

3.29 DETERMATION OF FAIR VALUE

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

Property, plant and equipment
The fair value of property, plant and equipment recognized as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Intangible assets
The fair value of other intangible assets recorded as a result of a business combination, is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

(Listed) assocated companies
The fair value is disclosed based on quoted prices.

Trade and other receivables
The fair value of trade and other receivables, exept due from customers, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Share-based payment transactions
The fair value is determined based on quoted prices.

Derivatives
The fair value of derivatives is based on the estimated amount to be paid or received for a settlement of the contract as at reporting date taking into account the actual interest rate en and the credit rating of the counterparty. These fair value is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

Non-derivative financial liabilities
Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

3.30 CONSOLIDATED STATEMENT OF CASH FLOWS

The consolidated statement of cash flows is drawn up using the indirect method. Cash is defined as cash and cash equivalents including bank overdrafts as presented in the explanatory notes to the cash and cash equivalents and the interest-bearing borrowings. Cash flows are presented separately in the statement of cash flows as cash flows from operating activities, investing activities and financing activities.

4. SEGMENT REPORTING

The Group recognizes four operational segments which, as described below, constitute the strategic business units of the Group. These strategic business units offer different products and services and are managed separately because they require different strategies. Each of the strategic business units is reviewed by the Board of Management based on internal management reporting at least once every quarter. The following is a brief summary of the activities of the operational segments:

- Dredging

Traditionally, dredging is the core activity of Boskalis and it still forms the most important operational segment. It involves all activities required to remove silt, sand and other layers from the water bed and in some cases utilizing them elsewhere, for example for land reclamation. The services we provide also include the construction and maintenance of ports and waterways, and coastal defense and riverbank protection, as well as associated specialist services such as underwater rock fragmentation. In addition, Boskalis is active in the extraction of raw materials using dredging techniques. This segment is active around the world and can be dvided into home markets (inside and outside Europe) and international project markets.

- Offshore Energy

Within this operational segment Boskalis supports the activities of the international energy sector, including oil and gas companies and providers of renewable energy such as wind power. Boskalis is involved in the development, construction, maintenance and decommissioning of oil and LNG-import/export facilities, offshore platforms, pipelines and cables and offshore wind farms. In performing these activities Boskalis applies its expertise in the areas of dredging, offshore pipeline, cable and rock installation, heavy transport, lifting and installation work, as well as diving and ROV services.

- Inland Infra

Within this operational segment Boskalis operates as a contractor for dry and maritime infrastructure projects. In the area of dry infrastructure we are involved mainly in the Netherlands in the design, preparation (by means of dry earthmoving) and execution of large-scale civil infra works, such as the construction of roads and railroads, bridges, dams, viaducts and tunnels. In doing so, Boskalis also performs specialist works such as soil improvement and land remediation. Maritime infrastructure projects are conducted internationally through our strategic partner Archirodon (40% owned). As a maritime contractor Archirodon has extensive experience in designing and constructing quay walls, jetties, breakwaters and oil and LNG terminals. In addition, the company is an all-rounder in the civil infrastructure and industrial installations markets.

- Towage & Salvage

In the world's biggest ports Boskalis, by means of SMIT Harbour Towage, provides assistance to incoming and outgoing oceangoing vessels. With a versatile fleet of over 200 tugs Boskalis assists vessels including Ro-Ro ships, oil and chemical tankers, container ships, reefers and mixed cargo ships. In addition, a full range of services for the operation and management of onshore and offshore terminals is offered through Smit Lamnalco, which is 50% owned by Boskalis. These include assistance with the berthing and unberthing of tankers at oil and LNG terminals and additional support services such as pilotage, subsea inspection and maintenance, firefighting, and the coupling and uncoupling of terminal connections. Through SMIT Salvage services are provided relating to the salvage of ships and wreck removal. SMIT Salvage provides assistance to vessels in distress and is able to spring into action at anytime and anywhere in the world. Boskalis is able to do so by operating out of four locations which are strategically situated in relation to the main international shipping routes: Houston, Cape Town, Rotterdam and Singapore. Clearance of wrecks of sunken ships almost always takes place at locations where the wreck forms an obstruction to traffic or presents an environmental hazard.

The operational segments are monitored based on the segment result before finance income and expenses and taxation. The segment result is used for performance measurement of operational segments, both between segments and compared to other companies in the same industries. Inter-operational segment services, if any, take place at arm's length basis. In the reporting period there were no material inter-operational segment services. In note 4.1 the table regarding 2011 has been adjusted to enable comparison with the new operational segments.

4.1 OPERATIONAL SEGMENTS

2012	DREDGING	OFFSHORE ENERGY	INLAND INFRA	TOWAGE & SALVAGE	HOLDING & ELIMINATIONS	GROUP
Revenue	**1,289,718**	**480,545**	**777,454**	**533,145**	**—**	**3,080,862**
Segment result	**200,604**	**60,310**	**38,100**	**74,012**	**- 36,169**	**336,857**
Operating result						**336,857**
Share in result of associated companies	**- 1,209**	**- 40**	**440**	**658**	**403**	**252**
Non-allocated finance income and expenses						**- 34,480**
Non-allocated taxation						**- 49,502**
Net group profit						**253,127**
Segment assets	**1,512,259**	**888,710**	**714,172**	**1,507,422**	**- 46,082**	**4,576,481**
Investments in associated companies	**2,564**	**3,981**	**4,982**	**24,851**	**219,460**	**255,838**
Non-allocated assets						**56,452**
Total assets						**4,888,771**
Segment liabilities	**1,126,877**	**213,807**	**358,179**	**134,680**	**- 112,004**	**1,721,539**
Non-allocated liabilities						**1,251,080**
Total liabilities						**2,972,619**
Investments in property, plant and equipment	**94,296**	**114,976**	**45,885**	**49,239**	**9,497**	**313,893**
Depreciation on property, plant and equipment	**83,580**	**31,599**	**39,498**	**60,974**	**2,838**	**218,489**
Amortisation on intangible assets	**—**	**1,208**	**1,152**	**7,036**	**- 673**	**8,723**
Impairment losses on property, plant and equipment	**1,792**	**2,306**	**—**	**—**	**—**	**4,098**
						231,310
EBITDA	**285,976**	**95,423**	**78,750**	**142,022**	**- 34,004**	**568,167**

2011	DREDGING	OFFSHORE ENERGY	INLAND INFRA	TOWAGE & SALVAGE	HOLDING & ELIMINATIONS	GROUP
Revenue	1,525,392	370,860	382,067	518,604	4,113	2,801,037
Segment result	216,547	62,105	47,730	69,136	- 41,425	354,093
Operating result						354,093
Share in result of associated companies	- 467	1,161	145	1,181	—	2,020
Non-allocated finance income and expenses						- 40,368
Non-allocated taxation						- 54,735
Net group profit						261,010
Segment assets	1,437,017	860,766	739,810	1,471,492	83,811	4,592,896
Investments in associated companies	5,070	955	4,102	12,664	637	23,428
Non-allocated assets						57,346
Total assets						4,673,670
Segment liabilities	1,117,303	205,026	387,712	235,645	- 101,577	1,844,109
Non-allocated liabilities						1,082,246
Total liabilities						2,926,355
Investments in property, plant and equipment	73,159	124,924	21,883	61,346	10,583	291,895
Depreciation on property, plant and equipment	86,095	37,309	20,231	73,362	2,120	219,118
Amortisation on intangible assets	—	1,225	—	6,687	2,927	10,839
Impairment losses on property, plant and equipment	- 759	7,190		—	—	6,431
						236,388
EBITDA	301,883	107,829	67,961	149,185	- 36,378	590,481

The non-allocated assets comprise deferred tax assets, income tax receivable and derivatives. The non-allocated liabilities comprise deferred tax liabilities, income tax payable, derivatives and interest-bearing borrowings.

5. ACQUISITION OF SHAREHOLDING

By the end of 2012 the Group has acquired 33.3% of the shares and voting rights of Dockwise Ltd ("Dockwise"). With this, the power to participate in the financial and operating policy decisions of Dockwise exists and the interest is accounted for as an associated company (reference is made to note 16).

6. REVENUE

The revenue of the segments Dredging, Offshore Energy and Inland Infra mainly comprises revenues from work in progress. Movements in the value of work in progress, consisting of cumulative incurred costs plus profit in proportion to progress less provisions for losses, together with the work done and completed during the reporting period, determine the revenue for these segments. The revenue from services rendered to third parties is partly realized in the operational segments Offshore Energy and Inland Infra, but mainly in the segment Towage & Salvage. The revenue from construction contracts (IAS 11) and services on a project base by analogy with this standard amounts to approximately EUR 2,317 million (2011: EUR 2,118 million). The revenue from other services amounts to approximately EUR 764 million (2011: EUR 683 million).

If certain projects are executed together in a joint venture, the segments only report their own share in the revenue and results recognized, resulting in no material related party transactions that need to be eliminated.

Revenue by region can be specified as follows:

	REVENUE	
	2012	2011
Netherlands	**762,563**	633,181
Rest of Europe	**570,093**	494,231
Australia / Asia	**483,753**	689,503
Middle East	**341,314**	318,026
Africa	**427,845**	295,696
North and South America	**495,294**	370,400
	3,080,862	2,801,037

A large part of the Group's revenue is executed project based for a various group of clients in various countries and geographical areas. Because of the often incidental character and spread of the contracts none of these clients qualifies structurally as a material client in relation to the total revenue of the Group.

Revenue includes the movements in work in progress of EUR 29.2 million (2011: EUR 960.2 million).

7. OTHER INCOME

Other income mainly comprises the settlement of equipment related claims (EUR 3.4 million; 2011: EUR 4.5 million) and book results on the disposal of equipment (EUR 11.1 million; 2011: EUR 4.5 million).

8. RAW MATERIALS, CONSUMABLES, SERVICES AND CONTRACTED WORK

During 2012 EUR 5.4 million (2011: EUR 5.2 million) was recognized as an expense in the consolidated income statement of operating leases through limited partnerships (Dutch: 'CV-contructions'). The Group has an option to purchase these vessels eight years after the commencement of the lease period at a fixed price. In respect of other operational lease agreements EUR 39.7 million was recognized in the consolidated income statement (2011: EUR 38.2 million).

9. PERSONNEL EXPENSES

	2012	2011
Wages and salaries	**- 484,050**	- 469,641
Social security costs	**- 54,627**	- 44,716
Pension costs for defined benefit pension schemes	**- 21,815**	- 17,427
Pension costs for defined contribution pension schemes	**- 19,166**	- 17,877
	- 579,658	- 549,661

For the remuneration of the Board of Management and the Supervisory Board reference is made to note 30.2.

10. FINANCE INCOME AND EXPENSES

	2012	2011
Interest income on short-term bank deposits	**8,576**	8,324
Change in fair value of (hedging instruments regarding) borrowings	**6,392**	14,663
Finance income	**14,968**	22,987
Interest expenses	**- 36,040**	- 39,528
Change in fair value of (hedging instruments regarding) borrowings	**- 10,199**	- 17,672
Other finance expenses	**- 3,209**	- 6,155
Finance expenses	**- 49,448**	- 63,355
Net finance expense recognized in consolidated income statement	**- 34,480**	- 40,368

In 2011 Other finance expenses included EUR 3.0 million settlement costs of derivatives, which, due to the sale of the terminal activities, were no longer effective. The remainder of the other finance expenses mainly relates to commitment fees.

11. TAXATION

	2012	2011
Current tax expense		
Current year	**- 67,685**	- 77,686
Over / under(-) provided in prior years	**9,472**	9,706
Reclassification of deferred taxes regarding prior financial years	**7,208**	3,196
	- 51,005	- 64,784
Deferred tax expense		
Origination and reversal of temporary differences	**9,937**	10,532
Effect of changes in tax rates on deferred taxes	**117**	- 380
Reclassification of deferred taxes regarding prior financial years	**- 7,208**	- 3,196
Movement of recognized tax losses carried forward	**- 1,343**	3,093
	1,503	10,049
Taxation in the consolidated income statement	**- 49,502**	- 54,735

The operational activities of the Group are subject to various tax regimes with tax rates varying from 0% to 42% (2011: 0% to 42%). These different tax rates, together with fiscal facilities in various countries and the treatment of tax losses, results not subject to taxation and non-deductible costs, lead to an effective tax rate in the reporting period of 16.4% (2011: 17.3%). The effective tax rate is calculated as the tax charge divided by the profit before tax, as shown in the consolidated income statement. The reconciliation between the Dutch nominal tax rate and the effective tax rate is as follows:

	2012	2011
Nominal tax rate in the Netherlands	**25.0%**	25.0%
Application of local nominal tax rates	**- 7.3%**	- 9.3%
Non-deductible expenses	**3.6%**	1.0%
Effect of unrecognized tax losses and temporary differences	**3.2%**	4.6%
Effect of previously unrecognized tax losses	**- 3.6%**	- 0.3%
Special taxation regimes	**- 1.3%**	- 0.5%
Adjustment in respect of prior years	**- 3.2%**	- 3.1%
Effect of share in result of associated companies	**0.0%**	- 0.1%
Effective tax rate	**16.4%**	17.3%

12. INCOME TAX RECEIVABLE AND PAYABLE

The current income tax receivables and income tax payables relate to the fiscal positions of the respective Group companies and consist of fiscal years still to be settled less withholding taxes or tax refunds.

13. DEFERRED INCOME TAX ASSETS AND LIABILITIES

	BALANCE AS AT JANUARY 1, 2012		MOVEMENT IN TEMPORARY DIFFERENCES DURING THE YEAR					BALANCE AS AT DECEMBER 31, 2012	
	Asset	**Liability**	**Charged (-)/ added to net profit**	**Charged to equity**	**Business combi-nation**	**In / out consolida-tion**	**Currency translation differences**	**Asset**	**Liability**
Intangible assets	**—**	**- 23,954**	**4,281**	**—**	**—**	**—**	**253**	**—**	**- 19,420**
Property, plant and equipment	**4,628**	**- 60,674**	**8,293**	**—**	**—**	**403**	**1,005**	**4,624**	**- 50,969**
Due from and due to customers	**—**	**- 6,873**	**3,564**	**—**	**—**	**—**	**59**	**—**	**- 3,250**
Trade and other receivables	**172**	**- 639**	**727**	**—**	**—**	**—**	**- 150**	**148**	**- 38**
Hedging reserve	**701**	**- 1,874**	**—**	**4,749**	**—**	**—**	**23**	**3,599**	**—**
Actuarial gains and losses and asset limitation on defined benefit pension schemes	**20,169**	**—**	**87**	**7,028**	**—**	**—**	**- 87**	**27,197**	**—**
Employee benefits	**1,718**	**- 5,727**	**- 5,816**	**—**	**—**	**—**	**- 743**	**1,118**	**- 11,686**
Provisions	**7,409**	**- 438**	**- 6,638**	**—**	**—**	**—**	**- 2**	**1,458**	**- 1,127**
Interest-bearing borrowings	**55**	**—**	**1,158**	**—**	**—**	**—**	**- 594**	**619**	**—**
Trade and other payables	**1,593**	**- 138**	**- 351**	**—**	**—**	**—**	**- 496**	**1,069**	**- 461**
Other assets and liabilities	**973**	**- 2,037**	**- 1,422**	**- 176**	**—**	**—**	**7**	**270**	**- 2,925**
Fiscal reserves	**—**	**- 274**	**- 1,037**	**—**	**—**	**—**	**- 57**	**—**	**- 1,368**
Foreign branch results	**—**	**- 3,137**	**—**	**—**	**—**	**—**	**—**	**—**	**- 3,137**
Tax losses carried forward	**3,677**	**—**	**- 1,343**	**—**	**—**	**—**	**- 381**	**1,953**	**—**
	41,095	**- 105,765**	**1,503**	**11,601**	**—**	**403**	**- 1,163**	**42,055**	**- 94,381**
Offsetting deferred tax assets and liabilities	**- 12,282**	**12,282**						**- 16,343**	**16,343**
Net in the consolidated balance sheet	**28,813**	**- 93,483**						**25,712**	**- 78,038**

	BALANCE AS AT JANUARY 1, 2011		MOVEMENT IN TEMPORARY DIFFERENCES DURING THE YEAR					BALANCE AS AT DECEMBER 31, 2011	
	Asset	**Liability**	**Charged (-)/ added to net profit**	**Charged to equity**	**Business combina-tion**	**In / out consolida-tion**	**Currency translation differences**	**Asset**	**Liability**
Intangible assets	—	- 26,890	2,886	—	—	70	- 20	—	- 23,954
Property, plant and equipment	7,508	- 65,224	672	—	- 5,941	1,827	5,112	4,628	- 60,674
Due from and due to customers	—	- 7,751	1,036	—	—	—	- 158	—	- 6,873
Trade and other receivables	239	- 153	76	—	- 626	—	- 3	172	- 639
Hedging reserve	645	- 887	- 6	- 921	—	—	- 4	701	- 1,874
Actuarial gains and losses and asset limitation on defined benefit pension schemes	10,287	—	—	9,882	—	—	—	20,169	—
Employee benefits	950	- 6,704	2,201	- 345	—	—	- 111	1,718	- 5,727
Provisions	7,648	- 644	- 1,416	—	1,349	—	34	7,409	- 438
Interest-bearing borrowings	550	- 1,840	65	—	1,081	—	199	55	—
Trade and other payables	2,237	- 130	- 683	—	—	—	31	1,593	- 138
Other assets and liabilities	476	- 2,007	848	2,231	- 1,147	- 774	- 691	973	- 2,037
Fiscal reserves	—	- 1,194	212	—	—	708	—	—	- 274
Foreign branch results	—	- 4,202	1,065	—	—	—	—	—	- 3,137
Tax losses carried forward	1,659	- 2	3,093	—	—	—	- 1,073	3,677	—
	32,199	- 117,628	10,049	10,847	- 5,284	1,831	3,316	41,095	- 105,765
Offsetting deferred tax assets and liabilities	- 13,493	13,493						- 12,282	12,282
Net in the consolidated balance sheet	18,706	- 104,135						28,813	- 93,483

Deferred tax assets are not recognized as long as it is not probable that economic benefits can be expected in future periods. Deferred tax assets and liabilities within fiscal entities are offset in the balance sheet.

