HY1 2016 Report

Vopak

Forward-looking statements

This document contains 'forward-looking statements' based on currently available plans and forecasts. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future, and Vopak cannot guarantee the accuracy and completeness of forward-looking statements.

These risks and uncertainties include, but are not limited to, factors affecting the realization of ambitions and financial expectations, developments regarding the potential capital raising, exceptional income and expense items, operational developments and trading conditions, economic, political and foreign exchange developments and changes to IFRS reporting rules.

Statements of a forward-looking nature issued by the company must always be assessed in the context of the events, risks and uncertainties of the markets and environments in which Vopak operates. These factors could lead to actual results being materially different from those expected, and Vopak does not undertake to publicly update or revise any of these forward-looking statements.

Financial calendar

07 November 2016	Publication of 2016 third-quarter interim update
17 February 2017	Publication of 2016 annual results
19 April 2017	Publication of 2017 first-quarter interim update
19 April 2017	Annual General Meeting
21 April 2017	Ex-dividend quotation
24 April 2017	Dividend record date
26 April 2017	Dividend payment date
25 August 2017	Publication of 2017 half-year results
06 November 2017	Publication of 2017 third-quarter interim update

About Royal Vopak

Royal Vopak is the world's leading independent tank storage provider for the oil and chemical industry. As of 19 August 2016, Vopak operates 66 terminals in 24 countries with a combined storage capacity of 33.6 million cbm, with another 4.5 million cbm under development, to be added by 2019. Vopak's mission is to provide safe, efficient and clean storage and handling services of bulk liquid products and gases at key marine locations that are critical to its customers around the world. The majority of its customers are companies operating in the oil, chemicals and gas sector, for which Vopak stores a large variety of products destined for a wide range of industries. Vopak's strategic focus is on four categories of terminals: Major hubs supporting intercontinental products flows, Terminals facilitating growth in global gas markets, Import distribution terminals in major markets with structural deficits, and Industrial and chemicals terminals in the Americas, the Middle East and Asia.

Visiting address
Westerlaan 10
3016 CK Rotterdam
The Netherlands

Postal address
P.O. Box
3000 AW Rotterdam
The Netherlands

For more information please contact:

Press: Liesbeth Lans, Manager External Communication
Telephone: +31 (0)10 4002777, e-mail: global.communication@vopak.com

Analysts and investors: Chiel Rietvelt, Head of Investor Relations,
Telephone: +31 (0)10 4002776, e-mail: investor.relations@vopak.com

This press release contains inside information as meant in clause 7 of the Market Abuse Regulation.

Royal Vopak
First Half Year Report 2016

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Interim Management Report

Key events HY1 2016

Rotterdam, The Netherlands, 19 August 2016

In EUR millions	HY1 2016	HY1 2015	Δ
Revenues	679.9	700.7	- 3%
Results -excluding exceptional items-			
Group operating profit before depreciation and amortization (EBITDA)	420.9	408.4	3%
Group operating profit (EBIT)	291.0	281.6	3%
Net profit attributable to holders of ordinary shares	173.9	162.4	7%
Earnings per ordinary share (in EUR)	1.36	1.27	7%
Results -including exceptional items-			
Group operating profit before depreciation and amortization (EBITDA)	627.0	411.5	52%
Group operating profit (EBIT)	497.1	284.7	75%
Net profit attributable to holders of ordinary shares	384.6	143.0	169%
Earnings per ordinary share (in EUR)	3.02	1.12	170%
Cash flows from operating activities (gross)	374.2	386.1	- 3%
Occupancy rate subsidiaries	94%	91%	3pp
Storage capacity end of period (in million cbm)	33.6	32.7	3%
Senior net debt : EBITDA	2.16	2.81	

Highlights for HY1 2016 -excluding exceptional items-:

- **EBITDA increased by 3% to EUR 421 million (HY1 2015: EUR 408 million), to a large extent resulting from higher occupancy rates. Adjusted for the divestments in 2015 and early 2016, the pro forma EBITDA increased by 7%.**
- **EBIT increased by 3% to EUR 291 million (HY1 2015: EUR 282 million).**
- **Net profit attributable to holders of ordinary shares increased by 7% to EUR 174 million (HY1 2015: EUR 162 million).**
- **Gross operating cash flows decreased by 3% to EUR 374 million (HY1 2015: EUR 386 million)**
- **Vopak divested its UK activities and its Japan terminals and consequently its worldwide storage capacity on a 100% basis decreased by 0.7 million cbm to 33.6 million cbm compared to year-end 2015.**

Exceptional items for HY1 2016:

- **Total exceptional gain before taxation amounts to EUR 206 million, which mainly relates to the EUR 283 million gain on the divestment of the UK assets, an impairment in the EMEA division of EUR 44 million and impairments and increases in provisions of EUR 25 million in the Asia division.**

Outlook for FY 2016:

- **Vopak's positive business developments and the overall market circumstances in the first half year, leading to an overall occupancy rate of 94%, provide a healthy basis for the full year 2016 performance, whilst taking into account the missing contribution from the divested terminals and the adverse foreign exchange rate effects.**

CEO statement

"During the first half of our 400th anniversary year, we improved our safety performance thanks to the continued commitment and efforts of our employees. We were also able to deliver solid financial results owing to a continuation of healthy occupancy rates and robust EBITDA margins. This supports positive cash flow developments and a strong balance sheet, providing sufficient flexibility for funding our capital disciplined growth ambitions.

We see that the growing imbalances of refined petroleum products are further impacted by global developments such as liberalizations in markets like Mexico and Indonesia, China's transition towards a service-driven economy, and the gradual return of Iran onto the world energy market. Growing population, urbanization and increasing wealth levels drive demand in end markets. Therefore, we expect demand for chemicals to grow in the long term, particularly in Asia. Global LNG market conditions continue to be challenging due to an intensifying oversupply, extending the trend in the market towards more LNG trading and volume flexibility.

Vopak continues to diligently assess the changing energy landscape. In line with the key messages set out during our Capital Markets update in 2016, there will be a step-by-step increasing need for better and more storage infrastructure. We maintain our focus on seizing new opportunities in order to further strengthen our leading position in an agile industry. This is also supported by recently commissioned terminals, such as the independent LPG facility in Singapore, as well as recently announced projects like our new operations in Panama and the intention to expand Vopak Terminal Deer Park in Houston with 130,000 cbm for chemical storage.

Eelco Hoekstra
Chairman of the Executive Board and CEO of Royal Vopak

Key figures

	HY1 2016	HY1 2015	Δ
Sustainability data			
Total Injury Rate (TIR) per 200,000 hours worked own personnel and contractors	0.19	0.37	
Lost Time Injury Rate (LTIR) per 200,000 hours worked own personnel and contractors	0.08	0.12	
Process Safety Event Rate (PSER)	0.23	0.18	
Results (in EUR millions)			
Revenues	679.9	700.7	- 3%
Group operating profit before depreciation and amortization (EBITDA)	627.0	411.5	52%
Group operating profit before depreciation and amortization (EBITDA) -excluding exceptional items-	420.9	408.4	3%
Group operating profit (EBIT)	497.1	284.7	75%
Group operating profit (EBIT) -excluding exceptional items-	291.0	281.6	3%
Net profit attributable to holders of ordinary shares	384.6	143.0	169%
Net profit attributable to holders of ordinary shares -excluding exceptional items-	173.9	162.4	7%
Cash flows from operating activities (gross)	374.2	386.1	- 3%
Capital employed (in EUR millions)			
Total investments	173.9	257.8	- 33%
Average gross capital employed	6,587.2	6,635.2	- 1%
Average capital employed	4,073.2	4,083.7	–
Capital and financing (in EUR millions)			
Equity attributable to owners of parent	2,189.4	1,880.0	16%
Net interest-bearing debt	1,792.6	2,351.7	- 24%
Ratios (excluding exceptional items)			
EBITDA margin excluding result of joint ventures and associates	52.1%	49.6%	2.5pp
Cash Flow Return On Gross Assets (CFROGA) *	10.8%	10.5%	0.3pp
Return On Capital Employed (ROCE)	14.3%	13.8%	0.5pp
Return On Equity (ROE)	15.9%	17.1%	- 1.2pp
Senior net debt : EBITDA	2.16	2.81	
Interest cover (EBITDA : net finance costs)	7.2	9.1	
Key figures per ordinary share (in EUR)			
Basic earnings	3.02	1.12	170%
Diluted earnings	3.01	1.12	169%
(Diluted) earnings -excluding exceptional items-	1.36	1.27	7%
Company data			
Number of employees end of period subsidiaries	3,478	3,720	- 7%
Number of employees end of period joint ventures and associates	2,121	2,246	- 6%
Storage capacity end of period subsidiaries (in million cbm)	19.6	20.1	- 2%
Storage capacity end of period joint ventures and associates (in million cbm)	11.7	10.3	14%
Storage capacity end of period operatorships (in million cbm)	2.3	2.3	–
Occupancy rate subsidiaries (average rented storage capacity in %)	94%	91%	3pp
Information on proportionate basis **			
Group operating profit before depreciation and amortization (EBITDA) -excluding exceptional items-	466.1	451.7	3%
Cash Flow Return On Gross Assets (CFROGA) *	10.3%	10.3%	–
Occupancy rate subsidiaries and joint ventures	94%	90%	4pp
Number of shares outstanding			
Basic weighted average	127,532,581	127,625,428	
Weighted average including dilutive effect	127,685,509	127,764,883	
Total including treasury shares end of period	127,835,430	127,835,430	
Treasury shares end of period	370,000	210,000	
Exchange rates (per EUR 1.00)			
Average US dollar	1.12	1.12	
US dollar end of period	1.11	1.11	
Average Singapore dollar	1.54	1.51	
Singapore dollar end of period	1.50	1.50	

* *For the definition of CFROGA reference is made to the enclosure to this report.*
** *Vopak provides Non-IFRS proportionate financial information, for further details we refer to the enclosure to this report.*

Business and other highlights

- In the first quarter of 2016, Vopak completed the earlier announced divestment of all of its UK assets. The divestment comprised the three wholly owned terminals: Vopak Terminal London, Vopak Terminal Teesside and Vopak Terminal Windmill and Vopak's 33.3% investment in the joint venture Thames Oilport. This divestment resulted in a total gross cash inflow of approximately EUR 410 million and a total pre-tax exceptional gain of EUR 283 million. The tax effects of this transaction were minimal.
- On 22 February 2016, the associate Jubail Chemicals Storage and Services Company (JCSSC) entered into a non-recourse project financing. As a consequence, the initial proportionate shareholder loan from Vopak of approximately EUR 86 million was repaid during the first quarter of 2016.
- On 31 May 2016, Vopak divested its 40% ownership in the joint venture Nippon Vopak. This joint venture owned and operated five terminals in Japan with a combined operational capacity of 203,200 cbm.
- On 1 June 2016, Vopak successfully renewed a EUR 1 billion senior unsecured multicurrency revolving credit facility (RCF). This facility replaces the previous RCF of EUR 1 billion, which was in place since February 2011. The new RCF is fully available for drawdown and will have an initial maturity of five years with two extension options of one year each.

Other:

- On 26 February 2016, Vopak announced that Mr C.K. Lam decided to step down as member of the Supervisory Board of Vopak as per 25 February 2016. Mr Lam's decision follows his assessment of a potential future conflict of interest with respect to a new position.
- At the Annual General Meeting on 20 April 2016, Mr B.J. Noteboom was appointed as member of Vopak's Supervisory Board as per that date. Mr F.J.G.M. Cremers was reappointed as a member of the Supervisory Board for a term of two years.

Subsequent events:

- On 13 July 2016, Vopak announced that it has reached a long-term agreement with Chevron to manage and operate for Chevron its existing 509,000 cbm terminal at Bahia Las Minas in Panama. Vopak's operatorship is expected to start in Q3 2016. Next to this agreement with Chevron, the key regulatory approvals have been obtained for the development of a first phase 360,000 cbm independent oil terminal, owned by Vopak, at the same location. A long-term contract has already been signed for part of this new capacity.

