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## **SBM OFFSHORE N.V. HALF-YEAR RESULTS 2008 AND FULL-YEAR FORECAST**

### **Summary**

- Half-year net profit of US\$ 85.3 million, 39% below 2007 (US\$ 139.2 million) due to cost overruns on certain turnkey projects. Return on equity of 12.3% (23.7% in 2007);
- Return on capital employed 9.3% (15.9% in 2007) for the six month period;
- Capital expenditure of US\$ 516 million during the first six months of 2008;
- New orders amount to US\$ 2,986 million for the first six months of 2008. Backlog at 30 June 2008 amounts to US\$ 9,466 million;
- Full year 2008 forecast profit up to 20% below original target (i.e. approximately US\$ 225 million), in line with 11 July 2008 press release;
- Intention to maintain dividend at 2007 level (US\$ 0.93 per share).

Tony Mace, new CEO, commented as follows:

*"In 2005, anticipating the long-term increase in demand for SBM's products, Management has decided to take advantage of the prevailing buoyant market conditions by bidding and winning several large contracts, with the aim to grow the Company in terms of execution capacity and financial results. This however has unfortunately coincided with the general global overheating of the suppliers and yards capacity. As a consequence, we have suffered from significant budget and schedule overruns on a few projects which have affected the 2007 and 2008 results.*

*When these problems materialized in 2006, Management has taken steps to implement additional tighter controls for bidding, in order to minimize budget and schedule execution risks. As a result, costs for all subsequent projects are now under control. Increased controls for cost forecasting are also being implemented on current and new projects.*

*The projects which were contracted in 2005/2006 are now being delivered in 2008 and the current order backlog is composed of good quality projects. The market continues to be robust for the Company's products in the foreseeable future."*

### **1. Half-year results 2008**

The profit after tax for SBM Offshore N.V. (the Company) for the first six months of 2008 was US\$ 85.3 million (US\$ 0.58 per share) compared with US\$ 139.2 million (US\$ 0.96 per share) at mid-year 2007. This mid-year result has been severely impacted by additional costs incurred on some major turnkey projects, and in particular the Frade and Saxi Batuque FPSO projects. Both projects suffered from input cost overruns from early on in the project execution phase which were taken into account in establishing provisions in 2007 and Company profit expectations for 2008. Additional cost overruns have however been incurred at the tail end of both projects (Saxi Batuque FPSO is now delivered and Frade FPSO will be delivered in the 4<sup>th</sup> quarter of 2008) due to the implementation of acceleration



programmes which exceed the provisions and contingencies allowed for, requiring a significant additional loss provision which has been recorded in the first half of 2008. This provision is expected to be sufficient to absorb all completion costs on the projects. Additional revenues to compensate the Company for part of these cost overruns as well as claims and variation orders on other projects are under discussion and have been conservatively included, where negotiations justify such inclusion.

Net profit includes US\$ 23.5 million (2007: US\$ 6 million) from non-recurring items, being the Company's 50% share on gain on sale of the FPSO Mystras to Agip Energy and Natural Resources (Nigeria) Ltd (AENR), plus the profit on disposal of the Company's Dutch real estate remaining from its former shipbuilding activities. The former item is reported within the Turnkey segment and the latter within Other Operating income.

Turnover for the six months was US\$ 1,497.3 million compared with US\$ 1,388.4 million for mid year 2007.

EBITDA for the six months was US\$ 246.2 million (US\$ 1.71 per share) compared with US\$ 268.7 million (US\$ 1.90 per share) at mid-year 2007.

EBIT for the six month period was US\$ 114.2 million (US\$ 0.79 per share) compared with US\$ 151.2 million (US\$ 1.07 per share) at mid-year 2007.

Assuming allocation of two thirds of Selling, General & Administrative and other expenses and income to the turnkey segment, EBIT was contributed entirely from the lease and operate activities. The corresponding segmental split in the first half of 2007 was 53% lease and operate: 47% turnkey sales and services.

Net debt to equity at 30 June 2008 stands at 0.88 compared with 0.65 at 31 December 2007.

## **2. Expectations for the full year 2008**

Based upon the result of the first six months and potential developments over the remainder of the year, the Company expects that 2008 will generate:

- Full year net profit below original target by up to 20% (i.e. approximately US\$ 225 million), depending upon the finalisation of major turnkey projects and potential recoveries thereon;
- Capital expenditure of US\$ 1 billion compared with US\$ 551 million in 2007;
- Intention to maintain dividend at 2007 level of US\$ 0.93 per share.