The following movements in deferred tax assets and liabilities, including applicable tax rate changes, together with the items they relate to, are recognized directly in group equity:

	2012		
	Before tax	**Tax (expense) benefit**	**Net of tax**
Foreign currency translation differences for foreign operations	**- 2,976**	**- 176**	**- 3,152**
Fair value of cash flow hedges	**- 18,988**	**4,749**	**- 14,239**
Defined benefit plan actuarial gains (losses) and asset limitation	**- 34,322**	**7,028**	**- 27,294**
	- 56,286	**11,601**	**- 44,685**

	2011		
	Before tax	**Tax (expense) benefit**	**Net of tax**
Foreign currency translation differences for foreign operations	- 823	2,231	1,408
Fair value of cash flow hedges	6,074	- 921	5,153
Defined benefit plan actuarial gains (losses) and asset limitation	- 58,789	9,537	- 49,252
	- 53,538	10,847	- 42,691

UNRECOGNIZED DEFERRED INCOME TAX ASSETS

Unrecognized deferred tax assets regarding tax losses carried forward of Group companies amount to EUR 99.2 million (2011: EUR 86.5 million). These deferred tax assets are not recognized in the balance sheet as long as recovery through taxable profit or deductible temporary differences before expiration is not probable.

	2012		2011	
	Tax losses carried forward	**Deductible temporary differences**	**Tax losses carried forward**	**Deductible temporary differences**
No later than 1 year	**–**	**340**	–	–
Later than 1 year and no later than 5 years	**5,728**	**1,700**	12,418	–
Later than 5 years	**72,710**	**18,724**	49,243	24,887
	78,438	**20,764**	61,661	24,887

14. INTANGIBLE ASSETS

	GOODWILL	OTHER	TOTAL
Balance as at January 1, 2012			
Cost	**481,226**	**131,359**	**612,585**
Accumulated amortisations	**–**	**- 16,989**	**- 16,989**
Book value	**481,226**	**114,370**	**595,596**
Movements			
Acquired through business combinations	**10,104**	**- 2,235**	**7,869**
Amortization	**–**	**- 8,723**	**- 8,723**
Currency translation differences and other movements	**- 2,156**	**3,427**	**1,271**
	7,948	**- 7,531**	**417**
Balance as at December 31, 2012			
Cost	**489,174**	**132,551**	**621,725**
Accumulated amortisations	**–**	**- 25,712**	**- 25,712**
Book value	**489,174**	**106,839**	**596,013**

	GOODWILL	OTHER	TOTAL
Balance as at January 1, 2011			
Cost	461,978	137,849	599,827
Accumulated amortisations	–	- 6,150	- 6,150
Book value	461,978	131,699	593,677
Movements			
Acquired through business combinations	50,079	1,172	51,251
In / (out) consolidation	- 35,697	- 8,936	- 44,633
Amortisation	–	- 10,839	- 10,839
Currency translation differences and other movements	4,866	1,274	6,140
	19,248	- 17,329	1,919
Balance as at December 31, 2011			
Cost	481,226	131,359	612,585
Accumulated amortisations	–	- 16,989	- 16,989
Book value	481,226	114,370	595,596

14.1 GOODWILL

The adjustment of goodwill in 2012 relates to changes in the preliminary balance of identified assets and liabilities in respect of the business combination MNO Vervat and the sale of the (SMIT) terminal activities to Smit-Lamnalco. Both transactions have been completed in 2011 and adjustments regarding the balance of identifiable assets and liabilities have resulted in a net increase of EUR 10.1 million of goodwill within 12 months after the transaction date.

The changes in the operational segments, as stipulated in note 4, have resulted in a change of cash generating units and therewith in a changed allocation of goodwill of Smit Salvage, Transport & Heavy Lift (EUR 156.1 million) to Offshore Energy (EUR 119.2 million) and to Smit Salvage (EUR 36.9 million). The allocation of goodwill of other cash generating units is unchanged compared to last year.

The goodwill is allocated to the following cash generating units:

CASH GENERATING UNIT	OPERATIONAL SEGMENT 2012	2012	2011
Harbour Towage	Towage & Salvage	**197,407**	198,266
Salvage	Towage & Salvage	**36,875**	–
Smit-Lamnalco	Towage & Salvage	**75,468**	71,754
Offshore Energy	Offshore Energy	**119,222**	–
Salvage, Transport & Heavy Lift	–	**–**	156,096
Dry Infrastructure (Netherlands)	Inland Infra	**46,607**	41,515
Homemarket 'Mexico'	Dredging	**13,595**	13,595
Total		**489,174**	481,226

When conducting the impairment testing of goodwill, the value in use of the cash generating unit is determined by discounting future cash flows from continuing operations of the unit. The calculation comprises of cash flow projections for a period of five years starting with the budget 2013, after which the cash flows are extrapolated at the assumed growth rate. The valuation models have been consistently applied for the different cash generating units.

Management has projected cash flows based on past trends and estimates and of future market developments. Also it is assumed that cost efficiencies can and will be realized. The key assumptions relate to the discount rate used and the growth rate applied in the calculation of the terminal value. The discount rates used are for Harbour Towage 8.6% (2011: 8.3%), for Salvage 11.0%, for Offshore Energy 9.3%, for Smit-Lamnalco 8.8%, for Dry Infrastructure (Netherlands) 11.0% and for Homemarket 'Mexico' 12.8% (2011: 13.2%). The growth rate applied in the terminal value is, as last year, set at 2% and does not exceed the long-term average growth rate which may be expected for the activities. The assessment has indicated that no impairment is required since the recoverable amount is higher than the sum of the recognized goodwill and the carrying amount of the assets and liabilities attributable to the respective cash generating unit. Changes that could be reasonably expected in the underlying parameters for calculating the recoverable amount at year-end such as an increase in the discount rate by 1% or a decrease in growth rate in the terminal value by 1% do also not give rise to an impairment. Moreover, considering the sufficient amount of headroom for each cash generating unit, no further, detailed sensitivity analysis has been presented.

14.2 OTHER INTANGIBLE ASSETS

Other intangible assets mainly comprise intangible assets which were recognized as a result of acquisitions. This item primarily relates to customer portfolios and trademarks resulting from the business combination of Smit Internationale N.V..

15. PROPERTY, PLANT AND EQUIPMENT

	LAND AND BUILDINGS	FLOATING AND OTHER CONSTRUCTION EQUIPMENT	OTHER FIXED ASSETS	PROPERTY, PLANT & EQUIPMENT UNDER CONSTRUCTION	TOTAL
Balance as at January 1, 2012					
Cost	**76,289**	**3,156,649**	**41,525**	**246,970**	**3,521,433**
Accumulated depreciation and impairment losses	**- 24,282**	**- 1,260,467**	**- 23,108**	**- 7,538**	**- 1,315,395**
Book value	**52,007**	**1,896,182**	**18,417**	**239,432**	**2,206,038**
Movements					
Investments, including capitalized borrowing costs	**5,075**	**83,413**	**9,933**	**215,472**	**313,893**
Acquired through business combinations	**16,376**	**208,416**	**1,793**	**- 226,585**	**—**
Impairment losses	**—**	**- 4,098**	**—**	**—**	**- 4,098**
Depreciation	**- 2,818**	**- 209,770**	**- 5,902**	**—**	**- 218,490**
Disposals and other movements	**- 2,033**	**- 6,819**	**- 3,791**	**- 11,765**	**- 24,408**
Currency translation differences	**- 97**	**- 11,300**	**- 275**	**- 295**	**- 11,967**
	16,503	**59,842**	**1,758**	**- 23,173**	**54,930**
Balance as at December 31, 2012					
Cost	**99,778**	**3,396,362**	**53,812**	**226,384**	**3,776,336**
Accumulated depreciation and impairment losses	**- 31,268**	**- 1,440,338**	**- 33,637**	**- 10,125**	**- 1,515,368**
Book value	**68,510**	**1,956,024**	**20,175**	**216,259**	**2,260,968**

	LAND AND BUILDINGS	FLOATING AND OTHER CONSTRUCTION EQUIPMENT	OTHER FIXED ASSETS	PROPERTY, PLANT & EQUIPMENT UNDER CONSTRUCTION	TOTAL
Balance as at January 1, 2011					
Cost	71,611	3,205,416	57,504	147,252	3,481,783
Accumulated depreciation and impairment losses	- 22,798	- 1,236,089	- 32,689	- 11,582	- 1,303,158
Book value	48,813	1,969,327	24,815	135,670	2,178,625
Movements					
Investments, including capitalized borrowing costs	417	93,412	6,320	191,746	291,895
Acquired through business combinations	6,502	74,225	1,755	98	82,580
In / (out) consolidation	- 95	- 101,282	- 490	- 391	- 102,258
Put into operation	552	89,261	155	- 89,968	—
(Reversal of) impairment losses	—	- 10,475	—	4,044	- 6,431
Depreciation	- 2,488	- 210,724	- 5,906	—	- 219,118
Disposals and other movements	- 1,155	- 3,090	- 8,166	- 3,668	- 16,079
Currency translation differences	- 539	- 4,472	- 66	1,901	- 3,176
	3,194	- 73,145	- 6,398	103,762	27,413
Balance as at December 31, 2011					
Cost	76,289	3,156,649	41,525	246,970	3,521,433
Accumulated depreciation and impairment losses	- 24,282	- 1,260,467	- 23,108	- 7,538	- 1,315,395
Book value	52,007	1,896,182	18,417	239,432	2,206,038

Annually the Group reviews the main units of the fleet on (expected) utilization and operational results. In 2012 this resulted in the testing of a limited number of specific units on possible impairments and the recognition of an impairment charge amounting to EUR 4.1 million (2011: EUR 6.4 million). This concerns impairments to value in use for EUR 3.8 million and impairments to net selling price for EUR 0.3 million. The net selling price is determined net of sale and demolition expenses.

Also at year-end 2012 the expected useful life of the (components of) units is evaluated and adjusted prospectively for a part of the units. The net effect of these adjustment on net group profit for the reporting period amounts to EUR 3.5 million positive.

The financing costs on investments recognized amounts to nil in 2012 (2011: nil).

The Group leases various assets through financial lease agreements. The book value of the leased equipment was EUR 8.8 million at the end of 2012 (2011: EUR 10.6 million).

The securities provided for financing granted by means of mortgage rights on property, plant and equipment are disclosed in note 23.

In accordance with the characteristics of the Group's activities property, plant & equipment can be deployed on a worldwide scale during the reporting period. As a consequence, segmentation of the property, plant & equipment to geographical areas would not provide additional relevant information.

16. ASSOCIATED COMPANIES

	2012	2011
Balance as at January 1	**23,428**	20,617
Acquired through business combinations	**–**	2,307
Dividends received	**- 2,109**	- 729
Investment Dockwise Ltd	**225,288**	–
Other net investments	**7,376**	- 1,772
Share in result	**252**	2,020
Currency translation differences and other movements	**1,603**	985
Balance as at December 31	**255,838**	23,428

The key associated companies of the Group are:

		Ownership interest	
COMPANY	**COUNTRY OF INCORPORATION**	**2012**	2011
IRSHAD	Abu Dhabi, United Arab Emirates	**20%**	20%
RW Aggregates Ltd	United Kingdom	**50%**	50%
Taizhou Smit Towage Services Co Ltd	China	**40%**	40%
Damietta for Maritime Services Company S.A.E.	Egypt	**31%**	31%
Fleetcare Services Pte Ltd	Singapore	**45%**	45%
Dockwise Ltd	Netherlands	**33%**	–

The fair value (EUR 244.2 million), based on quoted prices, of the investment of the Group in the listed company Dockwise Ltd is EUR 25.0 million higher than the book value (EUR 219.2 million).

The voting rights in associated companies are equal to the ownership interests. The share of the Group in assets, liabilities, revenue and result of the aforementioned associated companies is stated below:

	2012	2011
Assets	**484,043**	23,696
Liabilities	**- 255,438**	- 14,828
Equity	**228,605**	8,868
Revenues	**16,450**	11,777
Share in result	**252**	2,020

17. OTHER NON-CURRENT RECEIVABLES

	2012	2011
Balance as at January 1	**112,064**	40,373
In / (out) consolidation	**–**	77,651
Repayment of loan by joint venture	**- 77,299**	–
Other movements	**- 10,959**	- 5,537
Currency translation differences	**153**	- 423
Balance as at December 31	**23,959**	112,064

The other non-current receivables comprise loans to strategic joint ventures, long-term advance payments to suppliers and long-term receivables and retentions from customers, which are due in agreed time schedules. This item also includes accrued receivables which are allocated to the result over periods longer than one year.

In / (out) consolidation concerns a subordinated loan that is provided in October 2011 to the strategic joint venture Smit-Lamnalco, after elimination of the Group's proportional share. The net finance income (after elimination) amounts to EUR 3.9 million (6%). The loan is repaid mid October 2012.

18. INVENTORIES

	2012	2011
Fuel and materials	**45,811**	37,108
Spare parts	**56,771**	56,575
Other inventories	**2,568**	4,034
	105,150	97,717

During 2012 and 2011 no write-down of inventories to net realisable value was required.

19. DUE FROM AND DUE TO CUSTOMERS

	2012	2011
Cumulative incurred costs plus profit in proportion to progress less provisions for losses	**4,770,427**	4,741,275
Progress billings	**4,794,765**	4,843,683
Advances received	**89,302**	152,120
Progress billings and advances received	**4,884,067**	4,995,803
Balance	**- 113,640**	- 254,528
Due from customers	**239,253**	234,353
Due to customers	**- 352,893**	- 488,881
Balance	**- 113,640**	- 254,528

As at year-end 2012 the payments due from customers includes an amount of EUR 12.9 million (2011: EUR 26.3 million) which will be paid subject to specified conditions (retentions) from third parties. The determination of the profit in proportion to the stage of completion and the provision for losses is based on estimated costs and revenues of the relating projects. These estimates contain uncertainties.

20. TRADE AND OTHER RECEIVABLES

	2012	2011
Trade receivables	**563,916**	518,164
Amounts due from associated companies	**16,781**	22,973
Other receivables and prepayments	**372,339**	408,034
	953,036	949,171

21. CASH AND CASH EQUIVALENTS

	2012	2011
Bank balances and cash	**309,416**	243,474
Short-term bank deposits	**88,686**	154,483
Cash and cash equivalents	**398,102**	397,957
Bank overdrafts	**- 8,120**	- 15,364
Net cash and cash equivalents in the consolidated statement of cash flows	**389,982**	382,593

Cash and cash equivalents include EUR 77.6 million (2011: EUR 65.9 million) held by project-driven construction consortiums and EUR 48.3 million (2011: EUR 85.8 million) mainly held by strategic alliances, which are subject to joint control. The remaining funds were freely disposable.

22. GROUP EQUITY

22.1 ISSUED CAPITAL AND SHARE PREMIUM

The authorized share capital of EUR 240 million is divided into 150,000,000 ordinary shares with a par value of EUR 0.80 each and 50,000,000 cumulative protective preference shares with a par value of EUR 2.40 each.

(in number of shares)	**2012**	2011
On issue and fully paid at January 1	**103,471,742**	100,974,263
Stock dividend	**3,811,937**	2,497,479
On issue and fully paid at December 31	**107,283,679**	103,471,742

The issued capital as at December 31, 2012 consists of 107,283,679 ordinary shares with a par value of EUR 0.80 each and consequently amounts to EUR 85.8 million (2011: EUR 82.8 million).
Issued capital increased by 3,811,937 ordinary shares in the course of 2012 as a result of the distribution of stock dividend. Of the issued capital as at December 31, 2012, six ordinary shares were owned by the Group.

The as yet unexercised option right to take cumulative protective preference shares in Royal Boskalis Westminster N.V. has been assigned to the Stichting Continuïteit KBW.

Share premium comprises additional paid-in capital exceeding the par value of outstanding shares. Share premium is distributable free of tax.

22.2 RETAINED EARNINGS

Retained earnings consist of additions and distributions based on profit appropriations, effects of changes in accounting principles and losses and movements in the legal reserve. The balance is at the disposal of the shareholders. Retained earnings also comprises the yet unappropriated current year profit. A proposal for profit appropriation is included in note 29 relating to subsequent events.