Sustainability review

To Vopak, sustainability means generating added value for society without causing any human suffering or unacceptable negative social and environmental impact. We are committed to improving our personal and process safety, minimizing our energy and water consumption and emissions to soil, air and surface water. We report on our progress in the Annual Report. The Sustainability information in the Annual Report 2015 covers all relevant objectives and achievements.

The safety of employees, measured as the number of injuries per 200,000 hours worked (Total Injury Rate - TIR) decreased to 0.19 (HY1 2015: 0.37). The decrease of injuries was measured at all our divisions. The combined total injuries in the first half of 2016 shows a reduction of 50%: 16 injuries compared to the 32 injury events recorded in HY1 2015. This is mainly supported by the Netherlands and EMEA division, as a result of many initiatives to further improve the safety awareness.

The Lost Time Injury Rate (LTIR, per 200,000 working hours) for own employees and contractors also decreased to 0.08 (HY1 2015: 0.12).

In terms of Tier 1 and Tier 2 process safety event rate (PSER), the PSER increased to 0.23 (HY1 2015: 0.18).

Financial review

Revenues
In the first half year of 2016, Vopak's revenues amounted to EUR 679.9 million, which was EUR 20.8 million (3%) lower than the first six months of 2015 (EUR 700.7 million). Excluding the negative currency translation effect of EUR 14.2 million, the decrease amounts to EUR 6.6 million. The effects of the divestments of 2015 and early 2016 were EUR 47.1 million, whilst the increase in revenues, resulting from a higher average occupancy rate, partially offset this effect.

The average occupancy rate for Vopak's subsidiaries (i.e. excluding joint ventures and associates) for the first six months of 2016 increased to 94% compared to 91% in the first half year of 2015.

For the 12-months period ending on 30 June 2016, Vopak's worldwide storage capacity increased with 0.9 million cbm from 32.7 million cbm per the end of June 2015 to 33.6 million cbm per the end of June 2016.

Group operating profit
Group operating profit before depreciation and amortization (EBITDA) -excluding exceptional items- and including the net result of joint ventures and associates, increased by EUR 12.5 million (3%) to EUR 420.9 million (HY1 2015: EUR 408.4 million). Excluding the negative currency translation effect of EUR 9.4 million, the increase amounts to EUR 21.9 million. The downward effect of the divestments of 2015 and early 2016 amounted to EUR 15.1 million.

Operating expenses -excluding exceptional items- decreased by EUR 29.3 million to EUR 329.9 million (HY1 2015: EUR 359.2 million). Excluding the positive currency translation effect of EUR 6.7 million, the decrease amounts to EUR 22.6 million. This decrease was mainly caused by a downward effect of EUR 33.2 million relating to the divestments of 2015 and early 2016.

The net result of joint ventures and associates -excluding exceptional items-, which is included in the reported EBIT(DA) based on IFRS equity accounting, increased by EUR 7.2 million or 13% to EUR 62.7 million (HY1 2015: EUR 55.4 million). Excluding the negative currency translation effect of EUR 1.8 million, the increase amounts to EUR 9.0 million. This increase was mainly due to the contribution of the newly commissioned capacity at terminals in the EMEA and Asia division, as well as improved performance of joint ventures, primarily in the Asia division.

Depreciation and amortization charges amounted to EUR 129.9 million, which was slightly higher compared to the first half year of 2015 (EUR 126.8 million).
Excluding the positive currency translation effect of EUR 2.2 million, the increase amounts to EUR 5.3 million. The higher depreciation and amortization charges are primarily related to increases at existing terminals due to capacity increases, whilst the divestments of 2015 and early 2016 had a downward effect of EUR 7.0 million.

Group operating profit (EBIT) -excluding exceptional items- amounted to EUR 291.0 million; an increase of EUR 9.4 million (3%) compared to EUR 281.6 million in the same period of 2015. Excluding the negative currency translation effect of EUR 7.3 million, the increase amounts to EUR 16.7 million.

Exceptional items
During HY1 2016, a total exceptional gain before taxation of EUR 206.1 million (HY1 2015: an exceptional gain of EUR 3.1 million) was recognized. The main exceptional items were the EUR 282.8 million gain on the divestment of the UK assets (EMEA division), an impairment of EUR 43.8 million on our joint venture in Estonia (EMEA division) and EUR 15.0 million relating to a provision for financial liabilities in China (Asia division).

Including exceptional items, group operating profit amounted to EUR 497.1 million in HY1 2016, which is an increase of EUR 212.4 million (75%), compared to EUR 284.7 million in the same period of 2015.

Net profit attributable to holders of ordinary shares
In the first six-month period of 2016 the net profit attributable to holders of ordinary shares -excluding exceptional items- increased by EUR 11.5 million (7%) to EUR 173.9 million from EUR 162.4 million in the same period of 2015.

Net profit attributable to holders of ordinary shares -including exceptional items- amounted to EUR 384.6 million, an increase of EUR 241.6 million or 169% compared to EUR 143.0 million in the first half of 2015.

Earnings per ordinary share -excluding exceptional items- increased by 7% to EUR 1.36 (HY1 2015: EUR 1.27). The weighted average number of outstanding ordinary shares was 127,532,581 for HY1 2016 (HY1 2015: 127,625,428). Including exceptional items, the earnings per ordinary share increased by 170% to EUR 3.02 (HY1 2015: EUR 1.12).

Gross cash flows from operating activities
The gross cash flows from operating activities for the first half year of 2016 of EUR 374.2 million were slightly lower (3%) compared to prior year (HY1 2015: EUR 386.1 million).

Strategic investments and divestments

Investments and divestments
Total non-current assets decreased with EUR 81.9 million to EUR 4,774.0 million (31 December 2015: EUR 4,855.9 million). In the first half year of 2016, total investments amounted to EUR 173.9 million (HY1 2015: EUR 257.8 million), of which EUR 139.5 million was invested in property, plant and equipment (HY1 2015: EUR 179.8 million). The remainder primarily relates to investments in joint ventures and associates of EUR 71.9 million (HY1 2015: EUR 62.4 million).

Of the investments in property, plant and equipment, EUR 38.5 million was invested in expansions at existing terminals (HY1 2015: EUR 71.6 million).

In the first half year of 2016, Vopak completed the divestment of all of its UK assets. The divestment comprised the three wholly owned terminals: Vopak Terminal London, Vopak Terminal Teesside and Vopak Terminal Windmill and Vopak's 33.3% investment in the joint venture Thames Oilport. Furthermore, Vopak also successfully completed the divestment of its 40% ownership in the joint venture Nippon Vopak.

The divestment of these terminals and development project led to a total exceptional gain of EUR 281.2 million and a gross cash inflow of EUR 440.9 million.

According to the strategic review, the Group will reduce the service, maintenance and compliance capex amount for the period mid-2014 up to and including 2016 from EUR 800 million to EUR 700 million without jeopardizing the safety and service performance. The service, maintenance and compliance capex for the first half year of 2016 amounted to EUR 97.8 million (HY1 2015: EUR 88.7 million).

Impairments

Vopak recognized an impairment on the book value of its equity participation in the joint venture Vopak E.O.S. (Estonia) of EUR 43.8 million. This impairment is primarily related to a structural deterioration of the business environment in which the terminal operates, which is heavily dependent on the flows of Russian oil products. The other impairments mainly relate to a partial impairment on a scope change in a construction project in the Americas Division and two smaller terminal impairments in China due to changes in the markets in which these terminals operate.

Cash flows from investing and divesting activities

The cash inflows from investing activities for the first half year of 2016 of EUR 370.6 million increased with EUR 402.3 million compared to prior year (HY1 2015: cash outflow of EUR 31.7 million).

This increase is primarily related to the divestment of our UK assets, which resulted in a gross cash inflow of EUR 414.6 million.

Capital Structure

Equity

The equity attributable to holders of ordinary shares increased by EUR 180.0 million to EUR 2,189.4 million (31 December 2015: EUR 2,009.4 million). The increase mainly resulted from the addition of the net profit for the period of EUR 384.6 million partially offset by the net actuarial losses on defined benefit plans of EUR 64.8 million and the dividend payments in cash of EUR 127.6 million (EUR 1.00 per ordinary share with a nominal value of EUR 0.50).

Net debt

The net interest-bearing debt decreased with EUR 503.0 million to EUR 1,792.6 million (31 December 2015: EUR 2,295.6 million). This decrease is mainly due to the cash proceeds from the divestments realized in the first half year of 2016.

During the first half year of 2016, the company prepaid EUR 27.3 million on the USPP 2012 loan and EUR 146.8 million on the SGD Asian PP loan. These prepayments were related to the low net-debt balances caused by the realized divestments in 2016. In addition, EUR 2.6 million of regular scheduled debt repayments took place.

The Senior Net Debt : EBITDA ratio was 2.16 as at 30 June 2016, which is significantly lower than the previous period (31 December 2015: 2.73), and well below the maximum agreed ratios in the covenants with the lenders. For the remainder of 2016, there are no scheduled repayments on long-term loans.

Net finance costs
In the first half of 2016, the Group's net finance costs -excluding exceptional items- amounted to EUR 55.9 million (HY 2015: EUR 47.6 million). This increase of EUR 8.3 million is primarily caused by lower capitalized interest expenditures on construction projects and a make-whole payment of EUR 4.4 million relating to the voluntary early redemption of the SGD Asian PP loan.

The average interest rate over the reporting period was 4.35% (HY1 2015: 4.10%).
The fixed-to-floating ratio of the long-term interest-bearing loans, including interest rate swaps, amounted to 99% versus 1% at 30 June 2016, compared to 91% versus 9% at 30 June 2015.

Cash flows from financing activities
The cash outflow from financing activities amounted to EUR 551.0 million (HY1 2015: outflow of EUR 336.9 million). This increase in the cash outflows from financing activities of EUR 214.1 million was for a large part the result of the early prepayment of EUR 27.3 million on the USPP loans and the voluntary early redemption of EUR 146.8 million on the Asian PP loan.

Income taxes
Income tax expense -excluding exceptional items- for the first half year of 2016 amounted to EUR 38.7 million, a decrease of EUR 10.9 million or 22% compared with EUR 49.6 million in the same period of 2015. The effective tax rate -excluding exceptional items- for the first half year of 2016 decreased to 16.5% compared to 21.2% for the first half year of 2015, primarily due to changes in estimates of prior year tax positions and a higher result from joint ventures, which are subject to the Dutch participation exemption.

The tax effect of exceptional items for group companies resulted in a tax gain of EUR 4.5 million compared to a tax charge of EUR 22.5 million in HY1 2015. Income tax expense -including exceptional items- for the first half year of 2016 amounted to EUR 34.2 million, a decrease of EUR 37.9 million or 53% compared with EUR 72.1 million in the same period of 2015.

The effective tax rate -including exceptional items for the first half year of 2016 was 7.8% compared to 30.4% in HY1 2015. This decrease in the effective tax rate is primarily caused by a change in the mix of the taxable profits and the tax effect of the Dutch participation exemption on the gain on the divestment of the three terminals and a development project in the United Kingdom, whilst the result on the divestment of the US terminals in the first half of 2015 resulted in a tax expense.

Joint ventures and associates
Joint ventures and associates are an important part of the Group for which equity accounting is applied. In enclosure 1 to this first half year report the effects of non-IFRS proportionate consolidation on the statement of financial position and statement of income of the Group are presented.

Risks and risk management

Vopak's enterprise risk management program, which is coordinated by the Global Risk Committee, provides the Executive Board with a comprehensive detailed understanding of the Group's principal risks and uncertainties, their development and the actions taken by management to mitigate these risks and uncertainties.

As part of our regular periodic risk management assessment, the Global Risk Committee has coordinated and monitored the risk management process during the first half of 2016. The outcome and conclusions of this process have been reported to and discussed with the Executive Board and the Audit Committee of the Supervisory Board. From this process, no substantial new developments have been observed that change the risk appetite and the risks identified to those reported in our 2015 Annual Report.

Looking forward, we have no indication that there will be material changes in this respect that would adversely affect our business over the second half of 2016.

Reference is made to the 2015 Annual Report, which describes in detail our risk management framework and the main risks per pillar of the Group's strategy that could adversely affect the achievement of the company's strategic objectives and our (future) operating results, cash flows and financial position (reference pages 105 to 114 and page 132).