## **3. New booked orders**

The strategy of the Company is to be selective in pursuing new projects. The Company has implemented new procedures to tighten bid process controls, including amongst others the pass through of costs and risks, and back to back validities between suppliers and clients.

New booked orders for the first half-year of 2008 totalled US\$ 2,986 million (of which US\$ 1,195 million from lease and operate activities), compared with US\$ 1,807 million for the first half of 2007, and US\$ 3,822 million for the full year 2007. Order portfolio at 30 June stood at US\$ 9,466 million (of which US\$ 6,437 million relates to lease and operate activities) compared with US\$ 7,955 million at year-end 2007.

The major new orders include:



- A contract with Petrobras for the turnkey supply of the P-57 FPSO, inclusive of three years of operation, to be installed on Jubarte field offshore Brazil. The delivery of the unit in Brazil, ready for installation, is planned for end of 2010;
- A Letter of Intent from Woodside Energy Ltd (WEL), Operator of the North West Shelf Venture for the turnkey supply of a disconnectable FPSO. The FPSO will replace the currently operating FPSO Cossack Pioneer in the third quarter of 2010.

Changes to the existing lease fleet portfolio include:

- As mentioned above, AENR has exercised on 16 May 2008 the option under the Service Agreement to purchase the FPSO Mystras from FPSO Mystras Producao de Petroleo LTDA (FMPP), a 50% owned subsidiary of the Company;
- A one-year extension of the lease and operate contract for the FPSO Falcon from Esso Deepwater Limited, a subsidiary of ExxonMobil. The FPSO Falcon, which is fully owned and operated by the Company, is consequently under contract until 23 November 2009;
- An order from Petrobras for the relocation of the FPSO Capixaba from the Golfinho field to the Cachalote field development. The order includes upgrade works of the FPSO and an amended lease contract for 12 years on the Cachalote field;
- A total of five contracts for the supply of new, and the refurbishment of existing, CALM type offshore tanker terminals, and the related offshore change out operations;
- Several contracts for the supply of specialised components for jack up drilling rigs and other offshore structures;
- Several license agreements for drilling vessel designs.

New orders obtained since 30 June 2008 include:

- A call off frame contract from BP Angola in support of a development programme offshore Angola. Subject to project sanction, the call off for the first FPSO will be issued during the 2nd half of 2009. Subsequent FPSOs may be called off subject to future project sanctions;
- A Letter of Award from Total E&P Angola for the Engineering, Procurement, Supply, Construction and Installation (EPSCI) of the Oil Loading System on the PAZFLOR project to a consortium of SBM Offshore and APL;
- An order from Resolution Shipping Ltd (Cyprus), a subsidiary of Vroon Group, for the supply of two 1,000 ton cranes and two jacking systems, with a total jacking capacity of 22,500 tons each, for two wind turbine installation jack-up vessels (SBM Offshore design).

#### **4. Project Execution**

During the first half of 2008, the Company was fully occupied with the execution of the backlog of orders. Following the disappointing cost development mentioned above, cost control procedures for these on-going projects were further enhanced.

Several major projects reached completion and were delivered:

- The FPSO Mondo started operations on 1 January 2008 for Exxon Mobil on the Kizomba 'C' field offshore Angola;



- The FPSO Saxi Batuque started operations on 1 July 2008 for Exxon Mobil on the Kizomba 'C' field offshore Angola.

The next major deliveries are the FPSO Frade for Chevron in Brazil, the FPSO Espirito Santo (BC-10) for Shell in Brazil and the Thunder Hawk semi-submersible production platform for Murphy in the Gulf of Mexico, all in Q4, 2008. The former unit is a turnkey project, whilst the latter two units are leased projects.

Recent projects in the portfolio have been contracted with suitable prices and delivery schedules compatible with the prevailing supplier/yard market conditions and are progressing satisfactorily. Enhanced controls over cost and schedule have been implemented.

## 5. Technology Development

The Company has progressed with the development of new technology for deep water applications i.e. the MoorSpar™ Riser Buoy & FourStar™ TLP and the products are now ready for commercialisation.