22.3 DIVIDENDS

Royal Boskalis Westminster N.V. announced and distributed the following dividends to holders of ordinary shares:

	2012	2011
Dividends previous year EUR 1.24 respectively EUR 1.24 per ordinary share	**128,305**	125,208
Total announced and distributed dividend	**128,305**	125,208
Stock dividend	**89,812**	80,522
Cash dividend	**38,493**	44,686
Total distributed dividend	**128,305**	125,208

22.4 EARNINGS PER SHARE

Earnings per share over 2012 amount to EUR 2.37 (2011: EUR 2.48). Because there are no dilution effects, the diluted earnings per share also amount to EUR 2.37 (2011: EUR 2.48). The calculation of earnings per share is based on the profit attributable to shareholders of EUR 250.2 million (2011: EUR 254.3 million) and the weighted average number of ordinary shares for the year 2012, 105,644,024 (2011: 102,390,642). This number is calculated as follows:

(in number of shares)	2012	2011
Issued ordinary shares as at January 1	**103,471,742**	100,974,263
Weighted effect of ordinary shares issued due to optional dividend	**2,172,282**	1,416,379
Weighted average number of ordinary shares during the fiscal year	**105,644,024**	102,390,642

22.5 OTHER RESERVES

Movement in other reserves:

	Legal reserves					
	OTHER LEGAL RESERVE	**HEDGING RESERVE**	**REVALUATION RESERVE**	**CURRENCY TRANSLATION RESERVE**	**ACTUARIAL RESERVE**	**TOTAL OTHER RESERVES**
Note	*[22.5.1]*	*[22.5.2]*	*[22.5.3]*	*[22.5.4]*	*[22.5.5]*	
Balance as at January 1, 2012	**307,306**	**2,799**	**21,150**	**1,740**	**- 102,820**	**230,175**
Foreign currency translation differences for foreign operations, after taxation	**–**	**–**	**–**	**- 4,974**	**–**	**- 4,974**
Cash flow hedges, after taxation	**–**	**- 14,239**	**–**	**–**	**–**	**- 14,239**
Defined benefit plan actuarial gains (losses) and asset limitation, after taxation	**–**	**–**	**–**	**–**	**- 27,294**	**- 27,294**
Realization through sale of underlying asset	**–**	**–**	**- 716**	**–**	**–**	**- 716**
Movement legal reserve	**18,547**	**–**	**–**	**–**	**–**	**18,547**
Total movement	**18,547**	**- 14,239**	**- 716**	**- 4,974**	**- 27,294**	**- 28,676**
Balance as at December 31, 2012	**325,853**	**- 11,440**	**20,434**	**- 3,234**	**- 130,114**	**201,499**

	Legal reserves					
	OTHER LEGAL RESERVE	HEDGING RESERVE	REVALUATION RESERVE	CURRENCY TRANSLATION RESERVE	ACTUARIAL RESERVE	TOTAL OTHER RESERVES
Note	*[22.5.1]*	*[22.5.2]*	*[22.5.3]*	*[22.5.4]*	*[22.5.5]*	
Balance as at January 1, 2011	203,524	- 2,354	3,834	- 633	- 53,568	150,803
Foreign currency translation differences for foreign operations, after taxation	—	—	—	2,373	—	2,373
Cash flow hedges, after taxation	—	5,153	—	—	—	5,153
Defined benefit plan actuarial gains (losses) and asset limitation, after taxation	—	—	—	—	- 49,252	- 49,252
Revaluation existing participation prior to business combination with SMIT	—	—	17,316	—	—	17,316
Movement legal reserve	103,782	—	—	—	—	103,782
Total movement	103,782	5,153	17,316	2,373	- 49,252	79,372
Balance as at December 31, 2011	307,306	2,799	21,150	1,740	- 102,820	230,175

22.5.1 OTHER LEGAL RESERVE (LEGAL RESERVE)

With regard to the difference between the cost price and equity value of entities, consolidated either proportionally as well as associated companies recognized in accordance with the equity method, a legally required reserve is recognized because of a lack of control over the distribution of profits only to the extent that these differences are not included in the accumulated currency translation differences on foreign operations.

22.5.2 HEDGING RESERVE (LEGAL RESERVE)

The hedging reserve comprises the fair value of effective cash flow hedges, not yet realized at balance sheet date, net of taxation, including results realized on the "rolling forward" of existing hedges as a result of differences between the duration of the hedges concerned and the underlying cash flows. Details about the movements in the hedging reserve are disclosed in note 27.2.

22.5.3 REVALUATION RESERVE (LEGAL RESERVE)

This reserve at year-end 2012 relates the revaluations of the existing interests following the business combination Dragamex SA de CV and Codramex SA de CV in 2008 and the profit with respect to the revaluation of the existing non-controlling interest prior to the business combination with Smit Internationale N.V..

22.5.4 CURRENCY TRANSLATION RESERVE (LEGAL RESERVE)

The currency translation reserve comprises all accumulated currency translation differences arising from the translation of investments in foreign operations, which are denominated in reporting currencies other than those used by the Group, including the related intragroup financing. These currency translation differences are accumulated as from the IFRS transition date (January 1, 2004) and are taken into the income statement at disposal or termination of these foreign operations.

22.5.5 ACTUARIAL RESERVE

The actuarial reserve relates to the limitation on net plan assets of defined benefit pension schemes and the actuarial gains and losses, which originated from the difference between the realized and the expected movement in defined benefit obligations and the return on plan assets.

23. INTEREST-BEARING BORROWINGS

	2012	2011
Non-current liabilities		
Mortgage loans	**239,825**	146,417
Other interest-bearing loans	**365,648**	533,279
	605,473	679,696
Current liabilities		
Mortgage loans (current portion)	**25,526**	52,060
Other interest-bearing loans (current portion)	**356,791**	60,512
	382,317	112,572
Total interest-bearing borrowings	**987,790**	792,268

As security for the mortgage loans, denominated partly in other currencies than the Euro, mortgage rights are vested on property, plant and equipment, mainly vessels, with a book value of EUR 421.0 million (2011: EUR 326.0 million). For certain loans, additional securities have been provided by means of the assignment of revenues from rental contracts to third parties and insurance policies regarding this property, plant and equipment.

The Other interest-bearing loans concern, translated at year-end foreign currency rates, for EUR 341.0 million an inaugural US dollar 433 million and GBP 11 million US private placement, in July 2010, with 26 institutional investors in the United States and the United Kingdom. The placement consists of three tranches with maturities of 7, 10 and 12 years, respectively. The US dollar and GBP proceeds have been swapped into euros, for a total amount of EUR 354 million. Furthermore, in March 2010 the Group arranged a combination of a three-year and five-year bank facility (EUR 350 million and EUR 300 million) with a consortium of banks. As at year-end 2012 EUR 223 million was drawn. In 2013, in connection with the offer on all outstanding Dockwise shares, this three-year and five-year bank facility will be redeemed. For an explanation on the new financing arrangements that were concluded in January 2013, reference is made to note 29 Subsequent events.

Where applicable, financial ratio and negative pledge clause requirements are met as at December 31, 2012.

Effective interest rates, remaining terms and currencies of the interest-bearing borrowings are disclosed in the explanatory notes to the financial instruments in the interest rate risk paragraph. As at December 31, 2012, the average interest rate for the non-current portion of mortgage loans and other interest-bearing loans was 5.17% (2011: 5.33%) and 2.58% (2011: 3.91%) respectively. The non-current portions of mortgage loans and other interest-bearing loans due later than five years amount to EUR 82.1 million (2011: EUR 59.1 million) and EUR 143.9 million (2011: EUR 348.4 million) respectively.

24. EMPLOYEE BENEFITS

The liabilities associated with employee benefits consist of defined benefit pension schemes and other liabilities relating to a number of defined contribution schemes in foreign countries and jubilee benefits. They amount to a total of:

	Note	2012	2011
Defined benefit pension schemes	*[24.1]*	**104,576**	76,386
Other liabilities on account of employee benefits		**8,508**	7,478
Employee benefits		**113,084**	83,864

24.1 DEFINED BENEFIT PENSION SCHEMES

	DEFINED BENEFIT OBLIGATION	FAIR VALUE PLAN ASSETS	SURPLUS/ DEFICIT (-)	UNFUNDED PENSION LIABILITIES	TOTAL	CHARGED TO CONSOLIDATED INCOME STATEMENT	RECOGNIZED DIRECTLY IN EQUITY
Balance as at January 1, 2012	**687,660**	**629,183**	**- 58,477**	**- 9,134**	**- 67,611**		
Current service cost	**20,119**	**—**	**- 20,119**	**- 430**	**- 20,549**	**20,549**	
Interest cost on obligation	**30,270**	**—**	**- 30,270**	**- 394**	**- 30,664**	**30,664**	
Contributions received	**—**	**26,875**	**26,875**	**—**	**26,875**		
Expected return on plan assets	**—**	**29,398**	**29,398**	**—**	**29,398**	**- 29,398**	
Net actuarial gains / losses	**80,280**	**43,391**	**- 36,889**	**- 638**	**- 37,527**		**37,527**
Benefits paid	**- 29,847**	**- 29,847**	**—**	**815**	**815**		
Foreign currency exchange rate changes	**1,210**	**1,381**	**171**	**86**	**257**		
Total movement	**102,032**	**71,198**	**- 30,834**	**- 561**	**- 31,395**	**21,815**	**37,527**
Balance as at December 31, 2012	**789,692**	**700,381**	**- 89,311**	**- 9,695**	**- 99,006**		
Limitation on net plan assets as at January 1					**- 8,775**		
Movement in limit on net plan assets					**3,205**		**- 3,205**
Limitation on net plan assets as at December 31					**- 5,570**		
Balance as at December 31, 2012 after limitation on net plan assets					**- 104,576**		
Total result defined benefit pension schemes					**56,137**	**21,815**	**34,322**

	DEFINED BENEFIT OBLIGATION	FAIR VALUE PLAN ASSETS	SURPLUS/ DEFICIT (-)	UNFUNDED PENSION LIABILITIES	TOTAL	CHARGED TO CONSOLIDATED INCOME STATEMENT	RECOGNIZED DIRECTLY IN EQUITY
Balance as at January 1, 2011	586,570	580,157	- 6,413	- 9,157	- 15,570		
Current service cost	14,687	—	- 14,687	- 461	- 15,148	15,148	
Interest cost on obligation	28,774	—	- 28,774	- 401	- 29,175	29,175	
Contributions received	—	25,468	25,468	—	25,468		
Expected return on plan assets	—	26,896	26,896	—	26,896	- 26,896	
Net actuarial gains / losses	65,949	4,858	- 61,091	- 214	- 61,305		61,305
Benefits paid	- 28,304	- 28,304	—	1,257	1,257		
Acquired through business combination	18,500	18,500	—	—	—		
Foreign currency exchange rate changes	1,484	1,608	124	- 158	- 34		
Total movement	101,090	49,026	- 52,064	23	- 52,041	17,427	61,305
Balance as at December 31, 2011	687,660	629,183	- 58,477	- 9,134	- 67,611		
Limitation on net plan assets as at January 1					- 11,291		
Movement in limit on net plan assets					2,516		- 2,516
Limitation on net plan assets as at December 31					- 8,775		
Balance as at December 31, 2011 after limitation on net plan assets					- 76,386		
Total result defined benefit pension schemes					76,216	17,427	58,789

Some of the Dutch staff participate in five multi-employer pension funds. These pension funds qualify under IFRS as defined benefit pension schemes. However, these funds have indicated they are not able to provide sufficient information for a calculation in accordance with IFRS because there is no reliable and consistent basis to attribute the pension obligations, plan assets, income and expenses to the individual member companies of these pension funds. Therefore these pension schemes are treated as defined contribution schemes.

The defined benefit pension schemes that are funded are the company pension funds in the Netherlands, Belgium, the United Kingkom, United States of America, Canada and South Africa. The defined benefit pension schemes that are unfunded are small pension schemes for two German Group companies and Archirodon. The remaining pension schemes in the Group do not qualify as defined benefit pension schemes.

Plan assets consist of the following:

	2012	2011
Equities	**158,744**	134,474
Bonds	**458,608**	462,421
Real estate	**10,927**	2,136
Cash (non-interest-bearing)	**85,459**	32,429
Other receivables and payables	**- 13,357**	- 2,277
	700,381	629,183

As per December 31, 2012 and December 31, 2011 the plan assets do not include shares which were issued by Royal Boskalis Westminster N.V.

The recognition of pension costs from defined benefit pension schemes in the consolidated financial statements is presented in the statement below:

	2012	2011
Total result defined benefit schemes	**56,137**	76,216
Pension costs for defined benefit pension schemes charged to the consolidated income statement	**- 21,815**	- 17,427
Actuarial gains and losses and asset limitation recognized directly in equity	**34,322**	58,789
Taxation	**- 7,028**	- 9,537
Actuarial gains and losses and asset limitation recognized directly in equity net of tax	**27,294**	49,252
Actual return on plan assets	**72,789**	31,754

The accumulated actuarial gains and losses and the balance of the limitation on net plan assets amount to:

	2012	2011
Accumulated actuarial gains and losses as per December 31	**- 151,396**	- 113,869
Asset limitation on net plan assets as per December 31	**- 5,570**	- 8,775
	- 156,966	- 122,644

The Group expects EUR 53.1 million in contributions to be paid to the funded defined benefit pension schemes and EUR 0.8 million in benefits to be paid for the unfunded defined benefit schemes in 2013.

The expected return on plan assets is the weighted average of actuarially proven expected returns on fixed interest securities and shares based, in part, on external sources. The principal actuarial assumptions used for the calculations are:

	2012	2011
Discount rate	**3.66%**	4.50%
Expected return on plan assets past year	**3.90%**	4.80%
Expected future salary increases	**2.00%**	1.90%
Expected future inflation	**2.60%**	2.40%
Expected future pension increases active participants	**2.15%**	1.90%
Expected future pension increases inactive participants	**1.80%**	1.60%

Historical information:

	2012	2011	2010	2009	2008
Defined benefit obligation	**- 789,692**	- 687,660	- 586,570	- 327,872	- 301,853
Fair value of plan assets	**700,381**	629,183	580,157	327,935	287,007
Surplus / deficit (-)	**- 89,311**	- 58,477	- 6,413	63	- 14,846
Unfunded pension liabilities	**- 9,695**	- 9,134	- 9,157	- 8,288	- 7,598
Total surplus / deficit (-)	**- 99,006**	- 67,611	- 15,570	- 8,225	- 22,444
Experience adjustments arising on plan liabilities	**44,254**	- 10,922	- 16,512	- 1,264	7,929
Experience adjustments arising on plan assets	**43,391**	4,858	18,770	27,081	- 56,011

Experience adjustments are defined as all gains / losses (-) due to changes other than changes in the discount rate.

25. PROVISIONS

	UNFAVOURABLE AND ONEROUS CONTRACTS	CLAIMS	GUARANTEE OBLIGATIONS	SOIL DECONTAMINA-TION	OTHER	TOTAL	2011
Balance as at January 1, 2012	**8,558**	**12,156**	**7,311**	**4,302**	**5,912**	**38,239**	57,493
Acquired through business combinations	**–**	**–**	**–**	**–**	**–**	**–**	2,885
In / (out) consoldiation	**–**	**–**	**–**	**–**	**–**	**–**	- 1,589
Provisions made during the year	**371**	**–**	**276**	**23**	**1,477**	**2,147**	5,300
Provisions used during the year	**–**	**- 20**	**- 256**	**–**	**- 1,334**	**- 1,610**	- 17,054
Provisions reversed during the year	**- 1,725**	**–**	**–**	**–**	**- 701**	**- 2,426**	- 4,211
Other movements	**871**	**–**	**- 1,513**	**–**	**- 3,795**	**- 4,437**	- 5,467
Exchange rate differences	**- 473**	**–**	**- 111**	**–**	**31**	**- 553**	- 93
Discount to present value	**–**	**948**	**–**	**–**	**–**	**948**	975
Balance as at December 31, 2012	**7,602**	**13,084**	**5,707**	**4,325**	**1,590**	**32,308**	38,239
Non-current	**5,811**	**13,084**	**3,577**	**2,464**	**1,466**	**26,402**	26,996
Current	**1,791**	**–**	**2,130**	**1,861**	**124**	**5,906**	11,243
Balance as at December 31, 2012	**7,602**	**13,084**	**5,707**	**4,325**	**1,590**	**32,308**	38,239

The provision for unfavourable and onerous contracts consist mainly of provisions, resulting from business combinations, for projects or customer contracts which, when valued at fair value, are determined as unfavourable. The other provisions relate mainly to warranty liabilities, expected costs for cleaning up soil contamination and claims for completed projects received in the year and in previous years. The Group disputes these claims and has made an assessment of the projected costs resulting from these claims. The results of the claims are uncertain and may differ from the above listed provisions.

26. TRADE AND OTHER PAYABLES

	2012	2011
Trade payables	**260,734**	238,039
Taxes and social security payables	**67,242**	81,286
Amounts due to associated companies	**6,211**	11,308
Other creditors and accruals	**889,067**	902,492
	1,223,254	1,233,125

The trade and other payables are generally not interest-bearing.

27. FINANCIAL INSTRUMENTS

GENERAL

Pursuant to a financial policy maintained by the Board of Management, the Group and its Group companies use several financial instruments in the ordinary course of business. The policy with respect to financial instruments is disclosed in more detail in the Annual Report in the "Corporate Governance" chapter. The Group's financial instruments are cash and cash equivalents, trade and other receivables, interest-bearing loans and bank overdrafts, trade and other payables and derivatives. The Group enters into derivative transactions, mainly foreign currency forward contracts and to a limited extent interest rate swaps, to hedge against the related risks as the Group's policy is not to trade in derivatives.

27.1 FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk, existing of: currency risk, interest rate risk and price risk

27.1.1 CREDIT RISK

The Group has a strict acceptance and hedging policy for credit risks, resulting from payment and political risks. In principle, credit risks are covered by means of bank guarantees, insurance, advance payments, etcetera, except in the case of creditworthy, first class debtors. These procedures and the (geographical) diversification of the operations of the Group companies reduce the risk with regard to credit concentration.