Market developments

Vopak continuously analyzes the latest trends in the energy, refining, petrochemical and biofuel markets and works closely together with its partners and customers. Our ambition is to translate these developments into opportunities in order to expand and strengthen its global network of strategically located terminals.

Crude oil and oil products
The oil market continued to be volatile in 2016. The market is still dominated by uncertainty, driven by geopolitical and environmental events. From a more fundamental point of view non-OPEC supplies, most notable shale production, have been declining since the beginning of the year.

Global oil demand in 2016 is projected to rise slightly, mainly driven by Indian and Chinese oil demand that is expected to account for roughly half of total demand growth. Meanwhile, total OECD demand is expected to remain steady in 2016.

Most refiners continued to benefit from positive margins as oil prices remained low and the global gasoline shortage encouraged higher than forecast utilization rates. China has issued crude import quota to its independent refinery sector (teapots), which increased refinery production. Consequently, the Chinese distillates surplus has grown and so have the exports.

Chemicals and gases
The global chemical industry showed mixed sentiments in the first half of 2016. The low oil price environment has made naphtha based industries, especially Asia and Europe, competitive again. However, the healthy operating rates in combination with tapering demand has led to an oversupplied market, which makes it challenging for producers, especially in the US and Middle East, to maintain the strong margins that they experienced in previous years.

China and the rest of Asia enjoyed stronger cracker margins compared to the first half of 2015. Demand for chemicals in Asia will continue to grow due to increasing standards of living among the population. Multiple investments are being announced in Asia to cope with the increasing demand. China's LPG demand showed strong growth mainly driven by feedstock demand from the petrochemical industry (PDH plants). China's ambition for self-sufficiency has resulted in continued investments in the chemical industry. With subdued demand growth, China has turned into a net exporter for a growing number of chemicals. It is foreseen that fewer Coal to Olefins plants will be developed in China due to low oil prices and environmental concerns.

European crackers continued their strong margins in the first half of 2016, supported by the low oil price environment. With naphtha prices increasing faster than LPG prices, a large proportion of the European cracker operators maximized the LPG intake.

Seven million tons of ethylene production capacity is currently under construction in the US, driven by the availability of cheap ethane feedstock and multiple investments plans have been announced in the first half of 2016. Oversupply in LPG exports leading to cancellations and deferments by LPG off-takers in US. Growth in LPG fleet has put downward pressure on pricing, making floating storage more attractive as an option.

Low oil prices continued to have a dampening effect on the margins of petrochemical producers in the Middle East. With EU sanction lifting, Iran has returned to the market and has ambitious plans to expand their chemical and gas production capacities.

Biofuels and vegoils

Biofuels

The global biofuels market is expected to show moderate growth in 2016. In the main markets, the US has increased its Renewable Fuels Standard leading to small growth, especially in biodiesel. In Europe, demand growth is stagnant with stable fuel markets and the transition in the main biofuels market Germany from a blending percentage to a greenhouse gas reduction target. The markets in Brazil and Argentina are forecasted to be stable as well, although biodiesel exports from Argentina to the US have stepped up. Most growth in biodiesel will be in Indonesia where the government has introduced ambitious mandates supported by subsidies to support the local palm oil industry. The US will remain the largest ethanol exporter in the world with flows heading to Canada, Brazil and Asia, where China has emerged in 2016 as the main destination.

Vegoils

Supply for the main vegoils is forecasted to stagnate in 2016. Although soy oil and sunflower oil are forecasted to grow, rapeseed oil and especially palm oil show a decrease. Draught caused by El Nino has impacted the palm oil yields in Malaysia and Indonesia. As a result, buyers in Asia and Europe anticipated on rising prices in H1 2016 by building stocks towards the end of 2015, and beginning of 2016. Exports of palm oil (responsible for two-thirds of global vegoils flows) are forecasted to decrease in 2016 due to slowing supply and stronger uptake of biodiesel in Indonesia (based on palm oil feedstock).

LNG

LNG trade is growing, leading to greater need for storage. In general, total LNG supply increases due to new LNG liquefaction plants entering into operation or ramping up in Australia and the US. These facilities have not reached full capacity yet. On a global level, the power sector remains the dominant driver for growth in LNG demand. This new demand supports the need for LNG import infrastructure. In terms of LNG contracting, the trend continued for a push in the market towards more short-term and spot LNG trading, combined with more destination and volume flexibility. This liquidity, combined with continued price differences across regions, supports a market requirement for LNG re-export capacity such as available at Gate terminal.

Storage capacity developments

	End HY1 2015	Net change HY2 2015	End 2015	Net change HY1 2016	End HY1 2016	Under de-velopment	End 2019 *
Subsidiaries	20.1	–	20.1	- 0.5	19.6	0.4	20.0
Joint ventures and associates	10.3	1.6	11.9	- 0.2	11.7	2.6	14.3
Operatorships	2.3	–	2.3	–	2.3	1.5	3.8
Total capacity	**32.7**	**1.6**	**34.3**	**- 0.7**	**33.6**	**4.5**	**38.1**

Since the end of December 2015, our worldwide capacity has decreased by 0.7 million cbm following our divestments, to a total of 33.6 million cbm as per the end of HY1 2016.

Storage capacity developments 2016					
Country	**Terminal**	**Vopak's ownership**	**Products**	**Capacity (cbm)**	**Commissioned**
Existing terminals					
Belgium	Antwerp (Eurotank)	100%	Chemicals	24,000	Q1 2016-Q2 2016
Singapore	Banyan	55.6%	LPG	75,800	Q1 2016
Various	Net change at various terminals including decommissioning		Various	46,100	
New terminals					
Saudi Arabia	Jubail	25%	Chemicals	5,000	Q1 2016
Divestments					
UK	London, Teesside, Windmill	100%	Chemicals/oil products	- 696,600	Q1 2016
UK	Thames Oilport	33.3%	Oil products	–	Q1 2016
Japan	Nippon terminals	40%	Chemicals	- 203,200	Q2 2016
Net change total storage capacity 2016:				**- 0.7**	**million cbm**

Note: 'Storage capacity' is defined as the total available storage capacity (jointly) operated by the Group at the end of the reporting period, being storage capacity for subsidiaries, joint ventures, associates (with the exception of Maasvlakte Olie Terminal in the Netherlands, which is based on the attributable capacity, being 1,085,786 cbm), and other (equity) interests and operatorships, and including currently out of service capacity due to maintenance and inspection programs.

Once completed, all projects currently under development will add 4.5 million cbm of storage capacity to our global network (on a 100% basis) in the period up to and including 2019.
The original capacity under construction at PT2SB is reduced by approximately 400,000 cbm as a result of an optimization exercise conducted to ensure optimal utilization of the capacity in the Pengerang Integrated Complex.

Announced storage capacity developments for the period up to and including 2019					
Country	**Terminal**	**Vopak's ownership**	**Products**	**Capacity (cbm)**	**Expected**
Existing terminals					
Belgium	Antwerp (Eurotank)	100%	Chemicals	6,000	Q3 2016
UAE	Fujairah	33.3%	Oil products	478,000	Q3 2016
Brazil	Alemoa	100%	Chemicals	14,000	Q3 2016
South Africa	Durban	70%	Oil products	60,200	Q4 2016
New terminals					
Panama	Bahia Las Minas (operatorship)	n.a. [1]	Oil products	509,000	Q3 2016
Saudi Arabia	Jubail	25%	Chemicals	408,000	Q3 2016-Q1 2017
Singapore	Banyan Cavern Storage Services	n.a. [2]	Oil products	990,000	Q1 2017
Panama	Bahia Las Minas	100%	Oil products	360,000	Q4 2018
Malaysia	PT2SB (Pengerang)	29.7%	Chemicals/oil products/LPG	1,650,000	Q2 2019-Q3 2019
Net change for the period up to and including 2019:				**4.5**	**million cbm**

[1] Only acting as operator on behalf of Chevron, Vopak has no interest in the legal entity holding the terminal assets
[2] Only acting as operator; Vopak Terminals Singapore (in which Vopak holds 69.5%) has a 45% interest in a joint service company.

Results HY1 2016 by division

Netherlands

In EUR millions	HY1 2016	HY1 2015	Δ
Revenues	251.9	237.4	6%
Results -excluding exceptional items-			
Group operating profit before depreciation and amortization (EBITDA)	148.0	137.2	8%
Group operating profit (EBIT)	95.5	90.1	6%
Results -including exceptional items-			
Group operating profit before depreciation and amortization (EBITDA)	148.0	137.2	8%
Group operating profit (EBIT)	95.5	90.1	6%
Average gross capital employed	2,109.3	2,012.5	5%
Average capital employed	1,211.9	1,211.2	0%
Occupancy rate subsidiaries	96%	93%	3pp
Storage capacity end of period (in million cbm)	10.0	9.9	1%

Revenues of the Netherlands division amounted to EUR 251.9 million for the first half year of 2016, which was an increase of EUR 14.5 million (6%) to compared to the same period prior year (EUR 237.4 million). This increase was due to the current positive sentiment in the storage market for oil products, which led to a higher occupancy rate and higher rates per cbm. The average occupancy rate for the division increased by 3 percentage points to 96% from 93% in HY1 2015.

Group operating profit -excluding exceptional items- increased by EUR 5.4 million (6%) to EUR 95.5 million (HY1 2015: EUR 90.1 million). This increase was mainly caused by higher revenues, which was partially offset by higher operating expenses, of which the higher depreciation expenses were the largest contributor.

Europe, Middle East & Africa (EMEA)

In EUR millions	HY1 2016	HY1 2015	Δ
Revenues	101.5	135.1	- 25%
Results -excluding exceptional items-			
Group operating profit before depreciation and amortization (EBITDA)	62.7	65.1	- 4%
Group operating profit (EBIT)	43.2	41.6	4%
Results -including exceptional items-			
Group operating profit before depreciation and amortization (EBITDA)	301.7	9.4	
Group operating profit (EBIT)	282.2	-14.1	
Average gross capital employed	1,054.1	1,312.7	- 20%
Average capital employed	784.7	844.7	- 7%
Occupancy rate subsidiaries	95%	91%	4pp
Storage capacity end of period (in million cbm)	7.9	8.5	- 7%

Revenues in the EMEA (Europe, Middle East & Africa) division decreased by EUR 33.6 million (25%) to EUR 101.5 million (HY1 2015: EUR 135.1 million). Excluding the negative currency translation effect of EUR 1.2 million, the decrease amounts to EUR 32.4 million. The decrease was primarily caused by the effect of the divestments of 2015 and early 2016. The average occupancy rate for the division increased by 4 percentage points to 95% from 91% in HY1 2015.

Group operating profit -excluding exceptional items- increased by EUR 1.6 million (4%) to EUR 43.2 million (HY1 2015: EUR 41.6 million). Excluding a negative currency translation effect of EUR 0.2 million, the increase amounts to EUR 1.8 million. The divestments had a negative effect of EUR 7.9 million whilst the result of joint ventures and associates increased by EUR 6.9 million due to the commissioning of new capacity.

Additional capacity of 1.0 million cbm in total is currently under construction.

Asia

In EUR millions	HY1 2016	HY1 2015	Δ
Revenues	191.9	193.0	- 1%
Results -excluding exceptional items-			
Group operating profit before depreciation and amortization (EBITDA)	150.2	148.7	1%
Group operating profit (EBIT)	117.3	116.1	1%
Results -including exceptional items-			
Group operating profit before depreciation and amortization (EBITDA)	123.3	148.7	- 17%
Group operating profit (EBIT)	90.4	116.1	- 22%
Average gross capital employed	2,332.1	2,265.7	3%
Average capital employed	1,424.9	1,399.8	2%
Occupancy rate subsidiaries	92%	88%	4pp
Storage capacity end of period (in million cbm)	11.5	10.2	13%

In the Asia division, the revenues for the first half year of 2016 decreased by EUR 1.1 million (-1%) to EUR 191.9 million (HY1 2015: EUR 193.0 million). Excluding the negative currency translation effect of EUR 5.9 million, the revenues increased by EUR 4.8 million. This increase in revenues was mainly caused by higher occupancy rates and the commissioning of new capacity. The average occupancy rate for the division increased by 4 percentage points to 92% from 88% in HY1 2015.