On the LNG FPSO development Linde and SBM Offshore have finished the technical phase and are actively pursuing several commercial opportunities. Given the expanding global LNG market, the Company views this development as a major element of its future growth and is confident that a first application will be delivered and operational in 2013.

The cryogenic LNG flexible transfer hose has been tested in a prototype arrangement and full scale testing is now under way. This floating hose technology will enable LNG transfer operations in conjunction with the SBM/Linde LNG FPSO.

The Company has been developing an innovative wave energy conversion system and initial model tests have produced positive results.

## 6. Market Situation

The market continues to maintain a strong demand for the Company's products. The strategy is to be selective, pursuing new projects with high added value. As a result, the order intake has shown an increase of good quality orders in the turnkey segment and continued growth in leased products.

Both lease and turnkey segments are expected to continue to provide good quality orders and there are several tenders in progress or anticipated in the near future.

## 7. Corporate Management

The Annual General Meeting of Shareholders of 15 May 2008 approved several proposals for appointments to both the Board of Management and Supervisory Board, following the retirement of Mr. D. Keller (CEO) from the Board of Management.

The Board of Management and Supervisory Board now have the following compositions.

### Board of Management:

- Mr. A.J. Mace (CEO)
- Mr. M.A.S. Miles (CFO)
- Mr. F. Blanchelande
- Mr. D.J. van der Zee

### Supervisory Board:

- Mr. H.C. Rothermund (Chairman)
- Mr. L.J.A.M. Ligthart (Vice-Chairman)
- Mr. R. van Gelder
- Mr. Drs. F.G.H. Deckers
- Mr. T. Ehret
- Mr. D. Keller



## 8. Financial Agenda

Preliminary Results 2008 - Conference Call	27 January	2009
Final Results 2008 Press Release	10 March	2009
Final Results 2008 - Analysts Presentation (Amsterdam)	11 March	2009
Annual Report 2008	End April	2009
Annual General Meeting of Shareholders 2008	14 May	2009
Ex-dividend Date	18 May	2009
Half-year Results 2009 - Press Release	18 August	2009
Half-year Results 2009 - Analysts Presentation (Amsterdam)	19 August	2009

The Dutch public company SBM Offshore N.V. is the holding company of a group of international, marine technology orientated companies. Its business is to serve on a global basis the offshore oil and gas industry by supplying engineered products, vessels and systems, and offshore oil and gas production services.

The product line comprises:

- Offshore import/export terminals for crude oil, refined products, LPG and LNG, mostly based on the single point mooring principle, Floating Production and/or Storage and Offloading systems (FSOs and FPSOs) and other floating production facilities based on ship hulls, semi-submersibles and Tension Leg Platforms (TLPs);
- Offshore oil and gas production services through the leasing of integrated production and storage facilities owned and operated by the Company;
- Design, construction and supply of semi-submersible drilling platforms;
- Special designs and engineering services and delivery of specific hardware components for dynamically positioned drillships, semi-submersible drilling platforms, jack-up drilling platforms, jack-up platforms for civil construction, large capacity offshore cranes, elevating and lifting systems, crane vessels and other specialised work vessels;
- Offshore construction and installation contracting services.

The Board of Management

Schiedam, 19 August 2008



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**Disclaimer**

Some of the statements contained in this release that are not historical facts are statements of future expectations and other forward-looking statements based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those in such statements. Such forward-looking statements are subject to various risks and uncertainties, which may cause actual results and performance of the Company's business to differ materially and adversely from the forward-looking statements. Certain such forward-looking statements can be identified by the use of forward-looking terminology such as "believes", "may", "will", "should", "would be", "expects" or "anticipates" or similar expressions, or the negative thereof, or other variations thereof, or comparable terminology, or by discussions of strategy, plans, or intentions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this release as anticipated, believed, or expected. SBM Offshore NV does not intend, and does not assume any obligation, to update any industry information or forward-looking statements set forth in this release to reflect subsequent events or circumstances.