Exposure to credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables. The Group's exposure to credit risk is mainly determined by the individual characteristics of each of the customers and the location of these customers.

A large part of the Group's projects in progress within the operational segments Dredging, Offshore Energy and Inland Infra is directly or indirectly with state controlled authorities and (contractors of) oil and gas producers in various countries and geograhical areas. Activities relating to Harbor Towage activities (part of Towage & Salvage) are often performed for major ship owing companies and harbor agents. Receivables relating to terminal services (part of Towage & Salvage) are generally outstanding with oil and gas producers, therefore a significant portion of the receivables relates to clients from these industries. Salvage receivables (part of Towage & Salvage) are mainly outstanding with shipping companies and their Protection & Indemnity Associations, or "P&I Clubs". In general there is healthy diversification of receivables with different customers in several countries in which the Group is performing its activities. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The credit history of the Group over the recent years indicates that bad debts incurred are insignificant compared to the level of activities. Therefore, management is of the opinion that credit risk is adequately controlled through the currently applicable procedures.

The maximum credit risk as per balance sheet date, without taking into account the aforementioned financial risk coverage instruments and policy, consists of the book values of the financial assets as stated below:

	December 31	
	2012	2011
Non-current receivables	**23,959**	112,064
Trade receivables	**563,916**	518,164
Amounts due from associated companies	**16,781**	22,973
Other receivables and prepayments	**372,339**	408,034
Derivatives (receivable)	**16,390**	7,235
Income tax receivable	**14,350**	21,298
Cash and cash equivalents	**398,102**	397,957
	1,405,837	1,487,725

The maximum credit risk on trade debtors at reporting date by operational segment was as follows:

	2012	2011
Dredging	**206,215**	215,391
Offshore energy	**101,720**	63,011
Inland Infra	**150,796**	153,827
Towage & Salvage	**99,342**	91,760
Holding	**5,843**	-5,825
	563,916	518,164

The aging of trade debtors as at December 31 was as follows:

	2012		2011	
	GROSS	**IMPAIRMENT**	GROSS	IMPAIRMENT
Not past due	**345,214**	**–**	276,884	–
Past due 0 - 90 days	**123,599**	**5,489**	102,340	4,872
Past due 90 - 180 days	**41,618**	**1,482**	27,407	8,448
Past due 180 - 360 days	**33,138**	**3,606**	24,419	3,672
More than 360 days	**41,620**	**10,696**	114,121	10,015
	585,189	**21,273**	545,171	27,007
Impairment	**- 21,273**		- 27,007	
Trade receivables at book value	**563,916**		518,164	

With respect to the receivables that are neither impaired nor past due, there are no indications as of the reporting date that these will not be settled.

The movement in the allowance for impairment in respect of trade debtors during the year was as follows:

	2012	2011
Balance at January 1	**27,007**	20,388
Acquired through business combinations	**–**	1,508
In / (out) consolidation	**–**	- 668
Provisions made during the year	**1,834**	7,168
Provisions used during the year	**- 10**	- 70
Provisions released during the year	**- 7,431**	- 1,459
Exchange rate differences	**- 127**	140
	- 5,734	6,619
Balance at December 31	**21,273**	27,007

Concentration of credit risk
As at reporting date there is no concentration of credit risk with certain customers.

27.1.2 LIQUIDITY RISK
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. Liquidity projections including available credit facilities are incorporated in the regular management information reviewed by the Board of Management. The focus of the liquidity review is on the net financing capacity, being free cash plus available credit facilities in relation to the financial liabilities. Furthermore, based on the Group's financial ratios it can be concluded that the Group has significant debt capacity available under an (implied) "investment grade"-credit profile.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

As at December 31, 2012	Book value	Contractual cash flows	One year or less	1 - 5 years	More than 5 years
Mortgage loans	**- 265,351**	**- 322,320**	**- 39,109**	**- 188,167**	**- 95,044**
Other interest-bearing loans	**- 722,439**	**- 800,668**	**- 375,405**	**- 257,601**	**- 167,662**
Bank overdrafts	**- 8,120**	**- 8,120**	**- 8,120**	**–**	**–**
Trade and other payables	**- 1,223,254**	**- 1,223,254**	**- 1,223,254**	**–**	**–**
Current tax payable	**- 138,114**	**- 138,114**	**- 138,114**	**–**	**–**
Derivatives	**- 39,018**	**- 39,018**	**- 20,247**	**- 2,470**	**- 16,301**
	- 2,396,296	**- 2,531,494**	**- 1,804,249**	**- 448,238**	**- 279,007**

As at December 31, 2011	Book value	Contractual cash flows	One year or less	1 - 5 years	More than 5 years
Mortgage loans	- 198,477	- 244,316	- 62,503	- 110,501	- 71,312
Other interest-bearing loans	- 593,791	- 717,241	- 83,490	- 251,617	- 382,134
Bank overdrafts	- 15,364	- 15,364	- 15,364	–	–
Trade and other payables	- 1,233,125	- 1,233,125	- 1,233,125	–	–
Current tax payable	- 149,816	- 149,816	- 149,816	–	–
Derivatives	- 31,315	- 31,315	- 20,853	2,202	- 12,664
	- 2,221,888	- 2,391,177	- 1,565,151	- 359,916	- 466,110

27.1.3 MARKET RISK

Market risk concerns the risk that group income or the value of investments in financial instruments is adversely affected by changes in market prices, such as exchange rates and interest rates. The objective of managing market risks is to keep the market risk position within acceptable boundaries while achieving the best possible return.

Currency risk

A significant proportion of the projects is denominated in foreign currencies. That means that reported financial results and cash flows are exposed to risks ensuing from changes in exchange rates. The Board of Management has established a detailed currency risk management policy stipulating as main principle that currency risk, arising from transactions, must be hedged as soon as they occur, usually with forward contracts. Financial derivatives are used exclusively insofar as there are underlying real transactions, mainly future cash flows from contracted projects. Hedge accounting is applied to the majority of these cash flow hedges.

Exposure to currency risk

The Group's currency risk management policy was carried out during 2012 and resulted in a non-material sensitivity of the Group to currency transaction risk.

The following significant exchange rates applied during the year under review:

	Average rate		Reporting date spot rate	
Euro	**2012**	2011	**2012**	2011
US Dollar	**1.291**	1.383	**1.322**	1.298
Arab Emirates Dirham	**4.741**	5.091	**4.856**	4.768
Singapore Dollar	**1.614**	1.738	**1.620**	1.680
South African Rand	**10.601**	9.995	**11.210**	10.480
Australian Dollar	**1.250**	1.339	**1.270**	1.270
Brazilian Real	**2.519**	2.316	**2.700**	2.420
Indian Rupees	**68.710**	64.640	**72.500**	68.900

Currency translation risk

The currency translation risk as per year-end can be summarized as follows:

	2012	2011
Expected cash flows in US dollars	**291,890**	162,875
Expected cash flows in Indian Rupees	**95,163**	–
Expected cash flows in other currencies	**71,489**	72,907
Expected cash flows in foreign currencies	**458,542**	235,782
Cash flow hedges	**451,367**	223,716
Net position	**7,175**	12,066

Because of the relative linkage between the exchange rates of a number of currencies and the US dollars, these currencies are mainly hedged by means of US dollar cash flow hedges.

Currency translation risk and financing

The currency translation risk arises mainly from the net asset position of subsidiaries, associated companies and joint ventueres, whose functional currency is different form the presentiation currency of the Group. These investments are viewed from a long-term perspective. Currency risks associated with investments in these affiliated companies are not hedged, under the assumption that currency fluctuations and interest and inflation developments balance out in the long run. Items in the income statements of these subsidiaries are translated at average exchange rates. Currency translation differences are charged or credited directly to equity.

At reporting date the net asset positions of the main subsidiaries, associated companies and joint ventures in main functional currencies other than the Euro were as follows:

Euro	**2012**	2011
US dollar	**625,971**	365,357
Singapore dollar	**213,504**	272,259
South African rand	**21,941**	30,174
Brazilian real	**59,863**	56,669
Total net equity	**921,279**	724,459

Sensitivity analysis

The Group is mainly funded with a bank loan denominated in Euros and a US Private Placement expressed in US dollars en British Pound Sterling (see note 23). The financing arrangement mentioned above is swapped by means of cross currency swaps into Euros and as a result there is no currency sensitivity in the income statement. The Harbour Towage activities in Brazil have for a part an underlying US dollar cash inflow which is locally hedged with a cash outflow on the US dollar financing (outstanding financing as at reporting date: USD 50.3 million). A 5% weakening of the US dollar against the Brazilian real results in a currency gain of EUR 1.9 million and vice versa assuming that the exchange rate with the Euro does not change. These currency translation differences are recognized in the income statement. The other US dollar loans are mainly used for financing property, plant and equipment in proportionally consolidated strategic joint ventures.

For the year 2012, profit before taxation, excluding the effect of non-effective cash flow hedges, would have been EUR 3.3 million higher (2011: EUR 4.1 million higher) if the corresponding functional currency had strengthened by 5% against the Euro with all other variables, in particular interest rates, held constant. This would have been mainly as a result of foreign exchange gains on translation of the US dollar-denominated result of the affiliates mentioned above. The total effect on the currency translation reserve amounts to about EUR 46 million (2011: about EUR 36 million).

A 5% weakening of the corresponding functional currency against the Euro at December 31 would have had the equal but opposite effect assuming that all other variables would remain constant.

Interest rate risk

The Group has both fixed and variable interest rate liabilities. In respect of controlling interest risks, the policy is that, in principle, interest rates for loans payable are primarily fixed for the entire maturity period. This is achieved by contracting loans that carry a fixed interest rate or by using derivatives such as interest rate swaps.

The effective interest rates and the maturity term profiles of interest-bearing loans, deposits and cash and cash equivalents are stated below:

As at December 31, 2012	Effective interest rate	One year or less	1 - 5 years	Over 5 years	Total
Cash and cash equivalents	**0.34%**	**309,416**	**–**	**–**	**309,416**
Short-term deposits	**0.20%**	**88,686**	**–**	**–**	**88,686**
Mortgage loans (EUR)	**4.28%**	**- 5,989**	**- 15,723**	**- 6,103**	**- 27,815**
Mortgage loans (US Dollar)	**4.84%**	**- 16,817**	**- 120,125**	**- 74,413**	**- 211,355**
Mortgage loans (other)	**8.26%**	**- 2,720**	**- 21,923**	**- 1,538**	**- 26,181**
Other interest-bearing loans (EUR)	**2.59%**	**- 324,395**	**- 206,753**	**- 143,934**	**- 675,082**
Other interest-bearing loans (other)	**2.38%**	**- 32,396**	**- 14,961**	**–**	**- 47,357**
Bank overdrafts (EUR)	**2.00%**	**- 5,593**	**–**	**–**	**- 5,593**
Bank overdrafts (US Dollar)	**3.31%**	**- 1,225**	**–**	**–**	**- 1,225**
Bank overdrafts (other)	**18.00%**	**- 1,302**	**–**	**–**	**- 1,302**
		7,665	**- 379,485**	**- 225,988**	**- 597,808**

As at December 31, 2011	Effective interest rate	One year or less	1 - 5 years	Over 5 years	Total
Cash and cash equivalents	0.46%	243,474	–	–	243,474
Short-term deposits	0.39%	154,483	–	–	154,483
Mortgage loans (EUR)	4.28%	- 6,543	- 25,337	- 9,447	- 41,327
Mortgage loans (US Dollar)	5.01%	- 42,237	- 48,622	- 35,373	- 126,232
Mortgage loans (other)	7.60%	- 3,280	- 13,404	- 14,234	- 30,918
Other interest-bearing loans (EUR)	3.95%	- 50,606	- 177,248	- 348,121	- 575,975
Other interest-bearing loans (US Dollar)	1.27%	- 9,906	- 7,652	- 258	- 17,816
Bank overdrafts	4.00%	- 7,041	–	–	- 7,041
Bank overdrafts (US Dollar)	3.30%	- 8,094	–	–	- 8,094
Bank overdrafts (other)	3.96%	- 229	–	–	- 229
		270,021	- 272,263	- 407,433	- 409,675

Cash, deposits and bank overdrafts and the other interest-bearing loans have no fixed interest rates.

Sensitivity analysis

In managing interest rate risks the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. In the long term, however, permanent changes in interest rates will have an impact on profit.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments taking into account the corresponding effective hedge instruments, was:

	2012	2011
Fixed rate instruments		
Financial assets	**191,934**	209,862
Financial liabilities	**- 755,981**	- 651,253
	- 564,047	- 441,391
Variable rate instruments		
Financial assets	**165,197**	267,517
Financial liabilities	**- 239,930**	- 156,371
	- 74,733	111,146

A decrease of 100 basis points in interest rates at December 31, 2012 would have increased the Group's profit before income tax by approximately EUR 0.7 million (2011: EUR 1.1 million decrease), with all other variables, in particular currency exchange rates, held constant.

Price risks

Risks related to price developments on the purchasing side, such as amongst others increased wages, costs of materials, sub-contracting costs and fuel, which are usually for the Group's account, are also taken into account when preparing cost price calculations and tenders. Wherever possible, especially on projects that extend over a long period of time, price index clauses are included in contracts.

With regard to fuel price risk, the Board of Management has established a fuel price risk management policy stipulating approved fuel price risk management instruments. These include: delivery of fuel by the client, price escalation clauses, fixed price supply contracts and financial derivatives (forward, future and swap contracts).

27.2 ON-BALANCE FINANCIAL INSTRUMENTS AND FAIR VALUE

Financial instruments accounted for under assets and liabilities are financial fixed assets, cash and cash equivalents, receivables, and current and non-current liabilities. Derivatives are mainly future cash flows hedged by forward contracts to which hedge accounting is applied. Furthermore, strategic alliances currently hold a number of interest rate swaps. These are recognized under other derivatives.

The fair value of most of the financial instruments does not differ materialy from the book value, with the exception of, long term and short term, loans and other payables with a fixed rate. The fair value of these items exceeds the book value by EUR 37.4 million (2011: EUR 15.0 million).

Fair value hierarchy

For the fair value measurement of the recognized financial instruments a fair value hierarchy is defined in accordance with IFRS 7:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of the derivatives, which is the only category of financial instruments that qualify for this approach, is measured using level 2 input (2011: level 2).

The fair value of the forward exchange contracts is based on their listed market price, as at the end of the year (unadjusted market prices in active markets for identical assets and liabilities). The fair value other financial instruments is based on the actual interest rate as at balance sheet date, taking into account terms and maturity. The effective interest does not differ materially from the current market interest. The fair value of non-interest bearing financial instruments with a maturity of twelve months or less is supposted to be equal to their book value.

Derivatives

The composition of outstanding derivatives at year-end is presented below.

2012	WITHIN ONE YEAR	AFTER ONE YEAR	TOTAL
USD forward selling (in US Dollar)	**374,080**	**19,026**	**393,106**
USD forward buying (in US Dollar)	**18,238**	**—**	**18,238**
Forward selling of other currencies (average contract rates in EUR)	**132,098**	**45,284**	**177,382**
Forward buying of other currencies (average contract rates in EUR)	**12,929**	**—**	**12,929**
Fuel hedges (in US Dollar)	**507**	**1,135**	**1,642**
Interest Rate Swaps (in US Dollar)	**- 786**	**- 1,726**	**- 2,512**
Interest Rate Swaps (in EUR)	**784**	**- 16,916**	**- 16,132**

2011	WITHIN ONE YEAR	AFTER ONE YEAR	TOTAL
USD forward selling (in US Dollar)	338,798	18,871	357,669
USD forward buying (in US Dollar)	70,389	—	70,389
Forward selling of other currencies (average contract rates in EUR)	81,355	10,818	92,173
Forward buying of other currencies (average contract rates in EUR)	53,668	—	53,668
Fuel hedges (in US Dollar)	- 66	- 115	- 181
Interest Rate Swaps (in US Dollar)	- 763	- 1,893	- 2,656
Interest Rate Swaps (in EUR)	1,788	- 5,311	- 3,523

The remaining time to maturity of these derivatives has a direct relation to the remaining time to maturity of the relating underlying contracts in the order book.

Cash flows from forward currency buyings and sellings can be rolled forward at settlement date when they differ from the underlying cash flows.

The results on effective cash flow hedges are recognized in group equity as stated below:

	2012	2011
Opening balance Hedging reserve as at January 1	**2,799**	- 2,354
Movement in fair value of effective cash flow hedges recognized in group equity	**- 15,744**	2,937
Transferred to the income statement	**- 3,244**	3,137
Total directly recognized in group equity	**- 18,988**	6,074
Taxation	**4,749**	- 921
Directly charged to the Hedging reserve (net of taxes)	**- 14,239**	5,153
Balance Hedging reserve as at December 31	**- 11,440**	2,799

The results on non-effective cash flow hedges are presented within the operational costs and amount to EUR 0.9 million positive in 2012 (2011: EUR 0.9 million negative).

27.3 CAPITAL MANAGEMENT

The Board of Management's policy is to maintain a strong capital base so as to maintain customer, investor, creditor and market confidence and to support future development of the business. The Board of Management monitors the return on equity, which the Group defines as net operating income divided by total shareholders' equity, excluding minority interests. The Board of Management also monitors the level of dividend to be paid to holders of ordinary shares. For the dividendpolicy reference is made to the Shareholdersinformation in the Annual Report.

The Board of Management seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the benefits of a sound capital position. The Group's target is to achieve a long-term return on equity of at least 12%; in 2012 the return was 13.8% (2011: 15.4%).