Group operating profit -excluding exceptional items- increased by EUR 1.2 million (1%) to EUR 117.3 million (HY1 2015: EUR 116.1 million). Excluding the negative currency translation effect of EUR 4.6 million, the group operating profit –excluding exceptional items- increased by EUR 5.8 million. This increase was mainly caused by the higher revenues and an increase in the results from joint ventures and associates, partially offset by an increase in the operating expenses. The competitive environment in China remains challenging. Furthermore, it is not expected that the main customer of Vopak Terminal Haiteng will restart its production before the end of Q1 2017.

Additional capacity of 2.6 million cbm in total is currently under construction.

Americas

In EUR millions	HY1 2016	HY1 2015	Δ
Revenues	134.1	134.4	0%
Results -excluding exceptional items-			
Group operating profit before depreciation and amortization (EBITDA)	61.9	59.4	4%
Group operating profit (EBIT)	40.4	38.0	6%
Results -including exceptional items-			
Group operating profit before depreciation and amortization (EBITDA)	59.5	118.1	- 50%
Group operating profit (EBIT)	38.0	96.7	- 61%
Average gross capital employed	902.8	926.9	- 3%
Average capital employed	484.4	534.5	- 9%
Occupancy rate subsidiaries	92%	90%	2pp
Storage capacity end of period (in million cbm)	3.4	3.3	3%

In the Americas division, the revenues in the first half year of 2016 of EUR 134.1 million were in line with the revenues of the same period prior year (HY1 2015: EUR 134.4 million). Excluding the negative currency translation effect of EUR 7.1 million, the increase amounts to EUR 6.8 million. This increase was mainly due to the improved occupancy rate of our terminals in the United States and Brazil, whilst the divestments of 2015 had a downward effect of EUR 3.5 million. The average occupancy rate for the division increased by 2 percentage point to 92% from 90% in HY1 2015.

Group operating profit -excluding exceptional items- increased by EUR 2.4 million (6%) to EUR 40.4 million (HY1 2015: EUR 38.0 million). Excluding the negative currency translation effect of EUR 2.6 million, the increase amounts to EUR 5.0 million. The increase was mainly caused by the higher revenues, which was partially offset by an increase on the operating expenses. The divestments of 2015 had a negative effect of EUR 1.5 million on group operating profit.

Additional capacity of 0.9 million cbm in total is currently under construction.

Non-allocated (including global LNG activities)
Business activities not allocated to a specific geographic segment are reported under Non-allocated. These include primarily the global LNG activities and global operating costs not allocated to any of the divisions, as shown in the table below.

In EUR millions	HY1 2016	HY1 2015	Δ
Group operating profit (EBIT) :			
Global LNG activities	16.0	14.6	10%
Global operating costs	- 21.4	- 18.8	14%
Non-allocated	**- 5.4**	**- 4.2**	

The global LNG activities consist of the joint venture results of Gate Terminal (the Netherlands) and Altamira LNG Terminal (Mexico) and costs related to our LNG project studies. Group operating profit -excluding exceptional items- from global LNG activities amounts to EUR 16.0 million, which is an increase of EUR 1.4 million (10%) compared to prior year (HY1 2015: EUR 14.6 million).

The global operating costs increased by EUR 2.6 million (14%) from to EUR 21.4 million (HY1 2015: EUR 18.8 million).

Statement by the Executive Board

In accordance with the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht)*, section 5:25d, paragraph 2 sub c, we confirm that, to the best of our knowledge:

- the condensed interim consolidated financial statements for the six months ended 30 June 2016 have been prepared in accordance with IAS 34 (*Interim Financial Reporting)* as adopted by the European Union and give a true and fair view of the assets, liabilities, financial position and profit or loss of Koninklijke Vopak N.V. and its consolidated companies (jointly referred to as the 'Group'); and
- the interim management report for the six months ended 30 June 2016 gives a fair review of the information required pursuant to section 5:25d, subsections 8 and 9 of the Dutch Financial Markets Supervision Act.

Rotterdam, 18 August 2016

The Executive Board

Eelco Hoekstra (Chairman of the Executive Board and CEO)
Jack de Kreij (Vice-chairman of the Executive Board and CFO)
Frits Eulderink (Member of the Executive Board and COO)

Auditor's involvement

The content of this report has not been audited or reviewed by an external auditor.

Condensed interim consolidated financial statements

Consolidated statement of income

In EUR millions	HY1 2016	HY1 2015
Revenues	679.9	700.7
Other operating income	293.2	73.0
Total operating income	**973.1**	**773.7**
Personnel expenses	170.2	182.8
Depreciation and amortization	129.9	126.8
Impairment	4.5	- 2.1
Other operating expenses	185.1	196.8
Total operating expenses	**489.7**	**504.3**
Operating profit	**483.4**	**269.4**
Result joint ventures and associates using the equity method	13.7	15.3
Group operating profit	**497.1**	**284.7**
Interest and dividend income	6.0	6.1
Finance costs	- 61.9	- 53.7
Net finance costs	**- 55.9**	**- 47.6**
Profit before income tax	**441.2**	**237.1**
Income tax	- 34.2	- 72.1
Net profit	**407.0**	**165.0**
Non-controlling interests	- 22.4	- 22.0
Net profit holders of ordinary shares	**384.6**	**143.0**
Basic earnings per ordinary share (in EUR)	**3.02**	**1.12**
Diluted earnings per ordinary share (in EUR)	**3.01**	**1.12**

Consolidated statement of comprehensive income

In EUR millions	HY1 2016	HY1 2015
Net profit	**407.0**	**165.0**
Exchange rate differences and effective portion of hedges on net investments in foreign activities	- 2.3	24.6
Use of exchange rate differences and effective portion of hedges on net investments in foreign activities	2.0	0.8
Effective portion of changes in fair value of cash flow hedges	10.2	21.7
Effective portion of changes in fair value of cash flow hedges joint ventures	- 14.1	11.3
Use of effective portion of cash flow hedges to statement of income	- 2.0	- 2.3
Other comprehensive income to be reclassified to statement of income in subsequent periods	**- 6.2**	**56.1**
Remeasurement of defined benefit plans	- 64.8	48.9
Other comprehensive income not being reclassified to statement of income in subsequent periods	**- 64.8**	**48.9**
Other comprehensive income, net of tax	**- 71.0**	**105.0**
Total comprehensive income	**336.0**	**270.0**
Attributable to:		
Holders of ordinary shares	310.2	238.6
Non-controlling interests	25.8	31.4
Total comprehensive income	**336.0**	**270.0**

Note: All amounts are net of tax.

Condensed consolidated statement of financial position

In EUR millions	Note	30-Jun-16	31-Dec-15
ASSETS			
Intangible assets	5	92.3	89.8
Property, plant and equipment	5	3,465.7	3,496.0
Financial assets	5	1,073.7	1,108.2
Deferred taxes		21.0	13.9
Derivative financial instruments		93.6	119.4
Other non-current assets		27.7	28.6
Total non-current assets		**4,774.0**	**4,855.9**
Trade and other receivables		256.6	232.0
Financial assets	5	-	85.9
Prepayments		19.0	14.2
Pensions and other employee benefits		0.2	-
Derivative financial instruments		3.1	16.5
Cash and cash equivalents	8	236.8	109.9
Assets held for sale		1.2	182.8
Total current assets		**516.9**	**641.3**
Total assets		**5,290.9**	**5,497.2**
EQUITY			
Equity attributable to owners of parent	7	2,189.4	2,009.4
Non-controlling interests	9	156.8	151.0
Total equity		**2,346.2**	**2,160.4**
LIABILITIES			
Interest-bearing loans	8	1,922.9	2,304.0
Derivative financial instruments		58.4	91.7
Pensions and other employee benefits		212.8	126.1
Deferred taxes		198.3	206.2
Provisions		41.6	26.1
Other non-current liabilities		6.0	7.5
Total non-current liabilities		**2,440.0**	**2,761.6**
Bank overdrafts and short-term borrowings	8	16.2	98.6
Interest-bearing loans	8	90.3	2.9
Derivative financial instruments		19.1	8.1
Trade and other payables		303.4	308.7
Taxes payable		52.4	64.1
Pensions and other employee benefits		-	1.5
Provisions		23.3	28.1
Liabilities related to assets held for sale		-	63.2
Total current liabilities		**504.7**	**575.2**
Total liabilities		**2,944.7**	**3,336.8**
Total equity and liabilities		**5,290.9**	**5,497.2**

Condensed consolidated statement of changes in equity

In EUR millions	Issued capital	Share premium	Treasury shares	Other reserves	Retained earnings	Total	Non- con- trolling interests	Total equity
	Equity attributable to owners of parent							
Balance at 31 December 2014	**63.9**	**194.4**	**- 6.5**	**- 142.9**	**1,649.3**	**1,758.2**	**144.6**	**1,902.8**
Net profit	–	–	–	–	143.0	143.0	22.0	165.0
Other comprehensive income, net of tax	–	–	–	46.7	48.9	95.6	9.4	105.0
Total comprehensive income	**–**	**–**	**–**	**46.7**	**191.9**	**238.6**	**31.4**	**270.0**
Dividend paid in cash	–	–	–	–	- 118.1	- 118.1	- 23.0	- 141.1
Release revaluation reserve	–	–	–	- 0.1	0.1	–	–	–
Measurement of equity-settled share-based payment arrangements	–	–	–	–	1.3	1.3	–	1.3
Total transactions with owners	**–**	**–**	**–**	**- 0.1**	**- 116.7**	**- 116.8**	**- 23.0**	**- 139.8**
Balance at 30 June 2015	**63.9**	**194.4**	**- 6.5**	**- 96.3**	**1,724.5**	**1,880.0**	**153.0**	**2,033.0**

In EUR millions	Issued capital	Share premium	Treasury shares	Other reserves	Retained earnings	Total	Non- con- trolling interests	Total equity
	Equity attributable to owners of parent							
Balance at 31 December 2015	**63.9**	**194.4**	**- 9.4**	**- 127.7**	**1,888.2**	**2,009.4**	**151.0**	**2,160.4**
Net profit	–	–	–	–	384.6	384.6	22.4	407.0
Other comprehensive income, net of tax	–	–	–	- 9.6	- 64.8	- 74.4	3.4	- 71.0
Total comprehensive income	**–**	**–**	**–**	**- 9.6**	**319.8**	**310.2**	**25.8**	**336.0**
Dividend paid in cash	–	–	–	–	- 127.6	- 127.6	- 20.0	- 147.6
Purchase treasury shares	–	–	- 3.8	–	–	- 3.8	–	- 3.8
Release revaluation reserve	–	–	–	- 0.1	0.1	–	–	–
Measurement of equity-settled share-based payment arrangements	–	–	–	–	1.2	1.2	–	1.2
Total transactions with owners	**–**	**–**	**- 3.8**	**- 0.1**	**- 126.3**	**- 130.2**	**- 20.0**	**- 150.2**
Balance at 30 June 2016	**63.9**	**194.4**	**- 13.2**	**- 137.4**	**2,081.7**	**2,189.4**	**156.8**	**2,346.2**