## Consolidated interim income statement

In thousands of US Dollars

	Notes	6 months ended 30 June 2008	6 months ended 30 June 2007
Revenue	1	1,497,276	1,388,395
Cost of sales		(1,321,596)	(1,168,775)
<b>Gross margin</b>		<b>175,680</b>	<b>219,620</b>
Other operating income		10,301	205
Selling and marketing expenses		(16,498)	(20,121)
General and administrative expenses		(43,761)	(40,203)
Other operating expenses		(11,513)	(8,309)
<b>Operating profit (EBIT)</b>		<b>114,209</b>	<b>151,192</b>
Net financing costs		(22,988)	(5,914)
Share of profit of associates		1,257	0
<b>Profit before tax</b>		<b>92,478</b>	<b>145,278</b>
Income tax expenses		(7,177)	(6,028)
<b>Profit</b>		<b>85,301</b>	<b>139,250</b>
<b>Attributable to:</b>			
Shareholders		83,474	136,083
Minority interests		1,827	3,167
		<b>85,301</b>	<b>139,250</b>
Weighted average number of shares outstanding	2	143,739,105	141,310,031
Basic earnings per share	2	0.58	USD 0.96
Fully diluted earnings per share	2	0.58	USD 0.95
<b>Shares information</b>		<b>30 June 2008</b>	<b>31 December 2007</b>
Number of shares outstanding		145,560,155	143,323,681
Share price (€)		23.44	21.60
Market capitalization (€ mln)		3,411.9	3,095.8
Market capitalization (US\$ mln)		5,397.7	4,557.6

The interim financial statements have not been audited



**Consolidated interim balance sheet**  
*In thousands of US Dollars*

	Notes	30 June 2008	31 December 2007
<b>ASSETS</b>			
Property, plant and equipment	3	2,303,970	1,962,395
Intangible assets		36,912	35,571
Investment in associates		75	71
Other financial assets		316,808	92,550
Deferred tax asset		11,020	8,596
<b>Total non-current assets</b>		<b>2,668,785</b>	<b>2,099,183</b>
Inventories		25,816	15,448
Trade and other receivables		566,363	569,344
Income tax receivable		763	224
Construction contracts		388,566	513,644
Financial instruments		153,570	156,095
Cash and cash equivalents		292,482	280,684
<b>Total current assets</b>		<b>1,427,560</b>	<b>1,535,439</b>
<b>TOTAL ASSETS</b>		<b>4,096,345</b>	<b>3,634,622</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to shareholders</b>			
Issued capital		57,569	52,750
Share premium		381,251	363,057
Retained earnings		894,519	890,697
Other reserves		60,262	26,933
		1,393,601	1,333,437
Minority interests		6,135	4,297
<b>Total Equity</b>		<b>1,399,736</b>	<b>1,337,734</b>
Long term loans and other liabilities	4	1,211,873	921,505
Provisions		40,407	44,110
Deferred tax liability		835	812
<b>Total non-current liabilities</b>		<b>1,253,115</b>	<b>966,427</b>
Trade and other payables		972,137	909,081
Current income tax liabilities		16,761	16,414
Borrowings and bank overdrafts		314,156	233,868
Financial instruments		140,440	171,098
<b>Total current liabilities</b>		<b>1,443,494</b>	<b>1,330,461</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,096,345</b>	<b>3,634,622</b>



### Condensed statement of changes in total equity

(in thousands of US Dollars)

	2008	2007
<b>Total equity at 1 January</b>	1,337,734	1,119,023
Translation differences	1,787	1,056
Movement financial instruments	31,542	4,294
Other movements	7,598	6,094
<i>Net income directly recognised in equity</i>	<u>40,927</u>	<u>11,444</u>
Profit for the year	83,474	136,083
Change in minority interests	1,838	3,203
<i>Total income and expense for the year</i>	<u>85,312</u>	<u>139,286</u>
Dividend	(83,288)	(56,592)
Share options exercised / bonus shares	<u>19,051</u>	<u>13,955</u>
<b>Total equity at 30 June</b>	<b><u>1,399,736</u></b>	<b><u>1,227,116</u></b>

The General Meeting of Shareholders held on 15 May 2008 approved a dividend per ordinary share of US\$ 0.930 (2007: US\$ 0.770).