Royal Boskalis Westminster N.V. does not have a defined share buy-back plan.
There were no changes in the Group's approach to capital management during the year.
Neither the Group or any of its Group companies are subject to externally imposed capital requirements.

The Group's net debt (EUR 2,973 million; 2011: EUR 2,926 million) to Group equity (EUR 1,916 million; 2011: EUR 1,747 million) at the reporting date amounts to 1.55 (2011: 1.67).

27.4 OTHER FINANCIAL INSTRUMENTS

Pursuant to the decision of the General Meeting of Shareholders held on May 9, 2001, the Stichting Continuïteit KBW has acquired the right to take cumulative protective preference shares in Royal Boskalis Westminster N.V. for a nominal amount which shall be equal to the nominal amount of ordinary shares outstanding at the time of the issue. This right qualifies as a derivative financial liability, with the following important conditions. The cumulative protective preference shares are to be issued at par against a 25% cash contribution, the remainder after call-up by the Stichting in consultation with Royal Boskalis Westminster N.V. After the issue, Royal Boskalis Westminster N.V. has the obligation to buy or cancel the shares upon the Stichting's request. The preferential dividend right amounts to Euribor increased by 4% at most. The interest and credit risk is limited. The fair value of the option right is nil.

28. COMMITMENTS AND CONTINGENT LIABILITIES

Operational lease obligations

The operational lease obligations relate primarily to the operational lease of cars and offices. Additional clauses are not taken into account presuming that these are not unconditional.

Non-redeemable operating lease contracts are recognized at nominal amounts and are due as follows:

	2012	2011
Within one year	**36,558**	27,152
Between one and five years	**31,481**	32,592
After more than five years	**12,206**	5,741
	80,245	65,485

Guarantees

The guarantee commitments as at December 31, 2012 amount to EUR 991 million (2011: EUR 960 million) and can be specified as follows:

	2012	2011
Guarantees provided by third parties with respect to:		
Associated companies	**21,000**	10,000
Contracts and joint ventures	**968,000**	948,000
Lease obligations and other financial obligations	**2,000**	2,000
	991,000	960,000

For the above guarantees outstanding as at December 31, 2012, counter-guarantees have been provided to financial institutions for approximately EUR 989 million (2011: approximately EUR 958 million). Nineteen key Group companies are jointly and severally liable in respect of credit facilities and guarantees provided to several Group companies. In respect of these credit facilities, it has been agreed to limit the provision of further securities on existing property, plant and equipment. Both the strategic alliances Smit-Lamnalco and Archirodon have, in relation to subsidiaries of the Group, nonrecourse credit- and guarantee facilities in place. Within a strategic alliance certain companies are jointly and severally liable with respect to the credit- and guarantee facilities. Group companies are jointly and severally liable for the non-consolidated part of the liabilities of their joint ventures: in total EUR 131 million (2011: EUR 150 million). Group companies are also jointly and severally liable for performance obligations for contracts with third parties in project-driven construction consortiums. In addition, certain recourse obligations exist in respect of project financiers and guarantees of deployment relating to equipment. Where deemed necessary, provisions have been made.

Capital commitments

At year-end 2012, capital commitments amount to EUR 126 million (year-end 2011: EUR 193 million).

Capital contribution obligations
At year-end 2012, capital contribution obligations relating to PPS-companies amount to EUR 12.4 million.

Other
Some legal proceedings and investigations have been instituted against (entities of) Royal Boskalis Westminster N.V. Where deemed necessary and if a reliable estimate of the future cash flows can be made, provisions have been made. Dutch companies were part of a fiscal unity. The companies are therefore liable for the tax obligations of the fiscal unity as a whole.

29. SUBSEQUENT EVENTS

Proposed profit appropriation 2012
An amount of EUR 105.1 million will be added to the retained earnings. The proposal to the Annual General Meeting will be to appropriate the remainder, EUR 145.1 million, for a dividend payment of EUR 1.24 per share.

The dividend will be made payable in ordinary shares to be charged to the tax-exempt share premium or to be charged to the retained earnings, unless a shareholder expressly requests payment in cash.

Business combination Dockwise
By the end of 2012 a shareholding of 33.3% in Dockwise had been acquired and this interest has been accounted for as an associated company (see note 16). In 2013 the Group has increased, via the purchase of shares on the stock market, its interest by 8.9% to 42.2%. As at year-end 2012 83.5% of the shareholders were committed to offer their shares. On March 8, 2013, with more than 92% of the shares committed, Boskalis has made a mandatory offer for the remaining shares of Dockwise. The offer period expires on March 13, 2013 and 99% of the shares has been offered. Only after the settlement date on March 20, 2013, Boskalis will acquire control over Dockwise, which creates a business combination.

Dockwise is the leading marine contractor providing total transport services to the offshore, onshore and yachting industries as well as installation services of extremely heavy offshore platforms. Acquiring control in Dockwise provides new strategic opportunities for accelerated growth of the offshore services. The new combination will be in a better position to serve clients with the optimal deployment of people and equipment under increasingly complex circumstances worldwide. The Group also expects synergy effects to result in cost savings. It is expected that the Group's potential will be strengthened further through economies of scale, the use of best practices, the optimization of the regional branch office network and joint purchasing opportunities.

Equity offering
To finance the public offer on all outstanding shares of Dockwise at a price of EUR 18.50 per share, Boskalis has raised EUR 320 million of equity at a price of EUR 33.00 per ordinary share. A total number of 9,696,969 shares were placed. Of these, 3,258,638 shares were placed at HAL Investments B.V. Also, Boskalis has signed the agreements for the necessary debt financing. The credit facilities consist of a combination of a 3-year term loan (USD 525 million) and a 5-year revolving credit facility (EUR 500 million). In addition to these credit facilities, Boskalis has entered into a bridge credit facility (USD 525 million). It is expected that this bridge facility will be refinanced by issuing a debt capital market instrument.

30. RELATED PARTIES

30.1 IDENTITY OF RELATED PARTIES

The identified related parties to the Group are its Group companies, its joint ventures, its associated companies (see note 16), its shareholders with significant influence, its pension funds that are classified as funded defined benefit pension schemes in accordance with IAS 19 and the members of the Supervisory Board and Board of Management.

GROUP COMPANIES

The following are the most relevant active Group companies.

COMPANY	CITY OF INCORPORATION	COUNTRY OF INCORPORATION	**2012**	2011
Baggermaatschappij Boskalis B.V.	Papendrecht	Netherlands	**100%**	100%
Baggermaatschappij Holland B.V.	Papendrecht	Netherlands	**100%**	100%
Boskalis Finance B.V.	Papendrecht	Netherlands	**100%**	100%
Boskalis Holding B.V.	Papendrecht	Netherlands	**100%**	100%
Boskalis International B.V.	Papendrecht	Netherlands	**100%**	100%
Boskalis Maritime Investments B.V.	Papendrecht	Netherlands	**100%**	100%
Boskalis Offshore B.V.	Papendrecht	Netherlands	**100%**	100%
Boskalis Westminster Dredging B.V.	Papendrecht	Netherlands	**100%**	100%
Boskalis Westminster International B.V.	Papendrecht	Netherlands	**100%**	100%
Boskalis Westminster Shipping B.V.	Papendrecht	Netherlands	**100%**	100%
Boskalis Zinkcon B.V.	Papendrecht	Netherlands	**100%**	100%
BW Marine B.V.	Papendrecht	Netherlands	**100%**	100%
BW Soco B.V.	Sliedrecht	Netherlands	**100%**	100%
Hydronamic B.V.	Sliedrecht	Netherlands	**100%**	100%
Boskalis Dolman B.V.	Dordrecht	Netherlands	**100%**	100%
A.H. Breijs & Zonen B.V.	Rotterdam	Netherlands	**100%**	100%
Boskalis B.V.	Rotterdam	Netherlands	**100%**	100%
Rotterdam Tug B.V.	Rotterdam	Netherlands	**100%**	100%
SMIT Harbour Towage Rotterdam B.V.	Rotterdam	Netherlands	**100%**	100%
SMIT Heavy Lift Europe B.V.	Rotterdam	Netherlands	**100%**	100%
Smit Internationale Beheer B.V.	Rotterdam	Netherlands	**100%**	100%
Smit Internationale N.V.	Rotterdam	Netherlands	**100%**	100%
Smit Internationale Overseas B.V.	Rotterdam	Netherlands	**100%**	100%
SMIT Marine Projects B.V.	Rotterdam	Netherlands	**100%**	100%
Smit Netherlands B.V.	Rotterdam	Netherlands	**100%**	100%
SMIT Salvage B.V.	Rotterdam	Netherlands	**100%**	100%
SMIT Subsea Europe B.V.	Rotterdam	Netherlands	**100%**	100%
SMIT Transport Europe B.V.	Rotterdam	Netherlands	**100%**	100%
Smit Vessel Management Services B.V.	Rotterdam	Netherlands	**100%**	100%
Zuurmond Groen B.V.	Acquoy	Netherlands	**100%**	100%
Cofra B.V.	Amsterdam	Netherlands	**100%**	100%
Aannemingsbedrijf De Jong & Zoon Beesd B.V.	Beesd	Netherlands	**100%**	100%
Kroeze Infra B.V.	Beesd	Netherlands	**100%**	–
Aannemingsmaatschappij Markus B.V.	Halfweg	Netherlands	**100%**	100%
MNO Vervat - International B.V.	Nieuw Vennep	Netherlands	**100%**	100%
MNO Vervat B.V.	Nieuw Vennep	Netherlands	**100%**	100%
MNO Vervat-Wegen B.V.	Nieuw Vennep	Netherlands	**100%**	100%
M.N.O. Vervat Grond- Weg- en Waterbouw B.V.	Rotterdam	Netherlands	**100%**	100%
J. van Vliet B.V.	Wormerveer	Netherlands	**100%**	100%
SMIT Transport Belgium N.V.	Antwerp	Belgium	**100%**	100%
Unie van Redding- en Sleepdienst Belgium N.V.	Antwerp	Belgium	**100%**	100%
Unie van Redding- en Sleepdienst N.V.	Antwerp	Belgium	**100%**	100%
Dredging & Contracting Belgium N.V.	Overijse	Belgium	**100%**	100%
Heinrich Hirdes GmbH	Hamburg	Germany	**100%**	100%
Heinrich Hirdes EOD Services GmbH	Hamburg	Germany	**100%**	100%
Heinrich Hirdes Kampfmittelräumung GmbH	Duisburg	Germany	**100%**	100%
Rock Fall Company Ltd	Ayrshire	United Kingdom	**100%**	100%
Boskalis Westminster Ltd	Fareham	United Kingdom	**100%**	100%
Cofra Ltd	Fareham	United Kingdom	**100%**	100%
Westminster Dredging (Overseas) Ltd	Fareham	United Kingdom	**100%**	100%
Westminster Gravels Ltd	Fareham	United Kingdom	**100%**	100%
Smit Subsea Africa Ltd.	Isle of Man	United Kingdom	**100%**	100%
Smit Harbour Towage (U.K.) Ltd.	London	United Kingdom	**100%**	100%

COMPANY	CITY OF INCORPORATION	COUNTRY OF INCORPORATION	2012	2011
Irish Dredging Company Ltd.	Cork	Ireland	**100%**	100%
Atlantique Dragage SARL	Nanterre	France	**100%**	100%
Sociedad Española de Dragados SA	Madrid	Spain	**100%**	100%
Dragapor Dragagens de Portugal SA	Alcochete	Portugal	**100%**	100%
Boskalis Italia S.r.l.	Rome	Italy	**100%**	100%
Terramare Oy	Helsinki	Finland	**100%**	100%
Boskalis Offshore A/S	Randaberg	Norway	**100%**	100%
Boskalis Sweden AB	Gothenburg	Sweden	**100%**	100%
Boskalis Polska Sp. z O.O.	Szczecin	Poland	**100%**	100%
Terramare Eesti Osaühing	Tallinn	Estonia	**100%**	100%
UAB Boskalis Baltic	Klaipeda	Lithuania	**100%**	100%
OOO Bolmorstroy	Saint Petersburg	Russia	**100%**	100%
Boskalis Westminster Dredging and Contracting Ltd	Nicosia	Cyprus	**100%**	100%
Boskalis Westminster Dredging Ltd	Nicosia	Cyprus	**100%**	100%
Boskalis Westminster Middle East Ltd	Nicosia	Cyprus	**100%**	100%
BW Marine (Cyprus) Ltd	Nicosia	Cyprus	**100%**	100%
Boskalis do Brasil Dragagem e Serviços Marítímos Ltda	Rio de Janeiro	Brazil	**100%**	100%
Rebras Rebocadores do Brasil S.A.	Rio de Janeiro	Brazil	**100%**	100%
Boskalis Canada Dredging & Marine Service Ltd.	Vancouver	Canada	**100%**	100%
Smit Marine Canada Inc.	Whitehorse	Canada	**100%**	100%
Stuyvesant Dredging Co.	Metairie	United States of America	**100%**	100%
Stuyvesant Projects Realization Inc.	Metairie	United States of America	**100%**	100%
Boskalis Westminster Inc.	Wilmington	United States of America	**100%**	100%
Stuyvesant Envirionmental Contracting LLC	Wilmington	United States of America	**100%**	100%
Dragamex S.A. de CV	Coatzacoalcos	Mexico	**100%**	100%
Boskalis Panama S.A.	Ancon	Panama	**100%**	100%
Smit Harbour Towage (Panama), Inc.	Panama City	Panama	**100%**	100%
Boskalis Guyana Inc.	Georgetown	Guyana	**100%**	100%
Riovia S.A.	Montevideo	Uruguay	**100%**	100%
Boskalis International Uruguay S.A.	Montevideo	Uruguay	**100%**	100%
Dravensa C.A.	Caracas	Venezuela	**100%**	100%
BKI Egypt for Marine Contracting S.A.E.	Cairo	Egypt	**49%**	49%
Nigerian Westminster Dredging and Marine Ltd	Lagos	Nigeria	**60%**	60%
Adreco - Serviços de Dragagem Ltda	Luanda	Angola	**49%**	49%
BKI Gabon S.A.	Libreville	Gabon	**100%**	100%
Smit Amandla Marine (Pty) Ltd.	Capetown	South Africa	**70%**	70%
Smit Marine South Africa (Pty) Ltd.	Capetown	South Africa	**100%**	100%
Boskalis Westminster (Oman) LLC	Seeb	Oman	**49%**	49%
Boskalis Westminster Al Rushaid Co Ltd	Dhahran	Saoudi Arabia	**49%**	49%
SMIT Subsea Middle East L.L.C.	Dubai	United Arab Emirates	**49%**	49%
Boskalis Australia Pty Ltd	Chatswood	Australia	**100%**	100%
Smit Subsea Australia Pty Ltd	Chatswood	Australia	**100%**	100%
Smit Marine Australia Pty Ltd	Sydney	Australia	**100%**	100%
Boskalis International (S.) Pte Ltd	Singapore	Singapore	**100%**	100%
Zinkcon Marine Singapore Pte Ltd	Singapore	Singapore	**100%**	100%
Koon Zinkcon Pte Ltd	Singapore	Singapore	**50%**	50%
Smit Shipping Singapore Pte. Ltd.	Singapore	Singapore	**100%**	100%
Smit Singapore Pte Ltd	Singapore	Singapore	**100%**	100%
Smit Holding Singapore Pte. Ltd.	Singapore	Singapore	**100%**	100%
Smit Tak Heavy Lift (S) Pte Ltd	Singapore	Singapore	**100%**	100%
P.T. Boskalis International Indonesia	Jakarta	Indonesia	**100%**	100%
Boskalis International (M) Sdn Bhd	Kuala Lumpur	Malysia	**30%**	30%
Boskalis Dredging India PvT Ltd.	Mumbai	India	**100%**	100%
Boskalis Smit India LLP	Mumbai	India	**100%**	–
Beijing Boskalis Dredging Technology co Ltd.	Beijing	China	**100%**	100%
Boskalis Taiwan Ltd	Taipei	Taiwan	**100%**	100%
Smit Taiwan Investments Holding Co. Ltd.	Taipei	Taiwan	**100%**	100%

JOINT VENTURES

The following are the most relevant active joint ventures.

