

Press Release- The Hague, February 7th

Naval Group and Royal IHC present their strategic partnership for the Netherlands Submarine Replacement programme

The Hague, 7 February 2019 - Royal IHC and Naval Group signed their agreement to become core partners in the bid for the Netherlands submarine replacement project. Together they form a robust core team in which both partners bring in their complementary experience and expertise in designing and manufacturing complex maritime and defence systems. This partnership is an important step in building an excellent group of companies with the best capabilities to design and build the new submarines while sustaining and further developing the Dutch maritime cluster and submarine capability for the coming decades.

Naval Group is a leading international submarine expert with a proven track record in building submarines through industrial cooperation with local experts, for example in Australia, Brazil or India. IHC is a worldwide operating integrator of complex vessels and systems with a long-standing experience in delivering highly capable complex vessels with integrated equipment. With this partnership, the two industrial players combine their complementary expertise to propose the best solution to the Royal Netherlands Navy. Naval Group would define the submarine design with the Dutch authorities, while Royal IHC would be appointed to perform the construction and outfitting of the end product leveraging the Dutch maritime sector.

This agreement is fully in line with Naval Group's vision of industrial cooperation and at the same time fully matches the objective of the Defence Industry Strategy that has been recently published by the MOD. Furthermore, it is designed as a stepping stone to allow maximum involvement of the Dutch maritime cluster.

"Naval Group aims for a long-term presence in the Netherlands and has built a robust network of over seventy Dutch industrial partners. We have been engaging actively with the Dutch industry and knowledge centers for over a year and a half and have reinforced our local footprint with several important milestones such as the creation of Naval Group subsidiary in the Netherlands. Today, we are joining our strengths together with Royal IHC to support the Netherlands MOD getting the most capable submarine responding to the specific needs of a first-rank NATO partner." declared Hervé Guillou, Naval Group Chief Executive Officer during the ceremony of signature.

Dave Vander Heyde, CEO of Royal IHC, adds that *"Royal IHC is pleased to partner with Naval Group not only due to its extensive track record in building submarines, but also given the values our companies share; we are committed, reliable, can offer the best value product and we are extremely well placed to include a strong Dutch content base. Having these shared values as part of our DNA, we are confident that together we are able to offer the best solution for the Netherlands Submarine Replacement programme."*

Mark van Rooij, Naval Group Netherlands Chief Executive Officer added: *"Forming this core industrial partnership is part of our long-term commitment to the Netherlands. Our partnership's main focus is to offer the best technical and cost effective solution to the Netherlands. The industrial cooperation programme contemplated by Naval Group is expected to support the overall Dutch economy for the next decades. Our ambition is to use, enhance and preserve a comprehensive submarine knowledge basis in the Netherlands"*.

Over the next months, Naval Group and Royal IHC will reinforce their partnership with the review of building sites in the Netherlands and by engaging in an ongoing dialogue with Dutch industry partners.

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About Naval Group

Naval Group is the European leader in naval defence. As an international high-tech company, Naval Group uses its extraordinary know-how, unique industrial resources and capacity to arrange innovative strategic partnerships to meet its customers' requirements. The group designs, builds and supports submarines and surface ships. It also supplies services to shipyards and naval bases. Attentive to corporate social responsibility, Naval Group adheres to the United Nations Global Compact. The Group reports revenues of €3.7 billion and has a workforce of 13,429 employees (2017 data).

About Royal IHC

In an ever-changing political and economic landscape, Royal IHC enables its customers to execute complex projects from sea level to ocean floor in the most challenging of maritime environments. We are a reliable supplier of innovative, complex and efficient equipment, vessels and services for the maritime, offshore, dredging and wet mining markets. With a history steeped in Dutch shipbuilding since the mid-17th Century, we have in-depth knowledge and expertise of engineering and manufacturing high-performance integrated complex vessels and equipment, and providing sustainable services. From our head office in the Netherlands and with 3,300 employees working from sites and offices on a global basis, we are able to ensure a local presence and support on every continent.