Condensed consolidated statement of cash flows

In EUR millions	HY1 2016	HY1 2015
Cash flows from operating activities (gross)	**374.2**	**386.1**
Interest received	2.8	2.1
Dividend received	1.0	0.9
Income tax paid	- 44.2	- 58.2
Cash flows from operating activities (net)	**333.8**	**330.9**
Investments:		
Intangible assets	- 5.8	- 5.1
Property, plant and equipment	- 139.5	- 179.8
Joint ventures and associates	- 28.3	- 51.8
Loans granted	- 0.3	- 10.3
Other non-current assets	–	- 0.2
Acquisitions of joint ventures and associates	–	- 10.6
Total investments	**- 173.9**	**- 257.8**
Disposals and repayments:		
Property, plant and equipment	2.5	2.1
Loans granted	85.9	1.2
Finance lease receivable	2.4	2.5
Assets held for sale	458.4	255.5
Total disposals and repayments	**549.2**	**261.3**
Cash flows from investing activities (excluding derivatives)	**375.3**	**3.5**
Settlement of derivatives (net investment hedges)	- 4.7	- 35.2
Cash flows from investing activities (including derivatives)	**370.6**	**- 31.7**
Financing:		
Repayment of interest-bearing loans	- 290.0	- 100.1
Proceeds from interest-bearing loans	17.0	0.2
Finance costs paid	- 69.8	- 45.7
Settlement of derivative financial instruments	–	9.3
Dividend paid in cash	- 127.6	- 114.8
Dividend paid to non-controlling interests	- 20.0	- 23.0
Paid share premium financing preference shares	–	- 23.3
Withdrawal financing preference shares	–	- 20.7
Dividend paid on financing preference shares	–	- 3.3
Purchase treasury shares	- 3.8	–
Proceeds and repayments in short-term financing	- 56.8	- 15.5
Cash flows from financing activities	**- 551.0**	**- 336.9**
Net cash flows	**153.4**	**- 37.7**
Exchange rate differences	1.7	2.1
Net change in cash and cash equivalents due to assets held for sale	–	- 0.5
Net change in cash and cash equivalents (including bank overdrafts)	**155.1**	**- 36.1**
Net cash and cash equivalents (including bank overdrafts) at 1 January	**67.3**	**138.6**
Net cash and cash equivalents (including bank overdrafts) at 30 June	**222.4**	**102.5**

Segmentation

Statement of income

In EUR millions	Revenues HY1 2016	Revenues HY1 2015	Depreciation and amortization HY1 2016	Depreciation and amortization HY1 2015	Result joint ventures and associates HY1 2016	Result joint ventures and associates HY1 2015	Group operating profit HY1 2016	Group operating profit HY1 2015
Netherlands	251.9	237.4	52.5	47.1	0.8	1.3	95.5	90.1
Europe, Middle East & Africa	101.5	135.1	19.5	23.5	18.7	11.3	43.2	41.6
Asia	191.9	193.0	32.9	32.6	26.6	25.7	117.3	116.1
of which Singapore	*138.2*	*134.5*	*20.7*	*19.6*	*0.3*	*0.3*	*81.3*	*78.0*
Americas	134.1	134.4	21.5	21.4	0.1	0.1	40.4	38.0
of which United States	*85.9*	*84.7*	*12.3*	*12.2*	*0.2*	–	*28.2*	*27.6*
Non-allocated	0.5	0.8	3.5	2.2	16.5	17.0	- 5.4	- 4.2
of which global LNG activities	–	–	–	–	*16.5*	*16.9*	*16.0*	*14.6*
Total excluding exceptional items	**679.9**	**700.7**	**129.9**	**126.8**	**62.7**	**55.4**	**291.0**	**281.6**
Exceptional items [1]:								
Europe, Middle East & Africa							239.0	- 55.7
Asia							- 26.9	–
Americas							- 2.4	58.7
Non-allocated							- 3.6	0.1
Total including exceptional items							**497.1**	**284.7**
Reconciliation consolidated net profit								
Group operating profit							497.1	284.7
Net finance costs							- 55.9	- 47.6
Profit before income tax							**441.2**	**237.1**
Income tax							- 34.2	- 72.1
Net profit							**407.0**	**165.0**

[1] Exceptional items are disclosed in note 4.

Statement of financial position

In EUR millions	Total assets 30-Jun-16	Total assets 31-Dec-15	Total assets 30-Jun-15	Total liabilities 30-Jun-16	Total liabilities 31-Dec-15	Total liabilities 30-Jun-15
Netherlands	1,457.8	1,441.4	1,450.9	134.4	117.9	115.7
Europe, Middle East & Africa	899.4	1,186.5	1,080.5	156.6	204.5	215.6
Asia	1,727.0	1,753.1	1,851.9	325.1	324.2	325.1
of which Singapore	*684.1*	*682.3*	*748.2*	*243.4*	*263.7*	*262.1*
Americas	713.5	733.1	752.0	164.2	195.7	167.7
of which United States	*338.6*	*357.1*	*356.6*	*120.5*	*144.2*	*126.4*
Non-allocated	493.2	383.1	363.9	2,164.4	2,494.5	2,642.1
of which global LNG activities	*147.4*	*170.7*	*148.9*	*1.6*	*2.3*	*3.2*
Total	**5,290.9**	**5,497.2**	**5,499.2**	**2,944.7**	**3,336.8**	**3,466.2**

Notes to the condensed interim consolidated financial statements

1. General

Koninklijke Vopak N.V. ('Vopak') is a listed company registered in The Netherlands with activities in 24 countries. These condensed interim consolidated financial statements for the first half year of 2016 contain the figures of the company and its subsidiaries (jointly referred to as the 'Group'), as well as the interests of the Group in joint ventures and associates.

The Executive Board approved these condensed interim consolidated financial statements on 18 August 2016.

1.1. Basis of preparation

These condensed interim consolidated financial statements for the six months period ended 30 June 2016 have been prepared in accordance with IAS 34 *Interim Financial Reporting.* They do not contain all the information and disclosures required in the annual financial statements, and should be read in conjunction with the audited financial statements included in the 2015 Annual Report, which have been prepared in accordance with IFRS as adopted by the European Union.

1.2. New standards, interpretations and amendments adopted by the Group

The applied accounting principles adopted in the preparation of the interim consolidated financial statements are consistent with those described in Vopak's 2015 Annual Report.

The group did not implement any new standards, amendments to existing standards or new IFRIC interpretations that materially impact the consolidated financial statements of the Group for the financial year 2016.

1.3. New standards not yet adopted by the Group

The IASB published IFRS 15 '*Revenue from contracts with customers*' in May 2014. This standard contains principles that an entity will apply to determine the measurement of revenue and timing when revenue is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. This new standard will be effective as of 1 January 2018 and has not yet been endorsed by the European Union. The company is in the process of determining the effects of this new standard. However, the initial estimate is that the effects will be limited.

IFRS 9, '*Financial instruments*', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. This new standard replaces the guidance in IAS 39. This new standard will be effective as of 1 January 2018 and has not yet been endorsed by the European Union. The company has started its impact assessment of IFRS 9 'Financial Instruments'. It is expected that the effects will be limited.

The IASB published IFRS 16 '*Leases*' in January 2016. IFRS 16 will require almost all leases of companies to be on the balance sheet of lessees and introduces a single income statement model which basically treats all leases as finance leases. Lessor accounting has not changed significantly. As the company has a large portfolio of long-term land leases the impact on the statement of financial position and the result of the company could be significant. This new standard will be effective as of 1 January 2019 and has not yet been endorsed by the European Union. The company has started its impact assessment early this year.

There are no other new standards, amendments to existing standards or new IFRIC interpretations that are not yet effective, that are expected to have a material impact on the Group.

1.4. Critical accounting estimates and judgements

The preparation of the condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim consolidated financial statements, the significant estimates and judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2015, except for the following:

(a) *Taxes*
Taxes on income in the condensed interim consolidated financial statements are accrued using the weighted average tax rates that would be applicable to the expected annual profit before income tax.

(b) *Impairment of goodwill, intangible assets and tangible fixed assets*
The carrying amount of goodwill is tested for impairment annually in the fourth quarter, unless there is reason to do so more frequently. All assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amounts for those assets are not recoverable.

Changes in the estimates and judgments made with regards to the recoverable value of our investment in the Estonian joint venture Vopak E.O.S. and two smaller joint ventures in China after year-end 2015 led to an aggregate impairment of EUR 49.1 million on our investment in these joint ventures. For more details on these events we refer to note 4. No other impairments or reversal of impairments were recognized on cash generating units.

The value in use of the cash generating units (CGU's) is based on estimates of future expected cash flows made on the basis of the budget for the coming year and two subsequent plan years. Fair value less cost of disposal is primarily based on estimated sales prices, based on (observable) recent market transactions for terminals with similar characteristics (multiple approach).

Sometimes the fair value less the cost of disposal is based on (non-binding) preliminary offers received (level 3 fair value). Although such offers are conditional/preliminary, management always assesses if the offers received are representative of fair value. Please note that in determining the recoverable value of a terminal, management has to make certain judgments and estimates regarding the value in use or fair value less cost of disposal. A change in these judgments and estimates at a later date may result in future (reversal of) impairments.

(c) *Non-current assets held for sale*
In 2014, the company announced that it would initiate a divestment program of around 15 primarily smaller terminals, at that time contributing around 4% to the Group's overall EBITDA, with the objective of further aligning our global network. During 2015 and 2016 a large number of these divestments were realized (reference is made to note 2).

Based on the facts and circumstances per the end of the first half year of 2016 it was determined that there are no material terminals or other activities that meet the definition of a disposal group or asset held for sale per the end of June 2016.

(d) *Changes in judgments and estimates with regards to legal cases*
Changes in the facts and circumstances after year-end 2015 regarding certain legal cases resulted in a situation where management's judgments and estimates on these items changed during the period ended 30 June 2016 compared to year-end 2015, which resulted in a write-off of a receivable for the amount of EUR 3.0 million in the Asia division. The financial effects of these changes are disclosed in note 4 for the main items.

(e) *Changes in judgments and estimates with regards to off balance sheet commitments*
Changes in the facts and circumstances after year-end 2015 regarding the likelihood relating to potential cash outflows from an indirect financial guarantee provided, have led to the recognition of a provision for the amount of EUR 15.0 million. This item was disclosed as a contingent liability with a maximum exposure of EUR 33.2 million in the 2015 Annual Report. The financial effects of this change are disclosed in note 4.

2. Acquisitions and divestments

Completed divestments
In the first quarter of 2016, Vopak completed the earlier announced divestment of all of its UK assets. The divestment comprised the three wholly owned terminals: Vopak Terminal London, Vopak Terminal Teesside and Vopak Terminal Windmill and Vopak's 33.3% investment in the joint venture Thames Oilport. This divestment resulted in a total gross cash inflow of EUR 414.6 million and a total pre-tax exceptional gain of EUR 282.8 million. The tax effects of this transaction were minimal.

In the second quarter of 2016, Vopak divested its 40% ownership in the joint venture Nippon Vopak. Nippon Vopak owned and operated five terminals in Japan with a combined operational capacity of 203,200 cbm. The agreed net cash proceeds, based on the debt-free enterprise value of the divested ownership, amounted to EUR 26.6 million (after capital gains tax). The divestment resulted in a net exceptional loss of EUR 1.6 million.

The divestment of Nippon Vopak is in line with the Vopak's decision to divest around 15 primarily smaller terminals. An overview of the exceptional results recognized in relation to the divestments is included in note 4.

Newly formed joint venture
In the first quarter of 2016, the establishment of a project development joint venture in the Americas division, and the subsequent contribution of assets from a Vopak subsidiary to this joint venture, led to an exceptional gain of EUR 2.1 million.

There were no other significant changes in the composition of the Group in the first half year of 2016.

Announced acquisition after the balance sheet date
As a subsequent event, Vopak announced on 13 July 2016 that it has reached a long-term agreement with Chevron to manage and operate for Chevron its existing 509,000 cbm terminal at Bahia Las Minas in Panama. Vopak's operatorship is expected to start in Q3 2016. Next to this agreement with Chevron, the key regulatory approvals have been obtained for the development of a first phase 360,000 cbm independent oil terminal, owned by Vopak, at the same location.

As some of the conditions of the contract still have to be fulfilled, the acquisition of the non-operatorship assets is not completed per the end of June 2016 (nor at the date of publication of this report) and therefore has not yet resulted in a business combination from an accounting perspective. For more information, we refer to note 12.

For a list of the principal subsidiaries, we refer to note 8.11 of the 2015 Annual Report.

3. Financial risk management
The Group's financial risk management objectives and policies are consistent with those disclosed on page 132 of the 2015 Annual Report.

The interim condensed consolidated financial statements do not contain all financial risk management information and disclosures required in the annual financial statements.

3.1. Financial instruments

Set out below is an overview of carrying amounts and the fair values of financial instruments held by the Group as at 30 June 2016.

