

**FULL YEAR OPERATIONAL PROFIT FORECAST US\$ 100 MILLION
SHIPBUILDING SALE PROCESS WELL ADVANCED****Summary**

- Half-year profit of US\$ 53.8 million well ahead of prior year (US\$ 34.2 million - mainly due to timing of project deliveries and losses in van der Giessen de Noord in 2003).
- New orders totalling a low US\$ 415 million in the first six months of 2004 but additional awards since 30 June 2004 of approximately US\$ 440 million.
- Successful start-up of the Okono FPSO for Agip in Nigeria and of the Marlim Sul FPSO for Petrobras in Brazil.
- Promising prospects for the Offshore division in near to medium term.
- Decision taken to proceed with sale of Shipbuilding division instead of separate listing. Sale expected to be concluded during 4th quarter 2004.
- Net income for full year 2004 of around US\$ 100 million prior to expected book loss on the sale of the Shipbuilding division.

1. Half-year results

The unaudited net profit after tax for IHC Caland for the first six months of 2004 was US\$ 53.8 million (US\$ 1.65 per share) compared with US\$ 34.2 million (US\$ 1.07 per share) at mid-year 2003, and US\$ 46.6 million (US\$ 1.45 per share) for the whole of 2003.

EBITDA for the half-year was US\$ 180.0 million (US\$ 5.53 per share) compared with US\$ 126.3 million (US\$ 3.95 per share) at mid-year 2003, and US\$ 219.2 million (US\$ 6.82 per share) for the whole of 2003.

Net cash in hand plus securities at the end of June was US\$ 185.9 million compared with US\$ 167.3 million at the end of 2003.

2. Forecast for the full year 2004

Net income and cashflow guidance for 2004 was not provided at the beginning of the year due to uncertainties concerning the timing and manner of the Shipbuilding activities split-off, and the timing of major project awards in the Offshore division.

With the Shipbuilding sale process now well under way, and a clearer business picture in the Offshore, the Group expects that 2004 will generate:

- Net operational income of around US\$ 100 million (US\$ 3.02 per share). Offshore division results will maintain the level achieved in 2003, while Shipbuilding returns to profitability.
- EBITDA of around US\$ 365 million (US\$ 11.08 per share).
- Capital expenditure of around US\$ 250 million, compared with US\$ 530 million in 2003.

The above assumes a full year's contribution from Shipbuilding although the Group's consolidated results will ultimately include Shipbuilding only up until the effective date of the sale expected during the 4th quarter 2004.

3. Split-off - Update

On 2 August 2004, the Group decided to proceed with the sale of the Shipbuilding division rather than to seek a separate listing. This decision was based upon several non-binding offers received from bidders who had been provided with the Information Memorandum.

A short list of bidders has been established, and each party is currently undertaking due diligence procedures. It is expected that the entire sale process will be completed during the 4th quarter 2004. Until such time no indication of the anticipated level of sales proceeds can be disclosed, except that the

Group does not expect to receive net proceeds equal to the equity book value of the Shipbuilding division.

An extraordinary shareholders meeting will be convened during the fourth quarter to approve the sale proposal.

4. New booked orders

New booked orders for the first half-year of 2004 totalled US\$ 415 million, compared with US\$ 921 million for the first half of 2003, and US\$ 1,392 million for the whole year 2003. Order portfolio at 30 June stood at US\$ 4,490 million (year-end 2003 - US\$ 4,760 million).

The major new orders include:

- Confirmation from Woodside of the full contract scope for the supply of a disconnectable riser turret mooring for the FPSO for the Enfield development off North West Australia. Delivery is scheduled for last quarter 2005.
- An order from Maoming King Ming Petroleum Company for the supply of a CALM buoy for their refinery at Shuidong, China.
- An order from BP Amoco Sharjah for the supply of a replacement CALM buoy for their crude oil export terminal.
- The award of a contract by Shell for the supply and offshore change-out of a CALM buoy at the Bonny terminal in Nigeria.
- The sale to Trafigura of the small FPSO Jamestown, idle since she was replaced early 2004 by a larger FPSO on the Okono Field under the two phase lease contract with Agip Nigeria.
- Substantial Variation Orders on turnkey supply and installation contracts obtained in 2002 / 2003.
- A contract for the Merwede Shipyard for the supply of two Ro-Pax ferries from the Danish company Bornholmstrafikken.
- Contracts for IHC Holland for the design and delivery of standard cutter suction dredgers of the Beaver type to clients in Colombia, Indonesia and Latvia.
- A Letter of Intent from GulfTerra for Atlantia for the supply of a DeepDraft Semi-Submersible hull and mooring system for the development of fields in the Atwater Valley, Gulf of Mexico.
- A Letter of Intent from Agip KCO for the design and supply of three Flash Gas Compression Barges as part of the infrastructure for the development of the shallow water Kashagan field in the Caspian Sea offshore Kazakhstan.
- A contract from Trafigura Construction Ltd for the design, supply and installation of a CALM system and a spread mooring system for the Tema refinery in Ghana.
- A Letter of Award from EIL for the supply of a CALM system for installation in the Sagar Lakhsmi field offshore India.
- A contract from Tenix Defence PTY, Ltd. of Australia for the Merwede Shipyard for the design, engineering and construction of a Multi-Role vessel for the New Zealand Ministry of Defence.
- A contract from Solstad Shipping AS for the Merwede Shipyard for the construction and delivery of a platform supply vessel.

The total value of these orders received since July 1st, 2004 amounts to about US\$ 440 million, of which US\$ 340 million represent the orders for the Offshore division and US\$ 100 million the orders for the Shipbuilding division.

5. Funding

The slow order intake in the Offshore division has reduced forecast capital expenditure in 2004 to less than half of the 2003 level. As previously stated, this means that the balance sheet position will improve considerably over the second half of 2004 as existing debt is paid down from the long term FPSO lease contracts, with limited need for new funding. The net debt to equity ratio at year-end 2004 is therefore expected to be below 1.50, the level at the end of 2003.

In this context the Group is still reluctant to issue any equity or equity related instrument except where demand for favourable FPSO lease and operate contracts should so require.

6. Market Developments

Offshore oil and gas

The Company has in the first half of the year been successful in securing a number

Major orders received after 30 June 2004:

The following major awards were received since 30 June 2004:

of small and medium size orders for offshore terminal facilities and for the supply of a mooring system for an FPSO. However, neither major supply nor lease contracts were booked in that period, primarily caused by the very low bidding and contracting activity worldwide. This trend, felt already in 2003, persisted in the first half of 2004.

The first signs that the tide is turning are the orders obtained shortly after midyear, from GulfTerra for a semi-submersible hull for Atwater Valley and from Agip KCO for three flash gas compression barges for the Caspian Sea. The recovery is further illustrated by an increased tendering activity for leased FPSO's which should result in a number of awards for long-term FPSO lease contracts.

A number of projects for TLP's confirm this new development with Atlantia currently tendering for three dry tree units. These prospects give increased visibility for Atlantia's product line, which has been suffering from an absence of demand for more than two years.

Looking further ahead into 2005 we expect increased bidding activity of the oil majors, in particular in the deep and ultra deep water offshore West Africa and Brazil, with the oil companies focusing on medium size FPSO's on lease as well as sale basis.

Dredger and specialised shipbuilding

As stated previously, the increase in ordering activity by the major dredging contractors to replace their aging dredgers will only resume after the problems around the availability of Indonesian sand for the big Singapore reclamation projects are solved. This is not to be expected before the end of the fourth quarter. The demand from the state-owned dredging companies and other foreign private dredging contractors is still satisfactory and should, together with serious prospects in the specialised shipbuilding market such as for river cruise vessels, bring future new business before the end of the year.

7. Financial agenda

Preliminary results 2004	31 January	2005
Final results 2004 - Press release	4 April	2005
Final results 2004 - Analysts Presentations (Amsterdam and London)	5 April	2005
Annual Report 2004	Early May	2005
Annual General Meeting of Shareholders 2005	20 May	2005
Midyear figures 2005 - Press release	29 August	2005
Midyear figures 2005 - Analysts Presentations (Amsterdam and London)	30 August	2005

8. Corporate Profile

IHC Caland, supplier of equipment for the offshore oilfield service, dredging and shipping industries.

The Dutch public company IHC Caland 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 oilfield service industry and the dredging, shipping and mining industries by supplying engineered products, vessels, and systems and offshore oil and gas production services.