Strategic alliances:

ENTITY	COUNTRY OF INCORPORATION	2012	2011
Archirodon Group N.V.	Netherlands	**40%**	40%
Deeprock CV	Netherlands	**50%**	50%
Overseas Contracting & Chartering Services B.V.	Netherlands	**50%**	50%
Rock Braz B.V.	Netherlands	**50%**	50%
Adriatic Towage S.r.l.	Italy	**50%**	50%
Lamnalco Ltd	Sharjah, United Arab Emirates	**50%**	50%
Ocean Marine Egypt S.A.E	Egypt	**50%**	50%
Asian Lift Pte. Ltd.	Singapore	**50%**	50%
Keppel Smit Towage Pte. Ltd.	Singapore	**49%**	49%
Maju Maritime Pte. Ltd.	Singapore	**49%**	49%
Donjon-SMIT LLC	United States of America	**50%**	50%

Project-driven construction consortiums:

ENTITY	COUNTRY OF INCORPORATION	2012	2011
A4all	Netherlands	**10%**	10%
BOFF-TID NL vof	Netherlands	**50%**	50%
Boskalis International - Dredging International CV	Netherlands	**50%**	50%
Boskalis Offshore AS - Tideway vof	Netherlands	**50%**	50%
Boskalis Offshore/Rohde Nielsen vof	Netherlands	**50%**	50%
Combinatie A2 HoMa	Netherlands	**38%**	38%
Combinatie A4 Steenbergen	Netherlands	**35%**	–
Combinatie Amschberg	Netherlands	**33%**	33%
Combinatie Bowegro vof	Netherlands	**50%**	50%
Combinatie BVNN Boskalis Dolman vof	Netherlands	**50%**	50%
Combinatie de Keent	Netherlands	**50%**	50%
Combinatie 'De Trambaan'	Netherlands	**50%**	–
Combinatie DGVZ Maasvlakte	Netherlands	**50%**	–
Combinatie Grond & Wegen N201	Netherlands	**50%**	50%
Combinatie Haarrijnse Plas	Netherlands	**25%**	25%
Combinatie KWS Infra - Boskalis N23	Netherlands	**30%**	30%
Combinatie KWS/Boskalis Westrandweg GWW	Netherlands	**50%**	50%
Combinatie OBM	Netherlands	**33%**	–
Combinatie Plas van Heenvliet	Netherlands	**33%**	–
Combinatie Smink BKD vof	Netherlands	**50%**	50%
Combinatie Trajectum Novum vof	Netherlands	**13%**	13%
Combinatie Van Kessel - Boskalis Gouwe Park	Netherlands	**50%**	50%
Combinatie Westpoort vof	Netherlands	**15%**	15%
Consortium N11	Netherlands	**17%**	17%
CV Projectbureau Grensmaas	Netherlands	**17%**	17%
Het Groene Schip	Netherlands	**50%**	–
Infrateam N50 Ramspol	Netherlands	**18%**	18%
Joint Venture 'Baltic 2-export' vof	Netherlands	**50%**	–
Joint Venture Boskalis - Jac. Rijk	Netherlands	**50%**	50%
Joint Venture 'Meerwind SUD/OST' vof	Netherlands	**50%**	–
N201 Aalsmeer - Uithoorn	Netherlands	**15%**	15%
Offshore Windforce vof	Netherlands	**50%**	–
Projectorganisatie Uitbreiding Maasvlakte (PUMA) vof	Netherlands	**50%**	50%
SJV Rena vof	Netherlands	**50%**	–
Stemat/Boskalis vof	Netherlands	**50%**	50%
Tideway - Boskalis Offshore L9 vof	Netherlands	**50%**	50%
Trajectum Novum Grond & Wegen	Netherlands	**33%**	33%
Vof BKO-TID	Netherlands	**50%**	50%
Binnenhafenkaje Kiel	Germany	**50%**	50%
Offshorebasis Cuxhaven LP8	Germany	**50%**	50%
Weserunterhaltungsbaggerung Bremerhaven	Germany	**50%**	50%
Swinoujscie Breakwater	Poland	**60%**	60%
OOO Mortekhnika	Russia	**50%**	50%
Britannia Satellites	United Kingdom	**50%**	50%

ENTITY	COUNTRY OF INCORPORATION	2012	2011
Penta-Ocean Koon DI Boskalis Ham JV (Jurong 4)	Singapore	**17%**	17%
Khalifa Port Marine Consortium	Abu Dhabi, United Arab Emirates	**43%**	43%
Ras Laffan Port Expansion	Qatar	**50%**	50%
Boskalis International - DISC JV	Angola	**50%**	50%
Boskalis Jan de Nul Ltda	Angola	**50%**	50%
Boscampo	Cameroon	**50%**	50%
Bahia Blanca	Argentinia	**50%**	50%
Quequen	Argentinia	**50%**	50%

Associated companies
The most relevant active associated companies are mentioned in note 16.

Pension funds that are classified as funded defined pension schemes in accordance with IAS 19
For information on pension funds that are classified as funded defined benefit pension plans in accordance with IAS 19, reference is made to note 24.1. There were no further material transactions with these pension funds.

Members of the Board of Management and members of the Supervisory Board
The only key management officers qualifying as related parties are the members of the Board of Management and the members of the Supervisory Board.

30.2 RELATED PARTY TRANSACTIONS

Joint ventures
In 2011 the Group has provided a loan to Smit-Lamnalco, which was repaid in 2012 (reference is made to note 17). During the financial years 2012 and 2011, there were no material transactions with strategic alliances other than in joint control. Those material transactions were mainly in proportion to the percentage of participation in the activities in project-driven construction consortiums. Transactions with project-driven construction consortiums take place on a large scale because of the nature of the business activities. The joint Group companies have, at year-end 2012, amounts receivable from and payable to project-driven construction consortiums amounting to EUR 36 million and EUR 303 million respectively (2011: EUR 106 million and EUR 286 million respectively).

The proportional share of the Group in the assets, liabilities, revenue and expenses of joint ventures is stated below.

	2012	2011
Non-current assets	**580,408**	565,633
Current assets	**727,508**	463,064
Total assets	**1,307,916**	1,028,697
Non-current liabilities	**234,393**	105,338
Current liabilities	**628,385**	509,281
Total liabilities	**862,778**	614,619
Net assets	**445,138**	414,078
Contract revenue	**867,135**	908,691
Expenses	**- 740,865**	- 738,222
Net profit	**126,270**	170,469

Associated companies
Transactions with associated companies other than those disclosed in note 16, are not material.

Shareholder with significant influence
With reference to note 29, amongst the 83.5% shareholders, which have committed themselves to a complete take-over of Dockwise, is HAL Investments B.V. (31.6%).

Transactions with members of the Board of Management and members of the Supervisory Board
The emoluments for members of the Board of Management and Supervisory Board of the company in 2012 and 2011 were as follows:

	ANNUAL SALARIES AND REMUNERATION	EMPLOYER'S PENSION CONTRIBUTIONS	SHORT- AND LONG-TERM VARIABLE REMU-NERATION PAID	OTHER REIMBURSE-MENTS	TOTAL	2011
Members of the Board of Management						
dr. P.A.M. Berdowski	**682**	**164**	**1,089**	**28**	**1,963**	1,604
T.L. Baartmans	**493**	**118**	**682**	**27**	**1,320**	1,120
J.H. Kamps	**493**	**118**	**682**	**25**	**1,318**	1,158
F.A. Verhoeven (from May 10, 2012)	**317**	**63**	**–**	**14**	**394**	–
	1,985	**463**	**2,453**	**94**	**4,995**	3,882
Members of the Supervisory Board						
J.M. Hessels (from August 17, 2011)	**60**			**2**	**62**	21
H.J. Hazewinkel	**40**			**2**	**42**	43
M.P. Kramer	**45**			**2**	**47**	41
M. Niggebrugge	**50**			**2**	**52**	46
J. van Wiechen (from May 12, 2011)	**47**			**2**	**49**	28
C. van Woudenberg	**50**			**2**	**52**	44
H. Heemskerk (untill March 22, 2011)	**–**			**–**	**–**	16
M. van der Vorm (untill May 12, 2011)	**–**			**–**	**–**	15
	292			**12**	**304**	254
Total 2012	**2,277**	**463**	**2,453**	**106**	**5,299**	
Total 2011	1,854	409	1,780	93		4,136

The variable remuneration paid in 2012 is related to the achievement of certain targets during the 2011 financial year (short-term variable remuneration) and the achievement of certain targets during the 2009 - 2011 period (long-term variable remuneration). The accounting burden on executive remuneration differs from the abovementioned remuneration as a result of specific accounting rules with regard to in particular pensions and variable remunerations. The accounting burden on pension schemes and short and long term variable remuneration regarding the members of the Board of Management amounts to EUR 401 thousand and EUR 2,717 thousand. Furthermore, a burden on a crisis tax levy of 16% as imposed by the Dutch government regarding the members of the Board of Management amounting to EUR 653 thousand has been accounted for in the result 2012.

No loans or guarantees have been provided to, or on behalf of, members of the Board of Management or members of the Supervisory Board.

Long-term incentive plan
The members of the Board of Management participate in a long-term (three years) incentive plan which consist of a part that is based on the development of the share price of the ordinary shares of Boskalis and for a part that depends on the realization of certain objectives, as defined by the Supervisory Board, which are derived from the strategic agenda and in accordance with the objectives of Boskalis for the underlying periods.

As at December 31, 2012 an accrual amounting to EUR 1.9 million (2011: EUR 2.1 million) with regard to abovementioned long-term incentive plan is recognized under Other creditors and accruals for the periods 2010/2012, 2011/2013 and 2012/2014.

Multi-year summary of variable remunerations
With regard to the years 2010, 2011 and 2012 the following variable remunerations were granted to the members of the Board of Management:

	year of payment		
	2013	2012	2011
dr. P.A.M. Berdowski	**944**	1,089	750
T.L. Baartmans	**601**	682	495
J.H. Kamps	**615**	682	495
F.A. Verhoeven (from May 10, 2012)	**319**	–	–
Total	**2,479**	2,453	1,740

COMPANY INCOME STATEMENT

(in thousands of EUR)	Note	2012	2011
Result of group companies	[3]	**250,193**	254,254
Other results, after taxation		**–**	–
Net profit		**250,193**	254,254

COMPANY BALANCE SHEET BEFORE PROFIT APPROPRIATION

(in thousands of EUR)	Note	2012	2011
ASSETS			
Non-current assets			
Investments in group companies	[3]	**1,897,380**	1,728,694
		1,897,380	1,728,694
Current assets			
Amounts due from group companies		**798**	3,225
Other receivables		**–**	950
		798	4,175
TOTAL ASSETS		**1,898,178**	1,732,869
EQUITY AND LIABILITIES			
Shareholders' equity			
Issued capital	[4]	**85,827**	82,777
Share premium	[4]	**229,452**	230,360
Legal reserve	[5]	**325,853**	307,306
Hedging reserve	[5]	**- 11,440**	2,799
Revaluation reserve	[5]	**20,434**	21,150
Currency translation reserve	[5]	**- 3,234**	1,740
Actuarial reserve	[5]	**- 130,114**	- 102,820
Retained earnings	[5]	**1,131,034**	935,246
Profit for the year	[6]	**250,193**	254,254
		1,898,005	1,732,812
Current liabilities			
Trade and other payables		**173**	57
		173	57
TOTAL EQUITY AND LIABILITIES		**1,898,178**	1,732,869

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in thousands of EUR)	Note	Balance as at January 1, 2012	Cash dividend	Stock dividend	Addition to retained earnings	Other movements	Total recognized income and expenses	Balance as at December 31, 2012
Issued capital	[4]	**82,777**		**3,050**				**85,827**
Share premium	[4]	**230,360**		**- 908**				**229,452**
		313,137		**2,142**				**315,279**
Other legal reserve	[5]	**307,306**			**—**	**18,547**	**—**	**325,853**
Hedging reserve	[5]	**2,799**			**—**	**—**	**- 14,239**	**- 11,440**
Revaluation reserve	[5]	**21,150**			**—**	**- 716**	**—**	**20,434**
Currency translation reserve	[5]	**1,740**			**—**	**—**	**- 4,974**	**- 3,234**
Actuarial reserve	[5]	**- 102,820**			**—**	**—**	**- 27,294**	**- 130,114**
Retained earnings	[5]	**935,246**			**213,619**	**- 17,831**	**—**	**1,131,034**
		1,165,421			**213,619**	**—**	**- 46,507**	**1,332,533**
Profit appropriation 2011		**254,254**	**- 38,493**	**- 2,142**	**- 213,619**			**—**
Net profit 2012							**250,193**	**250,193**
Profit for the year	[6]	**254,254**	**- 38,493**	**- 2,142**	**- 213,619**		**250,193**	**250,193**
Shareholders' equity		**1,732,812**	**- 38,493**	**—**	**—**	**—**	**203,686**	**1,898,005**

(in thousands of EUR)	Note	Balance as at January 1, 2011	Cash dividend	Stock dividend	Addition to retained earnings	Other movements	Total recognized income and expenses	Balance as at December 31, 2011
Issued capital	[4]	80,779		1,998				82,777
Share premium	[4]	231,335		- 975				230,360
		312,114		1,023				313,137
Other legal reserve	[5]	203,524			—	103,782	—	307,306
Hedging reserve	[5]	- 2,354			—	—	5,153	2,799
Revaluation reserve	[5]	3,834			—	17,316	—	21,150
Currency translation reserve	[5]	- 633			—	—	2,373	1,740
Actuarial reserve	[5]	- 53,568			—	—	- 49,252	- 102,820
Retained earnings	[5]	791,536			264,808	- 121,098	—	935,246
		942,339			264,808	—	- 41,726	1,165,421
Profit appropriation 2010		310,517	- 44,686	- 1,023	- 264,808			—
Net profit 2011							254,254	254,254
Profit for the year	[6]	310,517	- 44,686	- 1,023	- 264,808		254,254	254,254
Shareholders' equity		1,564,970	- 44,686	—	—	—	212,528	1,732,812

EXPLANATORY NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. GENERAL

The Company Financial statements are part of the Financial statements 2012 of Royal Boskalis Westminster N.V. (the 'Company').

2. PRINCIPLES OF FINANCIAL REPORTING

2.1 ACCOUNTING POLICIES

The company financial statements have been drawn up using the reporting standards applied for drawing up the consolidated financial statements, in accordance with Section 362(8), Part 9 of Book 2 of the Dutch Civil Code except for the investment in Group company, which is recognized in accordance with the equity method. Based on Section 362(1), Part 9 of Book 2 of the Dutch Civil Code, the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. These accounting principles are disclosed in note 3 of the consolidated financial statements.

2.2 FORMAT

Unless stated otherwise, all amounts in these explanatory notes are stated in thousands of euros. The company balance sheet is drawn up before profit appropriation. The company income statement is limited in accordance with Section 402, Part 9 of Book 2 of the Netherlands Civil Code.

2.3 INVESTMENT IN GROUP COMPANIES

Investments in Group companies are accounted for using the equity method, as described in the principles of Financial Reporting relating to associated companies in the consolidated Financial statements.

2.4 AMOUNTS DUE FROM GROUP COMPANIES

Amounts due from Group companies are stated initially at fair value and subsequently at amortized cost using the effective intereste rate less impairments.

2.5 AMOUNTS DUE TO GROUP COMPANIES

Amounts due to Group companies are recognized initially at fair value and subsequently at amortized cost using the effective intereste rate.

2.6 RESULT OF GROUP COMPANY

The result of Group company consists of the share of the Company in the result after taxation of this Group company. Results on transactions, where the transfer of assets between the Company and its Group companies and mutually between Group companies themselves are not incorporated as far as they can be deemed to be unrealised.

3. INVESTMENTS IN GROUP COMPANIES

Investments in Group companies consists solely of the 100% investment in Boskalis Westminster Dredging B.V., Papendrecht. The movements in this investment are shown below

	2012	2011
Balance as at January 1	**1,728,694**	1,556,166
Dividends received	**- 35,000**	- 40,000
Profit for the year	**250,193**	254,254
Movements directly recognized in equity of group company	**- 46,507**	- 41,726
Balance as at December 31	**1,897,380**	1,728,694

Reference is made to the notes 16 and 30.1 of the consolidated financial statements 2012 for an overview of the most important direct and indirect Group companies.

4. ISSUED CAPITAL AND SHARE PREMIUM

The authorized share capital of EUR 240 million is divided into 150,000,000 ordinary shares with a par value of EUR 0.80 each and 50,000,000 cumulative protective preference shares with a par value of EUR 2.40 each.

Issued capital increased by 3,811,937 ordinary shares in the course of 2012 as a result of the distribution of stock dividend.

(in number of shares)	**2012**	2011
On issue and fully paid at January 1	**103,471,742**	100,974,263
Stock dividend	**3,811,937**	2,497,479
On issue and fully paid at December 31	**107,283,679**	103,471,742

The issued capital as at December 31, 2012 consists of 107,283,679 ordinary shares with a par value of EUR 0.80 each and consequently amounts to EUR 85.8 million (2011: EUR 82.8 million).

Of the issued capital as at December 31, 2012, six ordinary shares were owned by Royal Boskalis Westminster N.V.

The as yet unexercised option right to take cumulative protective preference shares in Royal Boskalis Westminster N.V. has been assigned to the Stichting Continuïteit KBW.

Share premium comprises additional paid-in capital exceeding the par value of outstanding shares. Share premium is distributable free of tax.

5. OTHER RESERVES

With regard to the difference between the cost price and equity value of entities, either consolidated proportionally as well as associated companies recognized in accordance with the equity method, a legally required reserve is recognized because of a lack of control over the distribution of profits only to the extent that these differences are not included in the accumulated currency translation differences on foreign operations. The legal reserve for non-distributed profits of group and/or associated companies amounted to EUR 325.9 million at the end of 2012 (2011: EUR 307.3 million). The legal reserve for associated companies is determined on an individual basis.

The other reserves recognized in the company balance sheet are disclosed in the notes to the consolidated financial statements (note 22.5).

6. PROFIT FOR THE YEAR

An amount of EUR 105.1 million will be added to the retained earnings. The proposal to the Annual General Meeting will be to appropriate the remainder, EUR 145.1 million, for a dividend payment of EUR 1.24 per ordinary share.

The dividend will be made payable in ordinary shares to be charged to the tax-exempt share premium or to be charged to the retained earnings, unless a shareholder expressly requests payment in cash.

7. FINANCIAL INSTRUMENTS

General

Pursuant to its use of financial instruments, the Group is exposed to credit risk, liquidity risk and market risk.
The notes to the consolidated financial statements provide information on the Group's exposure to each of the aforementioned risks, its objectives, principles and procedures for managing and measuring these risks, as well as group capital management. These risks, objectives, principles and procedures for managing and measuring these risks as well as capital management apply mutatis mutandis to the company financial statements of Royal Boskalis Westminster N.V.