	HY1 2016	
In EUR millions	Carrying amount	Fair value
Currency derivatives	127.1	127.1
Interest rate derivatives	- 107.9	- 107.9
Other financial assets	1.0	1.0
Financial instruments at fair value	**20.2**	**20.2**
Loans granted	10.5	10.5
Finance lease receivable	29.5	29.5
Trade and other receivables	256.6	256.6
Cash and cash equivalents	236.8	236.8
Loans and receivables	**533.4**	**533.4**
US Private Placements	- 1,740.7	- 1,962.7
SGD Private Placements	–	–
JPY Private Placement	- 174.5	- 184.2
Bank loans	- 66.9	- 71.8
Credit facility and other long-term loans	- 31.1	- 31.1
Bank overdrafts and short-term borrowings	- 16.2	- 16.2
Trade creditors	- 40.8	- 40.8
Other creditors	- 95.1	- 95.1
Other financial liabilities	**- 2,165.3**	**- 2,401.9**
Net at amortized cost	**- 1,631.9**	**- 1,868.5**
Standby credit facility		1,046.8
Standby bank loans		200.0
Unrecognized financial instruments		**1,246.8**

Where available, fair value measurements are derived from quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1). In the absence of such information, other observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices), are used to estimate fair values (level 2). Level 3 is based on valuation techniques for which the lowest input that is significant to the fair value measurement is unobservable.

During the six-month period ended 30 June 2016, almost all fair values of financial instruments measured at fair value in the statement of financial position are level-2 fair values. There are no material level-1 or level-3 financial instruments. Therefore, there were no material transfers between level-1 and level-2 fair value measurements, and no material transfers into or out of level-3 fair value measurement.

The disclosed fair value of the Private Placements, revolving credit facility and other long-term bank loans are measured by discounting the future cash flows using observable market interest information (level 2) as no similar instrument is available due to the specific profile of the instruments.

The fair value of interest rate swaps, cross currency interest rate swaps and forward exchange contracts are determined by discounting the future cash flows using the applicable period-end yield curve (level 2).

There were no changes in valuation techniques used during the periods.

3.2. Liquidity risk

The Group's net interest bearing debt position at 30 June 2016 amounts to EUR 1,792.6 million (31 December 2015: EUR 2,295.6 million).

On 1 June 2016, Vopak successfully renewed its EUR 1 billion senior unsecured multi-currency revolving credit facility (RCF) with a syndicate of 15 international relationship banks. This new facility replaced the previous RCF of EUR 1 billion, which was in place since February 2011. The new RCF will have an initial maturity of five years with two extension options of one year each.

At 30 June 2016 the Group has unused RCFs of in total EUR 1,046.8 million and also unused short-term lines of credit of EUR 200 million.

4. Exceptional items

The items in the statement of income include items that are exceptional by nature from a management perspective. For the definition of exceptional items applied by the company, reference is made to the glossary. The material exceptional items are disclosed separately in the notes when relevant in order to increase transparency.

In EUR millions	HY1 2016	HY1 2015
Gain on sale of UK terminals	282.8	–
Loss on sale of Nippon terminals	- 1.6	–
Gain on sale of US terminals	2.1	59.1
Gain on sale of Swedish terminals	–	1.4
Impairments	- 4.5	–
Impairments joint ventures	- 49.1	- 40.2
Reversal impairments joint ventures	0.1	0.1
Vopak 400 stakeholder events	- 3.7	–
Write-off receivable	- 5.0	–
Claim provision	- 15.0	- 16.9
Legal provision	–	- 3.3
Contract termination fee	–	2.9
Total before income tax	**206.1**	**3.1**
Income tax	4.5	- 22.5
Total effect on net profit	**210.6**	**- 19.4**

Results from acquisitions and divestments

The divestment of the three terminals and a business development project in the United Kingdom (part of EMEA division) together with the divestment of the joint venture Nippon Vopak in Japan (part of Asia division) led to a total exceptional gain on divestment of EUR 281.2 million.

In addition to the above, Vopak contributed assets to a newly formed business development joint venture in the Americas division which resulted in an exceptional gain of EUR 2.1 million.

For more information on the above mentioned items, we also refer to note 2.

Impairments on joint ventures

Deteriorating business circumstances, among others caused by increased competition, changing product flows in the region, led to an impairment of EUR 43.8 million per Q2 2016 on our joint venture Vopak E.O.S. in Estonia (part of EMEA division). The impairment primarily relates to the historical goodwill and certain intangible assets that were recognized when the joint venture was established.

Changes in the estimated remaining useful lives of two smaller joint venture terminals in China (part of Asia division), due to changes in market circumstances, among others caused by gradual relocation of customers, has led to an impairment on the investment in these two joint ventures for the amount of EUR 5.3 million.

Recognition of provision for (indirect) financial guarantee
Vopak has provided an (indirect) financial guarantee for one of its joint ventures in China (part of the Asia division). Changes in the facts and circumstances relating to this item after year-end 2015 has led to the assessment by management that potential cash outflows in the coming years relating to this contingent liability is more likely than not. As a consequence a provision for the amount of EUR 15.0 million was recognized.

As disclosed in the 2015 Annual Report, the Group is in the process of divesting this terminal. Management does not consider it to be unlikely that a divestment will be realized in the future. This could result in a (partial) reversal of the provision going forward.

Others
In the Americas division an impairment on fixed assets components of a construction project was recognized due to redundancies and technical obsolescence for the amount of EUR 4.2 million.

A write-down of a receivable relating to a legal dispute in the Asia division has resulted in an exceptional loss of EUR 3.0 million. Furthermore, EUR 2.0 million was impaired on a receivable from one of our joint ventures in the Asia division.

An amount of EUR 3.7 million was recognized as an exceptional item on expenditures relating to the Vopak 400 stakeholder events.

Reconciliation of IFRS figures to income statement

	HY1 2016			HY1 2015
In EUR millions	IFRS figures	Exceptional items	Excluding exceptional items	Excluding exceptional items
Revenues	679.9	–	679.9	700.7
Other operating income	293.2	284.9	8.3	11.7
Total operating income	**973.1**	**284.9**	**688.2**	**712.4**
Personnel expenses	- 170.2	- 0.1	- 170.1	- 182.8
Impairment	- 4.5	- 4.5	–	–
Other operating expenses	- 185.1	- 25.2	- 159.9	- 176.6
Result joint ventures and associates	13.7	- 49.0	62.7	55.4
Group operating profit before depreciation and amortization (EBITDA)	**627.0**	**206.1**	**420.9**	**408.4**
Depreciation and amortization	- 129.9	–	- 129.9	- 126.8
Group operating profit	**497.1**	**206.1**	**291.0**	**281.6**
Interest and dividend income	6.0	–	6.0	6.1
Finance costs	- 61.9	–	- 61.9	- 53.7
Net finance costs	**- 55.9**	**–**	**- 55.9**	**- 47.6**
Profit before income tax	**441.2**	**206.1**	**235.1**	**234.0**
Income tax	- 34.2	4.5	- 38.7	- 49.6
Net profit	**407.0**	**210.6**	**196.4**	**184.4**
Non-controlling interests	- 22.4	0.1	- 22.5	- 22.0
Net profit holders of ordinary shares	**384.6**	**210.7**	**173.9**	**162.4**
Basic earnings per ordinary share (in EUR)	**3.02**		**1.36**	**1.27**
Diluted earnings per ordinary share (in EUR)	**3.01**		**1.36**	**1.27**

5. Intangible assets, property, plant & equipment and financial assets

In EUR millions	Intangible assets	Property, plant and equipment	Financial assets
Carrying amount at 31 December 2015	**89.8**	**3,496.0**	**1,194.1**
Acquisitions	–	–	43.6
Additions	5.8	139.5	28.3
Disposals	–	- 2.5	–
Transfer to held for sale	–	- 56.9	- 27.6
Depreciation and amortization	- 4.4	- 125.5	–
Share in result joint ventures and associates	–	–	61.8
Dividends received	–	–	- 63.7
Loans granted	–	–	0.3
Finance lease interest income	–	–	2.6
Repayments	–	–	- 88.3
Impairments	- 0.3	- 4.2	- 48.2
Other comprehensive income	–	–	- 13.7
Exchange rate differences	1.4	19.3	- 15.5
Carrying amount at 30 June 2016	**92.3**	**3,465.7**	**1,073.7**

Total investments in property, plant and equipment during the first half year of 2016 were EUR 139.5 million (HY1 2015: EUR 179.8 million), of which EUR 41.0 million (HY1 2015: EUR 88.6 million) was invested in the expansion of existing terminals and the construction of new terminals.

In the first half year of 2016 several terminals were divested. For more information we refer to note 2.

6. Joint ventures and associates

Vopak holds interests in 28 (YE 2015: 28) unlisted joint ventures and 4 (YE 2015: 4) unlisted associates. Although the Group conducts a large part of its activities by means of these joint ventures and associates, none of these entities are currently individually material for the Group. The nature of, and changes in, the risks associated with its interests in joint ventures and associates is primarily linked to the region and/or the nature of the activities. For the disclosure of the nature, extent and financial effects of our joint ventures we make a distinction in the activities of the division Europe, Middle East & Africa (mainly oil storage terminals), LNG (joint ventures with long-term contracts), and Asia (mainly industrial terminals).

No significant judgments were made by the Group with regards to the classification of joint ventures and associates. All joint arrangements are currently classified as joint ventures because joint control is established by contract and the Group only has rights to the net assets of these entities. The group currently has no investment in a joint operation.

The Group has two majority ownerships which qualify as joint ventures: a 60% majority ownership in LNG Terminal Altamira in Mexico and a 51% majority ownership in Vopak Terminals Korea. In Mexico, the Group has 50% of the voting rights and in Korea, the partner owns an exercisable call option right at any time of 1% of the shares and therefore the substantive voting rights of the Group are limited to 50%.

For an overview of the joint ventures and associates we refer to note 8.11 of Vopak's 2015 Annual Report.

6.1. Movements in Vopak's share of total comprehensive income and the carrying amount joint ventures and associates

Vopak's share in the total comprehensive income and the net assets of our joint ventures and associates is follows:

	Joint ventures		Associates		Total	
In EUR millions	2016	2015	2016	2015	2016	2015
Vopak's share in net assets	889.5	805.5	90.4	63.1	979.9	868.6
Goodwill on acquisition	81.6	67.4	6.6	6.2	88.2	73.6
Carrying amount at 1 January	**971.1**	**872.9**	**97.0**	**69.3**	**1,068.1**	**942.2**
Share in profit or loss	58.1	52.1	3.7	3.3	61.8	55.4
Impairments	- 48.2	- 40.2	–	–	- 48.2	- 40.2
Reversal of impairments	0.1	0.1	–	–	0.1	0.1
Net profit	**10.0**	**12.0**	**3.7**	**3.3**	**13.7**	**15.3**
Other comprehensive income	- 13.7	11.7	–	–	- 13.7	11.7
Total comprehensive income	**- 3.7**	**23.7**	**3.7**	**3.3**	**–**	**27.0**
Dividends received	- 63.7	- 74.3	–	–	- 63.7	- 74.3
Investments	28.3	51.8	–	–	28.3	51.8
Acquisitions	43.6	10.6	–	–	43.6	10.6
Reclassification to assets held for sale	- 27.6	–	–	–	- 27.6	–
Exchange rate differences	- 12.9	54.4	- 3.1	6.1	- 16.0	60.5
Carrying amount at 30 June	**935.1**	**939.1**	**97.6**	**78.7**	**1,032.7**	**1,017.8**
Vopak's share in net assets	867.9	858.5	91.3	72.0	959.2	930.5
Goodwill on acquisition	67.2	80.6	6.3	6.7	73.5	87.3
Carrying amount at 30 June	**935.1**	**939.1**	**97.6**	**78.7**	**1,032.7**	**1,017.8**

6.2. Transactions with joint ventures and associates

The transactions with our joint ventures and associates principally consist of fees for services provided by the Group and interest income on the borrowings issued by the Group. The total amount of transactions with joint ventures and associates is as follows:

	Joint ventures		Associates		Total	
In EUR millions	HY1 2016	HY1 2015	HY1 2016	HY1 2015	HY1 2016	HY1 2015
Other operating income	3.3	7.0	0.2	0.4	3.5	7.4
Interest income on borrowings to	–	0.3	0.6	–	0.6	0.3
Amounts owed by	2.0	43.9	–	–	2.0	43.9

6.3. Other arrangements in respect of joint ventures and associates

The Group has the following commitments and contingencies with regards to its joint ventures and associates:

	Joint ventures		Associates		Total	
In EUR millions	30-Jun-16	31-Dec-15	30-Jun-16	31-Dec-15	30-Jun-16	31-Dec-15
Commitments to provide debt or equity funding	4.5	–	149.7	77.4	154.2	77.4
Guarantees and securities provided	175.1	177.4	–	–	175.1	177.4

The notional amount of guarantees and securities provided on behalf of participating interests in joint ventures and associates - included in the calculation of the bank covenant ratios - decreased from EUR 119.1 million at 31 December 2015 to EUR 118.0 million at 30 June 2016. Of this amount EUR 0.1 million (YE 2015: EUR 0.1 million) was recognized in the statement of financial position.