The product line comprises:

- **for the oil and gas sector:** Offshore import/export terminals for crude oil, refined products, LPG and LNG, mostly based on the single point principle, Floating Production Storage and Offloading (FPSO) systems and other floating production facilities based on ship hulls, semi-submersibles and Tension Leg Platforms (TLP's). Offshore oil and gas production services through FPSO's, owned and operated by the Group.

Offshore construction and installation contracting services.

Special designs and engineering services, and delivery of specific hardware components for dynamically positioned drillships, jack-up drilling platforms, jack-up platforms, including for civil construction, large capacity offshore cranes, elevating and lifting systems, semi-submersible crane vessels and other specialised work vessels.

automation systems, spare parts and mining equipment, custom-built ships such as Ro-Pax ferries, cablelayers, offshore support vessels and more recently luxury yachts and river cruise vessels, as well as hydraulic piling hammers (IHC Hydrohammers) and heavy duty skidding systems for the offshore and on-land construction industry.

- **for the dredging and shipping sector:** custom-built and standard dredgers, dredge components including

The Board of Management

Schiedam, 30 August 2004

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Consolidated profit and loss account

in millions of US dollars

	First half-year 2004	First half-year 2003	2003
Operating income	796.4	1,113.4	2,192.5
Operating costs	(709.9)	(1,059.2)	(2,128.1)
Operating profit	86.5	54.2	64.4
Share of results of associated companies	0.2		0.4
Other financial income / (expense)	(29.8)	(24.2)	(52.2)
Financial income / (expense)	(29.6)	(24.2)	(51.8)
Profit before taxation	56.9	30.0	12.6
Taxation	(2.3)	4.9	34.5
	54.6	34.9	47.1
Minority interests	(0.8)	(0.7)	(0.5)
Net profit	53.8	34.2	46.6

Consolidated balance sheet

in millions of US dollars

	30 June 2004	31 December 2003
Fixed assets		
Intangible fixed assets	34.6	36.1
Tangible fixed assets	1,908.0	1,896.8
Financial fixed assets	61.4	66.9
	2,004.0	1,999.8
Net current assets	154.3	5.4
Net assets	2,158.3	2,005.2
Long-term debt	1,359.7	1,231.3
Provisions	24.5	58.6
Investment premium equalisation account	1.9	2.0
Group equity		
Shareholders' equity	770.2	710.5
Minority interests	2.0	2.8
	772.2	713.3
Capital employed	2,158.3	2,005.2

Number of shares outstanding	33,555,257	32,324,430
Share price (€)	38.23	43.00
Market capitalisation (€million)	1,282.8	1,390.0
Market capitalisation (US\$ million)	1,559.4	1,752.7

The half-year figures have not been audited.

Consolidated statement of cash flows

in millions of US dollars

	First half-year 2004	First half-year 2003	2003
Operations			
Cash flow from operations	31.1	20.1	296.6
Financial income / (expense)	(34.1)	(30.8)	(65.7)
Taxation	(14.3)	(2.2)	20.5
	(17.3)	(12.9)	251.4
Investments			
	(107.1)	(229.1)	(482.7)
	(124.4)	(242.0)	(231.3)
Financing			
Issue of share capital	36.3	0.2	0.7
Dividends paid	(28.3)	(33.2)	(33.2)
Increase / (decrease) in long-term debt	129.0	139.1	232.9
(Increase) / decrease in other financial fixed assets	5.7	(16.5)	(32.2)
	142.7	89.6	168.2
Net in/(out)flow	18.3	(152.4)	(63.1)
Currency differences	(2.9)	17.9	18.0
Increase / (decrease) in cash and cash equivalents, securities	15.4	(134.5)	(45.1)
Reconciliation Operating profit / Cash flow from operations			
Operating profit	86.5	54.2	64.4
Depreciation and amortisation	93.5	72.1	154.8
EBITDA	180.0	126.3	219.2
(Increase) / decrease in other net current assets	(177.2)	(129.6)	91.7
Included in movement in other net current assets, but not related to operations	28.3	23.4	(14.3)
Cash flow from operations	31.1	20.1	296.6

Movements in shareholders' equity

In millions of US dollars

	2004	2003
Balance at 1 January	710.5	679.9
Share options exercised	6.0	0.2
Settlement of dividend	(28.3)	(33.2)
Share issue	30.3	--
Currency differences	(2.1)	10.4
Other movements	--	2.9
Net profit first half-year	53.8	34.2
Balance at 30 June	770.2	694.4