Fair value

The fair value of most of the financial instruments presented in the balance sheet, including receivables, securities, cash and cash equivalents and current liabilities are close to the book value.

8. REMUNERATION OF MEMBERS OF THE BOARD OF MANAGEMENT AND MEMBERS OF THE SUPERVISORY BOARD

The remuneration of members of the Board of Management and members of the Supervisory Board is disclosed in the consolidated financial statements under related party transactions (note 30.2).

9. AUDITOR REMUNERATION

With reference to Section 382A, Part 9 of Book 2 of the Netherlands Civil Code, KPMG Accountants N.V. has charged the following fees to the Company, its subsidiaries and other consolidated entities:

	2012	2011
Audit of the financial statements	**891**	816
Other audits	**102**	92
	993	908

Total audit fees, including fees for auditors other than KPMG Accountants N.V., related to the audit of the financial statements amount to EUR 1.8 million (2011: EUR 1.6 million).

10. COMMITMENTS AND CONTINGENT LIABILITIES

Royal Boskalis Westminster N.V. heads a fiscal unity. The company is therefore liable for the tax obligations of the fiscal unity as a whole.

The Company has arrangements with third parties, amongst which banks and pension funds. These arrangements are on behalf of her Group companies. Because the risks and rewards are with these Group companies, the costs are charged to these companies and the liabilities are recognized by these companies. The Company is jointly and severally liable for the fulfillment of the liabilities under aforementioned arrangements.

The company has issued guarantees on behalf of project-driven construction consortiums, and Group companies' own contracts, amounting to EUR 1 million as at December 31, 2012 (2011: EUR 1 million). In addition, certain recourse obligations exist in respect of project financing. Where deemed necessary, provisions have been made.

Some legal proceedings and investigations are ongoing with respect to entities of Royal Boskalis Westminster N.V. Where deemed necessary, provisions have been made.

Papendrecht / Sliedrecht, March 13, 2013

Supervisory Board
J.M. Hessels, chairman
H.J. Hazewinkel
M.P. Kramer
M. Niggebrugge
J. van Wiechen
C. van Woudenberg

Board of Management
dr. P.A.M. Berdowski, chairman
T.L. Baartmans
J.H. Kamps
F.A. Verhoeven

OTHER INFORMATION

PROVISIONS IN THE ARTICLES OF ASSOCIATION RELATING TO PROFIT APPROPRIATION

ARTICLE 28.

1. From the profits realized in any financial year, first of all, distributions will be made on cumulative protective preference shares if possible, in the amount of the percentage specified below of the amount that has to be paid up on these shares as from the beginning of the financial year to which the distribution is related. The percentage referred to above equals the average Euribor interest rate determined for loans with a term of one year – weighted in respect of the number of days to which this interest rate applied – during the financial year to which the distribution is related, increased by four percentage points at most; this increase will be determined every five years by the Board of Management subject to the approval of the Supervisory Board. If in the financial year in respect of which the above-mentioned distribution takes place, the amount that has to be paid up on cumulative protective preference shares has been reduced or, pursuant to a resolution for further payment, has been increased, the distribution shall be reduced or, if possible, be increased by an amount equal to the above-mentioned percentage of the amount of the reduction or the increase, as the case may be, calculated from the moment of the reduction or from the moment further payment became compulsory. If in the course of any financial year cumulative protective preference shares have been issued, the dividend on those cumulative protective preference shares shall be reduced for that year in proportion to the day of issue, taking into account a part of a month as a full month.
2. If and in so far as the profit is not enough to realize the distribution referred to in paragraph 1, the deficit shall be distributed from the reserves, subject to statutory provisions.
3. If in any financial year the profit referred to in paragraph 1 is not enough to realize the distributions referred to above in this article, and furthermore no distribution or only a partial distribution from the reserves as referred to in paragraph 2 is realized, so that the deficit is not or not completely distributed, the provisions of this article and the provisions of the following paragraphs shall only apply in the following financial years after the deficit has been made up for. After application of paragraphs 1, 2 and 3, no further distribution shall take place on the cumulative protective preference shares.
4. Out of the remaining profit, an amount shall be reserved annually to the extent as shall be determined by the Board of Management under approval of the Supervisory Board. The remaining part of the profits after reservation, as referred to in the immediately preceding sentence, is at the free disposal of the General Meeting of Shareholders and in case of distribution, the holders of ordinary shares will be entitled thereto in proportion to their holding of ordinary shares.

ARTICLE 29.

1. Dividends shall be made available for payment within thirty days of their declaration, or any sooner as the Board of Management may determine.
2. Unclaimed dividends will revert to the company after five years.
3. If the Board of Management so decides, subject to the approval of the Supervisory Board, an interim dividend shall be distributed, subject to the preference of the cumulative protective preference shares and the provisions of Article 2:105 of the Dutch Civil Code.
4. The General Meeting of Shareholders may decide, on the proposal of the Board of Management, that dividends will be distributed fully or partially in the form of shares in the company or depositary certificates thereof.
5. The company may only realize distributions to the shareholder to the extent that its equity capital exceeds the amount of the subscribed capital, increased by the reserves that have to be maintained by law or by the articles of association.
6. A deficit may only be offset against reserves that have to be maintained by law to the extent that this is permitted by the law.

PROPOSED PROFIT APPROPRIATION 2012

An amount of EUR 105.1 million will be added to the retained earnings. The proposal to the Annual General Meeting will be to appropriate the remainder, EUR 145.1 million, for a dividend payment of EUR 1.24 per share.

The dividend will be made payable in ordinary shares to be charged to the tax-exempt share premium or to be charged to the retained earnings, unless a shareholder expressly requests payment in cash.

INDEPENDENT AUDITOR'S REPORT

To: Annual General Meeting of Shareholders of
Royal Boskalis Westminster N.V.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements 2012 of Royal Boskalis Westminster N.V., Sliedrecht, as set out on pages 61 to 116. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at 31 December, 2012, the consolidated income statement, the consolidated statement of recognized and unrecognized income and expenses, the consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and notes, comprising a summary of the significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at 31 December, 2012, the company income statement for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION WITH RESPECT TO THE CONSOLIDATED FINANCIAL STATEMENTS

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Royal Boskalis Westminster N.V. as at 31 December, 2012 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

OPINION WITH RESPECT TO THE COMPANY FINANCIAL STATEMENTS

In our opinion, the company financial statements give a true and fair view of the financial position of Royal Boskalis Westminster N.V. as at 31 December, 2012 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Pursuant to the legal requirements under Section 2:393 sub 5 at e and f of the Netherlands Civil Code, we have no deficiencies to report as a result of our examination whether the management board report, as set out on pages 31 to 57, to the extent we can assess, has been prepared in accordance with part 9 of Book 2 of this Code, and if the information as required under Section 2:392 sub 1 at b - h has been annexed. Further, we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Netherlands Civil Code.

Rotterdam, 13 March, 2013

KPMG Accountants N.V.
D.J. Randeraad RA

Building road infrastructure for Maasvlakte 2
in Rotterdam, the Netherlands

OTHER INFORMATION

TEN YEARS BOSKALIS (1)(12)

in EUR million, unless stated otherwise		2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenue (work done)		**3,081**	2,801	2,674	2,175	2,094	1,869	1,354	1,156	1,020	1,046
Order book (work to be done)		**4,106**	3,489	3,248	2,875	3,354	3,562	2,543	2,427	1,244	1,202
EBIT	*(3)*	**336.9**	354.1	401.9	249.3	339.1	245.5	150.3	82.3	47.5	69.6
EBITDA	*(4)*	**568.2**	590.5	621.5	444.9	454.6	348.1	236.8	162.5	136.5	148.9
Net result		**250.2**	254.3	310.5	227.9	249.1	204.4	116.6	62.7	33.9	70.9
Net group profit	*(5)*	**253.1**	261.0	312.9	229.2	250.1	207.1	117.0	63.3	34.1	70.9
Depreciation, amortization and impairment losses		**231.3**	236.4	219.6	195.7	115.4	102.5	86.6	80.2	89.0	79.3
Cash flow		**484.4**	497.4	532.5	424.8	365.6	309.6	203.6	143.5	123.1	150.2
Shareholders' equity		**1,898.0**	1,732.8	1,565.0	1,295.8	860.1	768.1	618.6	542.9	467.9	455.2
Average number of outstanding shares (x 1,000)	*(6)*	**105,644**	102,391	99,962	88,372	85,799	85,799	85,799	85,254	83,307	79,890
Number of outstanding shares (x 1,000)	*(7)*	**107,284**	103,472	100,974	98,651	85,799	85,799	85,799	85,799	84,522	81,768
Personnel (headcount)	*(2)*	**15,653**	13,935	13,832	10,514	10,201	8,577	8,151	7,029	7,033	3,186
Ratios (percentages)											
Operating result as % of the turnover		**10.9**	12.6	15.0	11.5	16.2	13.1	11.1	7.1	4.7	6.7
Return on capital employed	*(8)*	**11.1**	12.1	18.1	20.2	29.1	27.7	19.1	12.0	7.0	16.0
Return on equity	*(9)*	**13.8**	15.4	21.7	21.1	30.6	29.5	20.1	12.4	7.2	16.3
Solvency	*(10)*	**39.2**	37.4	37.1	46.5	34.0	35.3	39.4	41.3	38.1	42.5
Figures per share (in EUR)											
Profit	*(6) (11)*	**2.37**	2.48	3.11	2.58	2.90	2.38	1.36	0.74	0.41	0.89
Cash flow	*(6)*	**4.59**	4.86	5.30	4.81	4.26	3.61	2.37	1.68	1.48	1.88
Dividend		**1.24**	1.24	1.24	1.19	1.19	1.19	0.68	0.37	0.25	0.35
Share price range (in EUR)											
(Depositary receipts of) ordinary shares		**23.27**	20.67	23.16	13.25	15.30	21.06	14.67	8.58	6.02	5.50
		34.50	38.46	36.58	28.45	42.45	46.25	25.48	18.75	8.33	7.72

(1) Figures taken from the financial statements. As from 2004 all amounts are in accordance with EU-IFRS.
(2) As at December 31, 2004 amended for EU-IFRS.
(3) Consists of earnings before share in result of associated companies, finance income and expenses and taxation.
(4) Consists of earnings before share in result of associated companies, finance income and expenses, taxation, depreciation amortisation and impairment losses.
(5) As from 2004: net result + net profit attributable to non controlling interests.
(6) Weighted average number of outstanding shares less the number of shares owned by the company.
(7) Number of outstanding ordinary shares less the number of shares owned by the company as at December 31.
(8) Net result + interest paid on long-term loans as % of the average capital employed (shareholders' equity + long-term loans).
(9) Net result as % of the average shareholders' equity.
(10) Group equity as % of the balance sheet total (fixed assets + current assets).
(11) The dilution effect was practically nil up to and including the financial year 2012.
(12) On May 21, 2007 Royal Boskalis Westminster N.V. effected a share split on a three-for-one basis (three new shares for one old share) in order to increase the liquidity of the Boskalis share. For comparative purposes the data regarding the number of shares and figures per share of all the periods has been recalculated to the situation after the split of the ordinary Boskalis shares in 2007.

STICHTING CONTINUÏTEIT KBW

REPORT

By decision of the General Meeting of Shareholders held on 9 May 2001 the foundation Stichting Continuïteit KBW was granted the right to acquire cumulative protective preference shares in Royal Boskalis Westminster N.V. for a nominal amount equal to the nominal amount of ordinary shares outstanding at the time of issue of the shares concerned. The option of issuing such cumulative protective preference shares was not exercised during the period under review.

The Board of Stichting Continuïteit KBW consists of three members:

J.A. Dekker, chairman
J.F. van Duyne
P.N. Wakkie

DECLARATION OF INDEPENDENCE

The Board of Stichting Continuïteit KBW and the Board of Management of Royal Boskalis Westminster N.V. hereby declare that in their opinion Stichting Continuïteit KBW is an independent legal entity, separate from Royal Boskalis Westminster N.V., as defined in Section 5:71, first paragraph under c of the Dutch Financial Supervision Act.

Papendrecht / Sliedrecht, 13 March 2013
Royal Boskalis Westminster N.V.
Board of Management

's-Gravenland, 13 March 2013
Stichting Continuïteit KBW
The Board

SUPERVISION, BOARD AND MANAGEMENT

MEMBERS OF THE SUPERVISORY BOARD

MR. J.M. HESSELS (1942), CHAIRMAN

- date of first appointment 17 August 2011, current term ends AGM 2015
- former chairman of the Management Board of Royal Vendex KBB N.V.
- chairman of the Board of NYSE Euronext, Inc.
- member of the Supervisory Board of S.C. Johnson & Son, Inc.
- chairman of the Central Planning Committee (at CPB Netherlands Bureau for Economic Policy Analysis)

MR. H.J. HAZEWINKEL (1949), DEPUTY CHAIRMAN

- date of first appointment 27 March 2010, current term ends AGM 2014
- former chairman of the Management Board of Royal Volker Wessels Stevin N.V.
- chairman of the Supervisory Board of TKH Group N.V., SOWECO N.V. and Reggefiber Group B.V.
- member of the Supervisory Board of Heisterkamp Beheer II B.V. and Schiphol Group N.V.
- member of the Supervisory Board of the Netherlands Symphony Orchestra
- non-executive partner Base Strategy & Finance B.V.
- member of the Board of Stichting ING Aandelen
- member of the Board of Stichting Slagheek

MR. M.P. KRAMER (1950)

- date of first appointment 19 August 2009, current term ends AGM 2016
- former Chief Executive Officer of N.V. Nederlandse Gasunie
- Chief Executive Officer of South Stream Transport AG and South Stream Transport B.V.

MR. M. NIGGEBRUGGE (1950)

- date of first appointment 30 August 2006, current term ends AGM 2013
- former member of the Executive Board of N.V. Nederlandse Spoorwegen
- member of the Executive Board of URENCO Limited
- member of the Supervisory Board of SPF Beheer B.V.
- member of the Supervisory Board of Diakonessenhuis Utrecht

MR. J. VAN WIECHEN (1972)

- date of first appointment 12 May 2011, current term ends AGM 2015
- director of HAL Investments B.V.
- non-executive member of the Board of Directors of Dockwise Ltd.
- chairman of the Supervisory Board of N.V. Nationale Borgmaatschappij
- member of the Supervisory Board of Atlas Services Group Holding B.V., Mercurius Groep B.V., FD Mediagroep B.V., InVesting B.V. and Orthopedie Investments Europe B.V.

MR. C. VAN WOUDENBERG (1948)

- date of first appointment 9 May 2007, current term ends AGM 2015
- former member of the Executive Committee of Air France-KLM
- member of the Supervisory Board of Royal Grolsch N.V., MN Services N.V. and the Netherlands Chamber of Commerce
- member of the Supervisory Board of The Arnhem Philharmonic Orchestra (Het Gelders Orkest)

All members of the Supervisory Board have the Dutch nationality. They do not hold shares or associated option rights in Royal Boskalis Westminster N.V.

Secretary: Ms. F.E. Buijs (1969)

MEMBERS OF THE BOARD OF MANAGEMENT

DR. P.A.M. BERDOWSKI (1957), CHAIRMAN

- chairman of the Board of Management since 2006
- member of the Board of Management since 1997
- chairman of the Supervisory Board of Amega Holding B.V. and N.V. Holding Westland Infra

MR. T.L. BAARTMANS (1960)

- member of the Board of Management since 2007
- chairman of the Netherlands Association of International Contractors (NABU)
- member of the Executive Board of the International Association of Dredging Companies (IADC)

MR. J.H. KAMPS (1959), CHIEF FINANCIAL OFFICER

- member of the Board of Management since 2006
- member of the Executive Board of Stichting Fondsenbeheer Waterbouw and Stichting Bedrijfstakpensioenfonds Waterbouw
- chairman of the Board of Stichting Pensioenfonds Boskalis

MR. F.A. VERHOEVEN (1951)

- member of the Board of Management since 2012
- member of the Supervisory Board of Houdstermaatschappij Dekker B.V.
- member of the Supervisory Committee of Stichting Maritiem Research Instituut Nederland (Marin)
- member of the Board of Stichting Vrienden van het Nationaal Baggermuseum

All members of the Board of Management have the Dutch nationality. They do not hold shares or associated option rights in Royal Boskalis Westminster N.V.