### Condensed consolidated interim statement of cash flows

In thousands of US Dollars

	6 months ended 30 June 2008	6 months ended 30 June 2007
Cash flow from operating activities	309,902	64,698
Cash flow from investing activities	(535,339)	(216,244)
Cash flow from financing activities	<u>239,843</u>	<u>38,532</u>
<b>Net increase/(decrease) in cash and bank balances</b>	<b>14,406</b>	<b>(113,014)</b>
Cash and bank balances at beginning of period	274,088	339,686
Net cash divestments	-	(581)
Exchange gains/(losses) on cash and bank balances	<u>3,988</u>	<u>2,025</u>
<b>Cash and cash equivalents end of period</b>	<b><u>292,482</u></b>	<b><u>228,116</u></b>

The reconciliation of the cash and cash equivalents as at 30 June 2008 with the corresponding amounts in the balance sheet is as follows:

Cash and cash equivalents	292,482
Bank overdrafts	<u>-</u>
<b>Cash and cash equivalents</b>	<b><u>292,482</u></b>

The interim financial statements have not been audited



## **Notes to the condensed consolidated interim financial statements**

SBM Offshore N.V. is a company domiciled in Rotterdam, the Netherlands. The condensed consolidated interim financial statements for the six months ended 30 June 2008 comprise the interim financial statements of SBM Offshore N.V. and its subsidiaries (together referred to as the 'Company') and the Company's interest in associates and jointly controlled entities.

### *Statement of compliance*

The condensed consolidated interim financial statements for the half year ended 30 June 2008 have been prepared in accordance with International Financial Reporting Standards (IFRS) for interim financial statements (IAS 34). The information in the interim financial statements has been prepared based on the IFRS-standards and interpretations, adopted by the EU.

### *Basis of preparation*

The condensed consolidated interim financial statements are presented in US Dollars, rounded to the nearest thousand. The accounting policies and methods of computation followed in the preparation of the 2008 interim financial statements are consistent with those of the annual financial statements for the year ended 31 December 2007. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2007.

### *Seasonality and cyclicity*

The interim financial result of SBM Offshore is not materially impacted by either seasonality or cyclicity of the operations.

### *Use of estimates*

In the preparation of the interim financial statements, it is necessary for the Management of the Company to make estimates and certain presumptions that can affect the valuation of the assets and liabilities and the outcome of the income statement. The actual outcomes may differ from these estimates and presumptions. Estimates and judgements are continually evaluated and are based on historical experience and factors, including expectations of future events that are believed to be reasonable.

In particular, significant areas of estimation, uncertainty and critical judgements in applying the accounting policies have the most significant effect on amounts recognised in the interim financial statements are:

- estimation of the anticipated useful life of the leased facilities;
- lease classification;
- revenue recognition on construction contracts based on the stage of completion method;
- estimated impairment of intangible fixed assets.



## 1. Segment information

### 6 months ended 30 June 2008 (in thousands of US Dollars)

	Lease		Turnkey		Con- solidated
Segment revenue	409,246	27.3	1,088,030	72.7	1,497,276
Gross margin	134,241	76.4	41,439	23.6	175,680
Other income	39		76		115
Unallocated income and expenses					(61,586)
Operating profit (EBIT)					114,209
Net financing costs					(22,988)
Share of profit of associates					1,257
Income tax expense					(7,177)
<b>Net profit</b>					<b>85,301</b>

### 6 months ended 30 June 2007 (in thousands of US Dollars)

	Lease		Turnkey		Con- solidated
Segment revenue	333,704	24.0	1,054,691	76.0	1,388,395
Gross margin	99,949	45.5	119,671	54.5	219,620
Other income	41		66		107
Unallocated income and expenses					(68,535)
Operating profit (EBIT)					151,192
Net financing costs					(5,914)
Share of profit of associates					0
Income tax expense					(6,028)
<b>Net profit</b>					<b>139,250</b>

## Notes

### Non-Recurring Items 2008

On 16 May 2008 Agip Energy and Natural Resources (Nigeria) Ltd (AENR) exercised its purchase option to purchase FPSO Mystras. The sale of the Mystras is included in the Turnkey segment, and cash flow resulting from this transaction is included in the cash flow from operating activities.

Finalisation of the sale of land and buildings remaining from the Company's former Dutch shipbuilding activities in Alblasterdam South took place in the first six months of 2008. This transaction is included within other Operating Income.

The combined impact of the above events upon the 2008 mid-year results amounts to a non-recurring net profit of around US\$ 23.5 million.



### Non-Recurring Items 2007

In 2007 20% of the shares in the owning and operating companies of the FPSO Capixaba were sold to Star International Drilling ("Star"). Star shares in the net result for the FPSO with effect from 1 April 2006.