6.4. Summarized statement of financial position of joint ventures and associates on a 100% basis

	Joint ventures										Associates	
	Europe, Middle East & Africa		Asia		LNG		Other		Total		Total	
In EUR millions	30-Jun-16	31-Dec-15	30-Jun-16	31-Dec-15	30-Jun-16	31-Dec-15	30-Jun-16	31-Dec-15	30-Jun-16	31-Dec-15	30-Jun-16	31-Dec-15
Non-current assets	676.6	750.6	2,031.7	2,061.7	1,164.0	1,163.4	182.1	98.1	4,054.4	4,073.8	1,077.6	1,097.9
Cash and cash equivalents	27.8	29.4	178.0	143.2	63.4	158.1	15.7	15.8	284.9	346.5	55.8	38.2
Other current assets	19.8	27.5	87.9	84.9	37.9	21.3	4.1	13.1	149.7	146.8	65.3	71.7
Total assets	**724.2**	**807.5**	**2,297.6**	**2,289.8**	**1,265.3**	**1,342.8**	**201.9**	**127.0**	**4,489.0**	**4,567.1**	**1,198.7**	**1,207.8**
Financial non-current liabilities	64.3	49.5	795.0	797.6	745.7	736.2	78.6	80.9	1,683.6	1,664.2	711.6	402.3
Other non-current liabilities	67.1	69.2	40.4	34.8	265.9	246.0	20.8	19.8	394.2	369.8	19.4	19.7
Financial current liabilities	60.7	72.2	46.0	52.3	61.2	60.9	5.3	5.0	173.2	190.4	22.5	343.7
Other current liabilities	47.0	61.4	150.1	139.2	40.9	107.4	6.6	15.4	244.6	323.4	114.0	117.0
Total liabilities	**239.1**	**252.3**	**1,031.5**	**1,023.9**	**1,113.7**	**1,150.5**	**111.3**	**121.1**	**2,495.6**	**2,547.8**	**867.5**	**882.7**
Net assets	**485.1**	**555.2**	**1,266.1**	**1,265.9**	**151.6**	**192.3**	**90.6**	**5.9**	**1,993.4**	**2,019.3**	**331.2**	**325.1**
Vopak's share of net assets	196.1	230.1	542.6	549.8	85.0	107.6	44.2	2.0	867.9	889.5	91.3	90.4
Goodwill on acquisition	5.4	17.1	0.6	2.6	61.2	61.9	–	–	67.2	81.6	6.3	6.6
Vopak's carrying amount of net assets	**201.5**	**247.2**	**543.2**	**552.4**	**146.2**	**169.5**	**44.2**	**2.0**	**935.1**	**971.1**	**97.6**	**97.0**

6.5. Summarized statement of total comprehensive income of joint ventures and associates on a 100% basis

	Joint ventures										Associates	
	Europe, Middle East & Africa		Asia		LNG		Other		Total		Total	
In EUR millions	HY1 2016	HY1 2015	HY1 2016	HY1 2015	HY1 2016	HY1 2015	HY1 2016	HY1 2015	HY1 2016	HY1 2015	HY1 2016	HY1 2015
Revenues	108.3	119.3	191.0	167.3	106.4	113.4	15.0	16.1	420.7	416.1	42.0	34.7
Operating expenses	- 42.6	- 54.8	- 59.4	- 60.1	- 19.7	- 24.5	- 7.7	- 6.4	- 129.4	- 145.8	- 7.7	- 9.7
Depreciation, amortization and impairment	- 93.6	- 147.3	- 41.2	- 28.9	- 22.3	- 22.0	- 2.8	- 2.9	- 159.9	- 201.1	- 8.0	- 10.0
Operating profit (EBIT)	**- 27.9**	**- 82.8**	**90.4**	**78.3**	**64.4**	**66.9**	**4.5**	**6.8**	**131.4**	**69.2**	**26.3**	**15.0**
Net finance costs	- 1.7	- 2.6	- 15.4	- 10.8	- 20.6	- 22.3	- 1.8	- 2.4	- 39.5	- 38.1	- 4.3	- 4.1
Income tax	- 0.1	- 3.4	- 17.3	- 19.4	- 13.1	- 12.6	- 0.4	- 0.7	- 30.9	- 36.1	- 5.7	- 0.7
Net profit	**- 29.7**	**- 88.8**	**57.7**	**48.1**	**30.7**	**32.0**	**2.3**	**3.7**	**61.0**	**- 5.0**	**16.3**	**10.2**
Other comprehensive income	- 0.5	0.2	- 10.7	4.0	- 14.9	17.1	- 1.6	2.3	- 27.7	23.6	–	–
Total comprehensive income	**- 30.2**	**- 88.6**	**47.0**	**52.1**	**15.8**	**49.1**	**0.7**	**6.0**	**33.3**	**18.6**	**16.3**	**10.2**
Vopak's share of net profit	- 30.8	- 27.7	23.3	21.3	16.5	16.9	1.0	1.5	10.0	12.0	3.7	3.3
Vopak's share of other comprehensive income	- 0.1	0.1	- 5.2	1.8	- 7.6	8.7	- 0.8	1.1	- 13.7	11.7	–	–
Vopak's share of total comprehensive income	**- 30.9**	**- 27.6**	**18.1**	**23.1**	**8.9**	**25.6**	**0.2**	**2.6**	**- 3.7**	**23.7**	**3.7**	**3.3**

The information above reflects the amounts present in the financial statements of the joint ventures and associates adjusted for differences in accounting policies between the group and the joint ventures and associates and, when applicable, the effects of the purchase price allocation performed by the Group with regards to the acquisition of the joint venture or associate.

7. Issued capital, share premium and treasury shares

Movements in the number of shares, the issued capital and the share premium were as follows:

	Numbers				Amounts in EUR millions		
In EUR millions	Issued ordinary shares	Financing preference shares	Total shares	Treasury shares	Issued capital	Share premium	Treasury shares
Balance at 31 December 2014	**127,835,430**	**–**	**127,835,430**	**- 210,000**	**63.9**	**194.4**	**- 6.5**
Movements	–	–	–	–	–	–	–
Balance at 30 June 2015	**127,835,430**	**–**	**127,835,430**	**- 210,000**	**63.9**	**194.4**	**- 6.5**
Balance at 31 December 2015	**127,835,430**	**–**	**127,835,430**	**- 290,000**	**63.9**	**194.4**	**- 9.4**
Movements	–	–	–	- 80,000	–	–	- 3.8
Balance at 30 June 2016	**127,835,430**	**–**	**127,835,430**	**- 370,000**	**63.9**	**194.4**	**- 13.2**

A dividend of EUR 1.00 per ordinary share (HY1 2015: EUR 0.90 per ordinary share) with a nominal value of EUR 0.50, or EUR 127.6 million in total (HY1 2015: EUR 114.8 million), was paid in cash on 28 April 2016.

Share-based payments arrangements:

During the first half year of 2016 - as in the first half year of 2015 - there were no vested shares or settlements in relation to the Long Term Incentive Plans. During the period a new long-term incentive plan, for the period 2016-2018, has been granted to the Executive Board and senior management and for which the company repurchased treasury shares in the period presented.

8. Borrowings

8.1 Net interest-bearing debt

The net interest-bearing debt is specified as follows:

In EUR millions	Cash and cash equivalents	Short-term borrowings	Interest-bearing loans	Net interest-bearing debt
Carrying amount at 31 December 2014	**138.6**	**- 68.9**	**- 2,336.0**	**- 2,266.3**
Cash flows	- 37.7	- 55.5	170.9	77.7
Other non-cash movements	- 0.5	–	- 1.0	- 1.5
Exchange rate differences	2.1	–	- 163.7	- 161.6
Carrying amount at 30 June 2015	**102.5**	**- 124.4**	**- 2,329.8**	**- 2,351.7**
Carrying amount at 31 December 2015	**67.3**	**- 56.0**	**- 2,306.9**	**- 2,295.6**
Cash flows	153.4	54.2	275.6	483.2
Other non-cash movements	–	–	- 0.5	- 0.5
Exchange rate differences	1.7	–	18.6	20.3
Carrying amount at 30 June 2016	**222.4**	**- 1.8**	**- 2,013.2**	**- 1,792.6**
Current assets	236.8	–	–	236.8
Non-current liabilities	–	–	- 1,922.9	- 1,922.9
Current liabilities	- 14.4	- 1.8	- 90.3	- 106.5
Carrying amount at 30 June 2016	**222.4**	**- 1.8**	**- 2,013.2**	**- 1,792.6**

8.2 Financial ratios reconciliation

In EUR millions	HY1 2016	HY1 2015
EBITDA past 12 months	**1,020.5**	**768.0**
-/- Result joint ventures and associates	111.5	100.5
Gross dividend received from joint ventures and associates	104.2	117.8
-/- Exceptional items	196.6	- 36.7
Acquisitions full year adjustment	–	–
-/- Divestments full year adjustment	28.6	14.0
EBITDA for ratio calculation	**788.0**	**808.0**
Net interest-bearing debt	**- 1,792.6**	**- 2,351.7**
Derivative financial instruments (currency)	117.9	95.7
Credit replacement guarantees	- 117.9	- 111.3
-/- Subordinated loans	- 92.5	- 92.3
-/- Others	–	- 4.4
Senior net debt for ratio calculation	**- 1,700.1**	**- 2,270.6**
Financial ratios		
Senior net debt : EBITDA	2.16	2.81
Interest cover	7.2	9.1

During the first half year of 2016, the company prepaid EUR 27.3 million on the USPP 2012 loans and EUR 146.8 million on the SGD Asian PP loan. These prepayments were related to the low net-debt balances caused by the realized divestments in 2016. In addition, EUR 2.6 million of regular scheduled debt repayments took place.

9. Non-controlling interests

The Group has only one subsidiary with a material non-controlling interest (NCI). The aggregated information of NCI and the information of the material subsidiary is shown in the table below.

Name	NCI %		Profit allocated to NCI (in EUR millions)		Dividends paid to NCI (in EUR millions)		Accumulated NCI (in EUR millions)	
	HY1 2016	HY1 2015	HY1 2016	HY1 2015	HY1 2016	HY1 2015	30-Jun-16	31-Dec-15
Total			22.4	22.0	20.1	23.0	156.8	151.0
of which Vopak Terminals Singapore Pte. Ltd.	*30.5%*	*30.5%*	*19.7*	*19.4*	*18.0*	*21.2*	*93.1*	*88.4*

The NCI percentage of the subsidiary, which principal place of business is Singapore, represents the ownership interest and the share of voting rights.

The summarized financial information regarding Vopak Terminals Singapore Pte. Ltd. is as follows:

In EUR millions	30-Jun-16	31-Dec-15
Non-current assets	541.6	537.9
Cash and cash equivalents	20.0	29.9
Other current assets	28.6	25.0
Total assets	**590.2**	**592.8**
Current liabilities	56.2	82.5
Non-current liabilities	228.7	220.6
Total liabilities	**284.9**	**303.1**
Total net assets	**305.3**	**289.7**

In EUR millions	HY1 2016	HY1 2015
Revenues	135.1	134.5
Net profit	64.2	63.6
Other comprehensive income	10.2	22.3
Total comprehensive income	**74.4**	**85.9**
Operating cash flow	87.4	92.0
Increase/decrease (-) in cash and cash equivalents	- 9.9	9.5

10. Contingent liabilities

The investment commitments undertaken for subsidiaries amounted to EUR 147.8 million as at 31 December 2015 and have decreased to EUR 98.6 million as at 30 June 2016 mainly due to the commissioning of new capacity in the first half year of 2016. For more information, reference is made to the 'Storage Capacity Developments' paragraph of this report.

