

## **Fugro Acquires Thales Geosolutions**

Leidschendam, The Netherlands, 19 November 2003

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### **Acquisition of Thales GeoSolutions strengthens Fugro's position as a global player in the oil and gas services industry**

**Fugro N.V. announces that it has reached agreement with Thales S.A. to acquire its subsidiary Thales GeoSolutions for EUR 147.5 million. The acquisition is effective as of today. It is expected that the acquisition will be earnings enhancing to Fugro as of 2004.**

#### **Strategic rationale**

The combination of Fugro's global network with that of Thales Geosolutions will lead to substantial efficiencies and synergies and will permit it to become a more efficient competitor and to provide more competitive and efficient services to its clients. Thales GeoSolutions will bring new technology and talented and experienced people into the Fugro organisation and thus will accelerate technical developments and R&D projects. This will allow the combined entity to remain at the forefront of the survey and geotechnical markets. The acquisition will also lead to overhead cost reductions in areas such as marketing and administration and will improve the efficiency rate of the available equipment to the extent of approximately EUR 30 million annually.

Furthermore, the acquisition of Thales Geosolutions will further extend Fugro's global footprint, particularly in Latin America and China. In line with the strategy to have a strong worldwide and balanced position in all its activities, the acquired operations reinforce Fugro's position in the offshore survey, positioning and offshore geotechnical market segments.

The combined organisation will continue its overall growth strategy.

#### **Integration**

Fugro expects to achieve full integration of the two organisations within six months. An amount of EUR 25 million has been reserved for all integration related costs. Fugro expects that the integration will result in a reduction of approximately 10% of the current staff of 4,050 people in the combined offshore activities. During the integration process, Fugro will investigate the possibility of divesting certain non-core fixed assets of Thales GeoSolutions.

Thales GeoSolutions has 1,800 experienced staff around the world and estimated turnover of EUR 210 million in 2003, based on average exchange rates. The offshore survey and offshore geotechnical activities of Fugro employ 2,250 people and are expected to generate a turnover of approximately EUR 350 million in 2003, based on average exchange rates.

### **Financial details**

The acquisition price is EUR 147.5 million free of debt and will be paid in cash. An additional EUR 25 million will be reserved for integration costs. Fugro will finance the acquisition through a EUR 200 million loan facility and does not intend to issue shares. The coupon is EURIBOR (2.217% as of 14 November 2003) plus 70 basispoints and the loan has a maturity of two years. There are no redemption obligations during the first year. Further possible add-on acquisitions will be financed from the operational cash flow.

### **Profile Thales GeoSolutions**

[Thales GeoSolutions](#) is a global provider of offshore services supporting activities throughout the life of field operations in the oil and gas industry. These services span from delivering preliminary seismic surveys through to engineering, rig positioning, pipeline inspections, subsea intervention tasks and aiding in the decommissioning of fields. The company operates from over 30 locations in all the major offshore exploration areas worldwide. Over the first half year of 2003, ending 30 June 2003, Thales GeoSolutions reported Income from Operations of -/- EUR 10 million pre extraordinary charges.

Today at 10.00 CET Fugro will host a conference call for analysts. Journalists are welcome to dial in (listen-only) to this call. Please dial +31 (0) 45 631 69 08. The associated presentation can be found [here](#). A replay of the conference call is available directly after the conference call until 22 November 2003. To access the replay, please dial + 31 (0)45 799 00 29 followed by the code 132204#.

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### **More information**

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