Secretary: Ms. F.E. Buijs (1969)

GROUP MANAGEMENT

dr. P.A.M. Berdowski	chairman Board of Management
T.L. Baartmans	member Board of Management
J.H. Kamps	member Board of Management, Chief Financial Officer
F.A. Verhoeven	member Board of Management
P. van der Linde	group director

CORPORATE STAF

IR & Corporate Communications	M.L.D. Schuttevâer
Group Controlling	J.O.B. Goslings RC
Fiscal Affairs	R.J. Selij
Legal Affairs	M.A. van de Molen
Treasury & Insurance	F.A.J. Rousseau
Company secretary	F.E. Buijs
ICT	M.J. Krijger
SHE-Q	W. Haaijer
Strategy & Business Development	T.R. Bennema

OPERATIONELE STAF

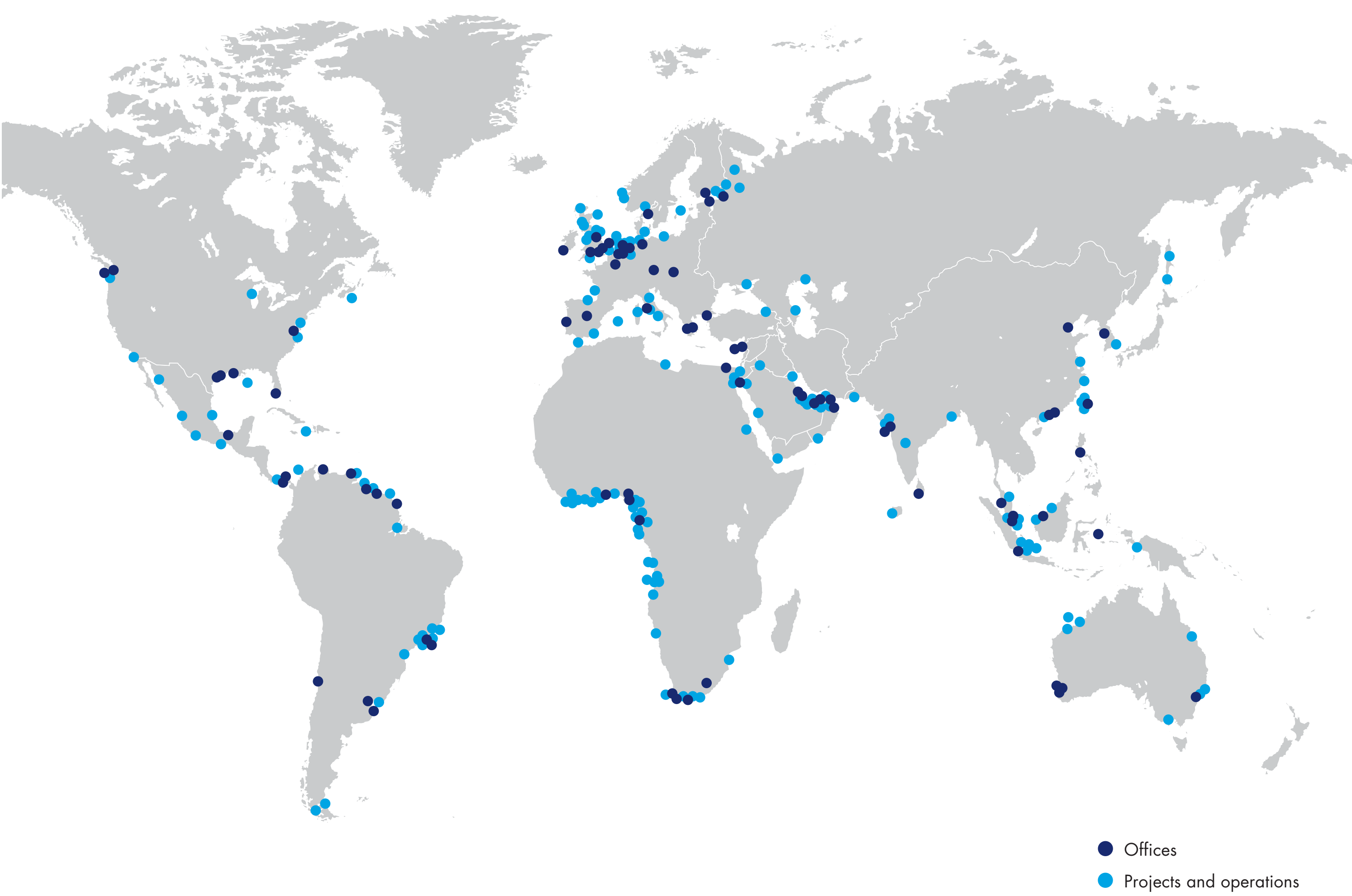
Personnel & Organization	J. den Hartog
Research & Development	dr. ir. A.C. Steenbrink
Dredging Department	B.J.H. Pröpper
Central Technical Department	E.C. Holman

DREDGING

OFFSHORE ENERGY

INLAND INFRA

TOWAGE & SALVAGE



DREDGING

INTERNATIONAL PROJECTS MARKET

Area Europa
M. Siebinga, J.M.L. Dieteren
Area Middle
P.G.R. Devinck
Area Middle East
J.F.A. de Blaeij
Area East
L. Slinger
Area West
P. Klip

HOME MARKETS

The Netherlands
Boskalis:
P. van der Knaap
United Kingdom
Boskalis Westminster:
H.H.A.G. Wevers
Germany
Boskalis Hirdes:
H.G. Peistrup
Nordic (Finland and Sweden)
Boskalis Terramare:
J.K. Yletyinen
Mexico
Boskalis Dragamex:
A. Landewee
Nigeria
Nigerian Westminster Dredging & Marine Ltd:
F.J. Buitenhuis

OFFSHORE ENERGY

Subsea Contracting
J. Boender, S.G.M. van Bemmelen
Subsea Services
S. Korte
Marine Contracting & Marine Services
W.B. Vogelaar, M. Meeuwisse

INLAND INFRA

Netherlands
P. van der Knaap
Environmental contracting
Boskalis Environmental:
J.A. Dolman
Soil-improvement techniques
Cofra:
J.K. van Eijk

TOWAGE

Northwest Europe
P. Vierstraete
Americas
F.J. Tjallingii (Canada)
P.J.G. van Stein (Brazil)
W.M. van der Dussen (Panama)
Azia
Lee Sook Fung (Singapore)

SALVAGE

J. Halfweeg

WORKS COUNCIL

T.A. Scheurwater (chairman), C.C. Brijder, W.G. Burger, C.A. van Dam, J.C. Elenbaas, A.D. Groeneveld, A. Kastelein, A.M.W. Kruithof, S. van der Land, B.A.J. Mes (vice-chairman), F. Pronk, J.G. Roos, W.L. Stander, F.R. Timmer, M. Treffers, D.A. van Uitert, M.F. van Wijk (secretary), P.E. den Otter-Bakker (administrative secretary)

DISCLOSURES REQUIRED BY THE DECREE ARTICLE 10 OF THE EU DIRECTIVE ON TAKEOVER BIDS

Under the Decree article 10 of the EU Directive on takeover bids companies whose securities are admitted to trading on a regulated market must disclose information in their annual reports on matters including their capital structure and the existence of any shareholders with special rights. In accordance with these requirements, Boskalis hereby makes the following disclosures:

a. For information on the capital structure of the company, the composition of the issued capital and the existence of various types of shares, please refer to page 91 of the notes to the consolidated financial statements in this annual report. For information on the rights attached to these shares, please refer to the company's Articles of Association which can be found on the company website. To summarize, the rights attached to ordinary shares comprise pre-emptive subscription rights upon the issue of ordinary shares, the entitlement to attend the General Meeting of Shareholders, and to speak and vote at that meeting, and the right to distribution of such amount of the company's profit as remains after allocation to reserves. As at December 31, 2012 the entire issued capital consisted of ordinary shares (registered and bearer shares). These are only issued against payment in full.

b. The company has imposed no limitations on the transfer of ordinary shares. The Articles of Association have stipulated a blocking procedure for protective preference shares. The company is not aware of any shares having been exchanged for depositary receipts.

c. For information on equity stakes in the company to which a notification requirement applies (pursuant to Sections 5:34, 5:35 and 5:43 of the Financial Supervision Act), please refer to the section 'Investor Relations' on page 17 of this annual report. Under the heading 'Shareholders' you can find a list of shareholders who are known to the company to have holdings of 5% or more at the stated date.

d. There are no special control rights or other rights associated with shares in the company.

e. The company does not operate a scheme granting employees rights to acquire or obtain shares in the capital of the company or any of its subsidiaries.

f. No restrictions apply to voting rights associated with the company's shares, nor are there any deadlines for exercising voting rights.

g. No agreements with shareholders exist which may result in restrictions on the transfer of shares or limitation of voting rights.

h. The rules governing the appointment and dismissal of members of the Board of Management and the Supervisory Board and amendment of the Articles of Association are stated in the company's Articles of Association. To summarize, the statutory structure regime is applicable to the company. Members of the Board of Management are appointed and dismissed by the Supervisory Board, with the proviso that the General Meeting of Shareholders must be consulted prior to the dismissal of any member of the Board of Management. Supervisory Board members are nominated by the Supervisory Board and appointed by the General Meeting of Shareholders. The Works Council has an enhanced right of recommendation for one-third of the number of Supervisory Board members. The meeting of shareholders can declare a vote of no confidence in the Supervisory Board by an absolute majority of votes cast, representing at least one-third of issued capital. Such a vote of no confidence shall result in the immediate dismissal of the Supervisory Board members. An amendment of the company's Articles of Association requires a decision by a meeting of shareholders in response to a proposal made by the Board of Management with the approval of the Supervisory Board.

i. The general powers of the Board of Management are set out in the Articles of Association of the company. The powers of the Board of Management in respect of the issuance of shares in the company are set out in article 4 of the company's Articles of Association. To summarize, the General Meeting of Shareholders – or the Board of Management authorized by the General Meeting – takes the decision, subject to prior approval by the Supervisory Board, to issue shares, whereby the issue price and other conditions relating to the issue are determined by the general meeting – or the Board of Management authorized by the General Meeting. In the event the Board of Management is authorized to take decisions with respect to the issue of shares, the number of shares that may be issued as well as the term of the authorization must also be determined. Rules governing the acquisition and disposal by the company of shares in its own capital are set out in article 7 of the Articles of Association. To summarize (briefly), the Board of Management may decide, subject to authorization by the meeting of shareholders and to prior approval by the Supervisory Board, for the company to buy back fully paid-up shares up to a statutory maximum of 50% of issued capital. Decisions regarding the disposal of shares acquired by the company are taken by the Board of Management, subject to prior approval by the Supervisory Board.

j. With the exception of the option agreement with Stichting Continuïteit KBW concerning the placement of cumulative protective preference shares as set out in section 27.4 of the financial statements, the company is not a party to any significant agreements which take effect or are altered or terminated upon a change of control of the company as a result of a public offer within the meaning of Section 5:70 of the Financial Supervision Act. The General Meeting of Shareholders of May 9, 2001 decided to grant Stichting Continuïteit KBW the right to acquire protective preference shares.

k. The company has not entered into any agreements with either members of the Board of Management or employees, which provide for a pay-out on termination of their employment as a result of a public offer within the meaning of Section 5:70 of the Financial Supervision Act.


TSHD Oranje engaged in dredging work near the port of Mumbai in India

GLOSSARY

Acquired orders Contract value of acquired assignments.

AGM Annual General Meeting of Shareholders.

Backhoe A large hydraulic excavating machine positioned on the end of a pontoon. The pontoon is held firmly in place using spuds. Backhoes can dredge in a range of soil types with extreme precision.

Bunker fuel Type of fuel used by oceangoing and other vessels. Bunkering refers to the act or process of supplying a ship with this type of fuel.

Cash flow Group net profit adjusted for depreciation, amortization and impairments.

Cost leadership Achieving lowest cost price.

Cutter See cutter suction dredger.

Cutter suction dredger (CSD) A vessel that dredges while being held into place using spuds and anchors. This technique combines powerful cutting with suction dredging. Cutter suction dredgers are mainly used where the bed is hard and compact. The dredged material is sometimes loaded into hoppers but is generally pumped to land through a pressure pipeline.

Decommission To dismantle and/or remove an object.

EBITDA Group earnings before the result of associated companies, interest, tax, depreciation, amortization and impairments.

CO_2 Emissions Carbon dioxide released into the environment.

EU-IFRS IFRS stands for International Financial Reporting Standards. EU-IFRS are financial reporting rules drawn up and issued by the IASB (International Accounting Standards Board) and adopted within the European Union. Since 2005 all publicly listed companies within the European Union have been obliged to comply with these standards in their external financial accounting/reporting.

Fallpipe vessel Vessel that moves over the area to be covered, while dumping the stones on board through a fallpipe. The vessel is kept in place by a dynamic positioning system in which the propellers and rudders are controlled by an automatic system. The end of the pipe is located just a few meters above the level of the surface to be covered. The fallpipe is controlled using a precise positioning system. The fallpipe vessel Seahorse can also be equipped with an A-frame on the aftship and a grab controlled by an ROV (Remotely Operated Vehicle). This makes it possible to dredge down to depths of 1,000 meters.

Floating Sheerlegs Floating cranes for heavy lifting.

FPSO Floating Production Storage and Offloading system. Floating production, storage and transshipment systems that often operate a long way offshore. The systems separate the incoming liquids into oil, gas and water and temporarily store the crude oil. Tankers are used to transport the oil.

Futures A future (derivative) is a so-called forward contract; an agreement between traders to purchase or sell certain financial products on a specified future date at a previously agreed fixed price.

Global Reporting Initiative International organization that develops global standards for sustainability reporting.

Hazardous substances Liquid or solid substances which present a health hazard and/or are damaging to the environment.

Home market Boskalis distinguishes itself from its competitors in the Dredging segment by the use of a home market strategy. The home market organizations have local marketing profiles, as well as their own fleets and infrastructures. They can rely on the support of the financial and technical resources of the global Boskalis organization. Home markets provide a stable flow of assignments and opportunities to generate additional margins through associated activities.

Hopper/hopper dredger See trailing suction hopper dredger.

International projects market Market that focuses primarily on larger capital expenditure projects for new buildings and/or extensions. In addition, there are projects that regularly involve cooperation with third parties. This makes it possible to provide clients with optimal services and to share risks.

LNG Liquefied Natural Gas.

LTI Lost Time Injury. Expresses the number of workplace accidents serious enough to result in absence from work.

LTIF Lost Time Injury Frequency. Expresses the number of workplace accidents serious enough to result in absence from work, per 200,000 hours worked.

Net Group profit Net result + net profit attributable to non-controlling interests.

NINA No Injuries No Accidents. In a bid to achieve an incident and accident-free working environment Boskalis applies the NINA safety program. NINA sets out Boskalis' vision on safety and describes the safety conduct the company expects from its staff and subcontractors. The program makes people aware of their own responsibility and encourages them to take action in situations which are unsafe.

Order book The revenue accounted for by parts of orders as yet uncompleted.

Return on capital employed Net result + interest paid on long-term loans as % of the average capital employed (shareholders' equity + long-term loans).

Return on equity Net result as % of the average shareholders' equity.

Revenue work done Work executed for a client related to a project and/or a service contract.

RoRo (Roll-on/Roll-off) ship Vessels designed to carry wheeled cargo such as automobiles, trucks, semi-trailer trucks, trailers or railroad cars that are driven on and off the ship on their own wheels.

Rock fragmentation under water Drilling and blasting hard materials such as rock and granite, often to deepen ports and clear navigational channels.

ROV Remotely Operated Vehicle. An unmanned robotic subsea vehicle that is remotely controlled (often from a ship or platform).

SHE-Q Safety, Health, Environment & Quality.

Solvency Group equity as % of the balance sheet total (non-current assets + current assets).

TEU Twenty feet Equivalent Unit (container); often used to describe the cargo capacity of container ships and container terminals.

Trailing suction hopper dredger (TSHD) A self-propelled unit that loads its well or hopper using centrifugal pumps and pipes that trail over the bed as the ship sails. Trailing suction hopper dredgers can operate independently of other equipment and can transport material over long distances. The dredged material is dumped through flaps or bottom doors, by rainbowing, or pumped onto land using a pipeline.

Work done Work executed for a client in relation to a project and/or service contract.

Transport of offshore platforms by semi-submersible Dockwise vessels

TSHD Shoreway connected to a floating pipeline in the United Kingdom

EQUIPMENT

DREDGERS

Trailing suction hopper dredgers	**25**
Capacity > 6,000 m^3	9
Capacity ≤ 6,000 m^3	16

Cutter suction dredgers	**30**
Capacity > 12,000 kW	4
Capacity ≤ 12,000 kW	26

Backhoes	**19**
Bucket capacity from 1.4 to 24 m^3	

Floating grab cranes	**21**
Grab capacity from 1.2 to 9.2 m^3	

Other dredging equipment	**27**
bucket dredger, environmental disc cutter, barge unloading dredgers, suction dredgers, stone placing vessels	

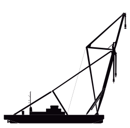
OFFSHORE VESSELS

Fallpipe vessels	**3**
Capacity from 17,000 to 18,500 tons	

Diving support vessels	**4**
Air and saturation diving support, ROV services	

Cable laying vessels	**2**

FLOATING SHEERLEGS



Floating sheerlegs	**12**
Capacity from 400 to 5,000 tons	

BARGES

Hopper barges	**139**
Capacity from 50 to 3,800 m^3	

Oceangoing flat top barges (semi-submersible)	**2**
Capacity 24,000 tons	

Oceangoing flat top barges	**49**
Capacity from 1,000 to 14,000 tons	

Inland barges	**85**
Capacity from 100 to 2,000 tons	

TUGS

Anchor handling tugs	**62**
Capacity from 2,239 to 19,403 kW	

Coastal/harbor tugs	**288**
Capacity from 358 to 5,224 kW	

Harbor/river (pusher tugs)	**103**
Capacity from 75 to 2,089 kW	

SUPPORT VESSELS — 47

LAUNCHES, WORK/SUPPLY VESSELS — 128

VARIOUS/OTHERS — 116

The numbers listed above include the vessels under construction and vessels and floating equipment of the (non-controlled) associated companies. In addition to the equipment shown here, the group also owns a range of auxiliary equipment such as floating pipelines, winches, pumps, draglines, hydraulic excavators, wheel loaders, dumpers, bulldozers, mobile cranes, crawler drill rigs, sand pillers, filling installations for shore protection, mattresses, fixed land pipelines and a wide variety of salvage equipment, such as fire-fighting, diving and anti-pollution equipment.


HJT

COLOPHON

Compiled and coordinated by
Royal Boskalis Westminster N.V.
Corporate Communications Department
Group Accounting & Reporting Department

www.boskalis.com

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print production

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