For an overview of the commitments to provide debt or equity funding for joint ventures and associates, and for guarantees and securities provided on behalf of participating interests in joint ventures and associates, we refer to note 6.

There are no significant changes in the contingent liabilities per the end of June 2016 compared to the contingent liabilities disclosed in note 8.8 in our 2015 Annual report, except for the recognition of a provision for an indirect financial guarantee provided which was disclosed as a contingent liability in the Annual Report 2015 and for which the facts and circumstances changed during 2016. For more information, reference is made to note 4.

11. Related party disclosures

For the details on the nature of the Group's related parties, reference is made to section 6 in our 2015 Annual Report. No significant changes have occurred in the nature of our related party transactions.

There were no changes in arrangements with major shareholders in addition to the ones disclosed in the 2015 Annual Report. Besides the dividend distribution, no related party transactions have been entered into with the major shareholders during the first half of this year.

No related party transactions, which might reasonably affect any decisions of the users of these condensed consolidated financial statements, were entered into during the first half year of 2016. Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation.

12. Subsequent events

On 13 July 2016, Vopak announced that it has reached a long-term agreement with Chevron to manage and operate for Chevron its existing 509,000 cbm terminal at Bahia Las Minas in Panama. Vopak's operatorship is expected to start in Q3 2016. Next to this agreement with Chevron, the key regulatory approvals have been obtained for the development of a first phase 360,000 cbm independent oil terminal, owned by Vopak, at the same location. A long term contract has already been signed for part of this new capacity.

Enclosure 1: Non-IFRS proportionate financial information

Basis of preparation

Vopak provides Non-IFRS proportionate financial information -excluding exceptional items- in response to requests by multiple investors to provide additional operational performance insights on a comparable basis for subsidiaries, joint ventures and associates. In this disclosure, the joint ventures and associates and the subsidiaries with non-controlling interests are consolidated based on the economic ownership interests of the Group in these entities.

Where applicable, we show a reconciliation with our IFRS figures in order to create comparability with the proportionate information. Other information is based on the same principles as applied for the proportionate financial information.

Proportionate information

	HY1 2016				HY1 2015			
In EUR millions	IFRS figures	Exclusion exceptional items	Effects proportionate consolidation	Proportionate consolidated	IFRS figures	Exclusion exceptional items	Effects proportionate consolidation	Proportionate consolidated
Revenues	679.9	–	153.7	833.6	700.7	–	152.7	853.4
Net operating expenses	- 62.1	259.6	- 45.8	- 367.5	- 306.6	41.1	- 54.0	- 401.7
Result joint ventures and associates	13.7	- 49.0	- 62.7	–	15.3	- 40.1	- 55.4	–
Impairment	- 4.5	- 4.5	–	–	2.1	2.1	–	–
Group operating profit before depreciation and amortization (EBITDA)	**627.0**	**206.1**	**45.2**	**466.1**	**411.5**	**3.1**	**43.3**	**451.7**
Depreciation and amortization	- 129.9	–	- 35.6	- 165.5	- 126.8	–	- 33.1	- 159.9
Group operating profit (EBIT)	**497.1**	**206.1**	**9.6**	**300.6**	**284.7**	**3.1**	**10.2**	**291.8**
Net finance costs	- 55.9	–	- 19.5	- 75.4	- 47.6	–	- 19.8	- 67.4
Income tax	- 34.2	4.5	- 12.6	- 51.3	- 72.1	- 22.5	- 12.4	- 62.0
Net profit	**407.0**	**210.6**	**- 22.5**	**173.9**	**165.0**	**- 19.4**	**- 22.0**	**162.4**
Non-controlling interests	- 22.4	0.1	22.5	–	- 22.0	–	22.0	–
Net profit owners of parent	**384.6**	**210.7**	**–**	**173.9**	**143.0**	**- 19.4**	**–**	**162.4**

Statement of financial position

	30-Jun-16			31-Dec-15		
In EUR millions	IFRS figures	Effects proportionate consolidation	Proportionate consolidated	IFRS figures	Effects proportionate consolidation	Proportionate consolidated
Non-current assets (excluding joint ventures and associates)	3,741.3	1,964.6	5,705.9	3,787.8	2,016.2	5,804.0
Joint ventures and associates	1,032.7	- 1,032.7	–	1,068.1	- 1,068.1	–
Current assets	516.9	269.2	786.1	641.3	205.1	846.4
Total assets	**5,290.9**	**1,201.1**	**6,492.0**	**5,497.2**	**1,153.2**	**6,650.4**
Non-current liabilities	2,440.0	1,160.4	3,600.4	2,761.6	982.2	3,743.8
Current liabilities	504.7	197.5	702.2	575.2	322.0	897.2
Total liabilities	**2,944.7**	**1,357.9**	**4,302.6**	**3,336.8**	**1,304.2**	**4,641.0**
Equity attributable to owners of parent	2,189.4	–	2,189.4	2,009.4	–	2,009.4
Non-controlling interests	156.8	- 156.8	–	151.0	- 151.0	–
Total equity	**2,346.2**	**- 156.8**	**2,189.4**	**2,160.4**	**- 151.0**	**2,009.4**

Other information

	HY1 2016	HY1 2015
EBITDA margin -excluding exceptional items-	55.5%	52.6%
Cash Flow Return On Gross Assets (CFROGA) *	10.3%	10.3%
Occupancy rate subsidiaries, joint ventures and associates	94%	90%

*** Definition of CFROGA**

In order to assess the performance trend of its operations the company is calculating, amongst others, the '*Cash Flow Return on Gross Assets*' (CFROGA). CFROGA is defined as EBITDA minus the statutory income tax charge on EBIT divided by the average historical investment (*gross assets*).

Cash Flows are determined based on EBITDA from which the statutory income tax charges are subsequently subtracted. For all quarters, except Q4, the year-to-date cash flows are annualized.

Gross Assets are based on the carrying amount of non-current assets, excluding loans granted, and are grossed up by means of adding back the accumulated depreciation, amortization and impairment. Subsequently the net trade working capital (trade debtors minus trade creditors) is added. Balances related to assets under construction are excluded from the gross assets. The average historical investment is based on the quarter-end balances in the measurement period relevant to the quarter to which the CFROGA relates.

Segment information -excluding exceptional items-

	Revenues		EBITDA		Group operating profit	
In EUR millions	HY1 2016	HY1 2015	HY1 2016	HY1 2015	HY1 2016	HY1 2015
Netherlands	258.3	244.1	150.6	139.9	96.9	91.6
Europe, Middle East & Africa	151.3	182.3	75.8	77.7	45.2	43.6
Asia	232.0	230.6	150.2	146.1	106.1	104.2
of which Singapore	*96.6*	*94.5*	*70.6*	*68.0*	*56.4*	*54.3*
Americas	134.9	135.3	61.7	59.6	40.0	38.0
of which United States	*85.9*	*84.7*	*40.3*	*39.8*	*27.9*	*27.6*
Non-allocated	57.1	61.1	27.8	28.4	12.4	14.4
of which global LNG activities	*56.6*	*60.3*	*45.6*	*45.0*	*33.8*	*33.3*
Total	**833.6**	**853.4**	**466.1**	**451.7**	**300.6**	**291.8**

Net interest-bearing debt

In EUR millions	30-Jun-16	31-Dec-15
Non-current portion of interest-bearing loans	2,906.3	3,120.7
Current portion of interest-bearing loans	173.2	84.3
Total interest-bearing loans	**3,079.5**	**3,205.0**
Short-term borrowings	4.4	146.9
Bank overdrafts	14.4	42.6
Cash and cash equivalents	- 373.9	- 269.5
Net interest-bearing debt	**2,724.4**	**3,125.0**

Enclosure 2: Key results second quarter

In EUR millions	Revenues Q2 2016	Revenues Q2 2015	Depreciation and amortization Q2 2016	Depreciation and amortization Q2 2015	Result joint ventures and associates Q2 2016	Result joint ventures and associates Q2 2015	Group operating profit Q2 2016	Group operating profit Q2 2015
Netherlands	125.5	119.8	26.4	23.9	0.4	0.6	46.1	45.1
Europe, Middle East & Africa	43.0	66.8	10.1	11.3	9.9	4.8	18.0	19.8
Asia	97.1	97.4	16.6	16.5	12.5	12.2	59.0	56.8
of which Singapore	*70.3*	*68.3*	*10.4*	*9.9*	*0.2*	*0.1*	*42.1*	*39.4*
Americas	66.1	66.8	10.8	11.2	0.1	0.1	19.7	18.8
of which United States	*42.5*	*41.5*	*6.2*	*6.3*	*0.2*	–	*14.5*	*13.4*
Non-allocated	0.3	0.4	1.7	1.0	8.1	8.8	- 2.2	- 2.2
of which global LNG activities	–	–	–	–	*8.2*	*8.9*	*8.3*	*7.6*
Total excluding exceptional items	**332.0**	**351.2**	**65.6**	**63.9**	**31.0**	**26.5**	**140.6**	**138.3**
Exceptional items :								
Europe, Middle East & Africa							- 43.8	- 55.7
Asia							- 25.5	–
Americas							- 4.5	- 0.4
Non-allocated							- 2.1	0.1
Total including exceptional items							**64.7**	**82.3**

Highlights

In EUR millions	Q2 2016	Q2 2015	Δ
Revenues	332.0	351.2	- 5%
Results -excluding exceptional items-			
Group operating profit before depreciation and amortization (EBITDA)	206.2	202.2	2%
Group operating profit (EBIT)	140.6	138.3	2%
Results -including exceptional items-			
Group operating profit before depreciation and amortization (EBITDA)	130.3	146.2	- 11%
Group operating profit (EBIT)	64.7	82.3	- 21%

Occupancy rate subsidiaries

In percentage	Q2 2016	Q2 2015	Δ
Netherlands	96%	95%	1pp
Europe, Middle East & Africa	95%	91%	4pp
Asia	91%	85%	6pp
Americas	92%	91%	1pp
Total	**94%**	**91%**	**3pp**

Enclosure 3: Glossary

CFROGA - Cash Flow Return on Gross Assets Before Interest and After Tax
The '*Cash Flow Return on Gross Assets*' (CFROGA) is defined as EBITDA -excluding exceptional items- minus the statutory income tax charge on EBIT divided by the average historical investment (*gross assets*). The measure is used by the company to assess the cash-flow based performance trend of its operations.

EBIT - Earnings Before Interest and Tax
Net income, before income taxes, and before net finance costs. This performance measure is used by the company to evaluate the operating performance of its operating entities.

EBITDA - Earnings Before Interest, Tax, Depreciation and Amortization
Net income, before income taxes, before net finance cost, and before amortization and depreciation expenses. EBITDA is a rough accounting approximate of gross cash flows generated. This measure is used by the company to evaluate the financial performance of its operating entities.

Exceptional items
A limited set of events pre-defined by the company which are not reflective of the normal business of the company and which are exceptional by nature from a management perspective. These exceptional items include impairments, reversed impairments, additions to and releases from provisions for restructuring, results on assets sold, gains on the sale of subsidiaries, joint ventures and associates, any other provisions being formed or released and any significant change in estimates.

The Group does not apply a threshold for impairments, reversal of impairments, disposal of investments and discontinued operations. For the other items, the Group considers an event exceptional when the effect exceeds the threshold of EUR 2.75 million.

ROCE - Return On Capital Employed Before Interest and Tax
EBIT -excluding exceptional items- as a percentage of the average capital employed. This performance measure is used by the company to assess the profitability and the efficiency of its operations in relation to the capital is employed.

ROE - Return On Equity After Interest and Tax
Net income -excluding exceptional items- as a percentage of the average equity employed. This performance measure is used by the company to assess the return that the company generates with the equity funds provided by its shareholders.

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