During the course of the first six months of 2007 the airport interiors and passenger boarding bridges activities of NKI Group B.V. and NKI Aviobridge were sold to 3<sup>rd</sup> parties.

The combined impact of the above events upon the 2007 mid-year results amounts to a non-recurring net gain of around US\$ 6 million.

### Allocation of Selling, General and administrative expenses

Unallocated income and expenses include Selling, General and Administrative expenses for US\$ 50.2 million in 2008 (2007: US\$ 60.3 million). Unallocated costs also include Other operating expenses, which correspond mainly to Research and Development activities. For analytical review purposes approximately one third of these aforementioned costs can be considered as attributable to the lease segment.

### 2. Earnings per share

The basic earnings per share for the period amounts to US\$ 0.58 (2007: US\$ 0.96); the fully diluted earnings per share amounts to US\$ 0.58 (2007: US\$ 0.95).

Basic earnings per share amounts are calculated by dividing net profit for the period attributable to shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted earnings per share amounts are calculated by dividing the net profit attributable to shareholders of the Company by the weighted average number of shares outstanding during the period plus the weighted average number of shares that would be issued on the conversion of all the dilutive potential shares into ordinary shares.

The following reflects the share data used in the basic and diluted earnings per share computations:

	<b>2008</b>	<b>2007</b>
Number of shares outstanding 1 January	143,323,681	140,715,535
Stock dividend	150,089	221,571
New share issue (re exercised options)	265,335	372,925
<b>Weighted average number of shares outstanding</b>	<b>143,739,105</b>	<b>141,310,031</b>
Weighted average number of shares to be granted without payment under the stock option scheme	1,045,720	2,016,238
<b>Weighted average number of shares (diluted)</b>	<b>144,784,825</b>	<b>143,326,269</b>

### 3. Property, plant and equipment

Total movement in property, plant and equipment is as follows:  
(in thousands of US Dollars)

	<b>2008</b>	<b>2007</b>
		<b>Full year</b>
Book value 1 January	1,962,395	1,662,222
Additions	516,445	547,947
Disposals	(46,483)	(5,552)
Depreciation	(131,573)	(245,439)
Exchange rate differences	8,132	11,621
Deconsolidation and other movements	(4,946)	(8,404)
<i>Movements during the year</i>	<u>341,575</u>	<u>300,173</u>
<b>Book value 30 June (full year: 31 December)</b>	<b><u>2,303,970</u></b>	<b><u>1,962,395</u></b>



#### 4. Long term loans and other liabilities

Included in long term loans and other liabilities are interest bearing loans and borrowings and long term finance lease liabilities. The movement is as follows:

*(in thousands of US Dollars)*

	<b>2008</b>	<b>2007 Full year</b>
Long term portion	921,505	754,649
Add: short term portion	227,272	170,810
<b>Remaining principal 1 January</b>	<b>1,148,777</b>	<b>925,459</b>
Additions	489,622	398,438
Redemptions	(112,370)	(175,120)
<i>Movements during the year</i>	<i>377,252</i>	<i>223,318</i>
Remaining principal	1,526,029	1,148,777
Less: short term portion	(314,156)	(227,272)
<b>Long term portion 30 June (full year: 31 December)</b>	<b>1,211,873</b>	<b>921,505</b>

#### 5. Subsequent events

No reportable events have occurred after the balance sheet date.



To the Supervisory Board and Board of Management of SBM Offshore N.V.

## **Report on review of condensed consolidated interim financial statements**

### *Introduction*

We have reviewed the accompanying condensed consolidated interim financial statements consisting of the consolidated balance sheet of SBM Offshore N.V., Rotterdam ("the Company") as at 30 June 2008, the related consolidated income statement, condensed statement of changes in total equity and cash flows for the six-month period then ended and condensed explanatory notes (hereafter referred to as 'interim financial statements'). Management of the Company is responsible for the preparation and fair presentation of the interim financial statements in accordance with International Financial Reporting Standards applicable to interim financial reporting as adopted by the European Union (IAS 34). Our responsibility is to express a conclusion on the interim financial statements based on our review.

### *Scope of review*

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with IAS 34.

Rotterdam, 19 August 2008

KPMG ACCOUNTANTS N.V.

J.C.M. van Rooijen RA