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HALF YEAR REPORT 2017

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

06 November 2017	Publication of 2017 third-quarter interim update
16 February 2018	Publication of 2017 annual results
18 April 2018	Publication of 2018 first-quarter interim update
18 April 2018	Annual General Meeting
20 April 2018	Ex-dividend quotation
23 April 2018	Dividend record date
25 April 2018	Dividend payment date
17 August 2018	Publication of 2018 half-year results
05 November 2018	Publication of 2018 third-quarter interim update
14 February 2019	Publication of 2018 annual results

About Royal Vopak
Royal Vopak is the world's leading independent tank storage company. We operate a global network of terminals located at strategic locations along major trade routes. With over 400 years of history and a strong focus on safety and sustainability, we ensure efficient, safe and clean storage and handling of bulk liquid products and gases for our customers. By doing so, we enable the delivery of products that are vital to our economy and daily lives, ranging from oil, chemicals, gases and LNG to biofuels and vegoils. Vopak is listed on the Euronext Amsterdam stock exchange and is headquartered in Rotterdam, the Netherlands. Including our joint ventures and associates, we employ an international workforce of over 5,500 people. As of 18 August 2017, Vopak operates 67 terminals in 25 countries with a combined storage capacity of 35.9 million cbm, with another 3.2 million cbm under development, to be added before the end of 2019.

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

Royal Vopak

First Half Year Report 2017

Contents

Interim Management Report

Key events HY1 2017

Rotterdam, the Netherlands, 18 August 2017

Q2 2017	Q1 2017	Q2 2016	Δ Q2-Q2	In EUR millions	HY1 2017	HY1 2016	Δ
327.5	341.8	332.0	- 1%	Revenues	669.3	679.9	- 2%
				Results -excluding exceptional items-			
191.0	203.1	206.2	- 7%	Group operating profit before depreciation and amortization (EBITDA)	394.1	420.9	- 6%
122.7	135.4	140.6	- 13%	Group operating profit (EBIT)	258.1	291.0	- 11%
73.9	76.5	77.1	- 4%	Net profit attributable to holders of ordinary shares	150.4	173.9	- 14%
0.58	0.60	0.60	- 3%	Earnings per ordinary share (in EUR)	1.18	1.36	- 13%
				Results -including exceptional items-			
188.9	203.1	130.3	45%	Group operating profit before depreciation and amortization (EBITDA)	392.0	627.0	- 37%
120.6	135.4	64.7	86%	Group operating profit (EBIT)	256.0	497.1	- 49%
72.3	76.5	6.5	1,012%	Net profit attributable to holders of ordinary shares	148.8	384.6	- 61%
0.57	0.60	0.05	1,040%	Earnings per ordinary share (in EUR)	1.17	3.02	- 61%
				Cash flows from operating activities (gross)	321.0	374.2	- 14%
90%	91%	94%	- 4pp	Occupancy rate subsidiaries	91%	94%	- 3pp
35.9	35.7	33.6	7%	Storage capacity end of period (in million cbm)	35.9	33.6	7%
2.20	1.98	2.16		Senior net debt : EBITDA	2.20	2.16	
9.5%	9.9%	10.6%	- 1.1pp	Cash Flow Return On Gross Assets (CFROGA)	9.7%	10.8%	- 1.1pp

Highlights for HY1 2017:

- **Results in the Netherlands are below expectations, the results for EMEA, Asia and LNG are in line with outlook, while the Americas results are above expectations**
- **Average occupancy rate for the period is 91% (HY1 2016: 94%)**
- **EBITDA -excluding exceptional items- decreased (6%) to EUR 394 million, adjusted for the divestments early 2016, the pro forma EBITDA decreased by 4%**
- **Total capacity of announced new growth projects amounts to 387,000 cbm.**
  In addition, Vopak will expand Pengerang oil terminal in Malaysia with 430,000 cbm and Alemoa terminal in Brazil with 44,900 cbm
- **Efficiency program to reduce Vopak's future cost base with at least EUR 25 million by 2019 is well underway; decisions are taken to further streamline the divisional structure**

Exceptional items for HY1 2017:

- There were no material exceptional items in the first half of 2017. The large exceptional profit in the first half of 2016 related mainly to the divestment of the UK assets

Looking ahead:

- For 2017, we expect to realize an average occupancy rate of around 90% (2016: 93%). Taking into account the lower occupancy rates, additional costs related to investments in growth and technology, the missing contributions from the divested terminals early 2016 and the foreign currency exchange developments in 2017, we expect that the 2017 EBITDA will be 5-10% lower than the 2016 EBITDA (EUR 822 million)
- We are on track with the timely completion of the current projects under construction (3.2 million cbm), of which most are backed by commercial storage contracts, and the successful realization of the efficiency program
- Supported by solid operational cash flow generation, a strong balance sheet and sufficient financial flexibility, Vopak will continue its capital disciplined long-term growth journey, while maintaining on average a Cash Flow Return On Gross Assets after tax (CFROGA) between 9-11% for the total portfolio in the period 2017-2019

Royal Vopak Chief Executive Officer Eelco Hoekstra commented:

"Although our EBITDA is lower compared to last year, I am encouraged with the ongoing transition of our global portfolio. While focusing our business development efforts more on projects related to chemical and industrial terminals, and terminals facilitating the global gas markets, including our ambitions to strengthen our presence as a service provider in the LNG infrastructure market, we are still pursuing oil related opportunities in emerging countries.

HY1 2017 EBITDA -excluding exceptional items- of EUR 394 million reflects a positive market sentiment in the Americas and a stable business environment for our terminals in Asia and EMEA, while the market environment in the Netherlands has weakened compared to 2016.

Although we cannot influence the supply and demand of commodities in a business environment characterized by increasing competition, geopolitical developments and volatility in the energy and financial markets, we can influence the quality of our capital investments, lowering operating costs and improving our service. We continuously seek to improve our safety and sustainability performance, while stepping up the quality of our operations and increasing productivity, supported by the application of new technologies. This will help reduce Vopak's future cost base with at least EUR 25 million in the 2017-2019 period.

In order to support the successful realization of our 2019 ambitions, we have defined several actions throughout the various levels of the organization, from further streamlining the divisional structure of the company to simplifying processes, thereby improving the ease of doing business with Vopak. The outcome of these efforts will help deliver better value for money to our customers, thereby strengthening our competitiveness.

The coming years will be another exciting period in which we want to further improve our leadership position and I believe that despite the lower results in 2017 the current profile of the company, taking into account the solid operational cash flow generation, strong balance sheet and sufficient financial flexibility, provides an excellent platform to continue our long-term focused capital disciplined growth journey."

Key figures

	HY1 2017	HY1 2016	Δ
Sustainability			
Total Injury Rate (TIR) per 200,000 hours worked own personnel and contractors	0.40	0.19	
Lost Time Injury Rate (LTIR) per 200,000 hours worked own personnel and contractors	0.12	0.08	
Process Safety Events Rate (PSER) per 200,000 hours worked own personnel and contractors	0.30	0.23	
Results (in EUR millions)			
Revenues	669.3	679.9	- 2%
Group operating profit before depreciation and amortization (EBITDA)	392.0	627.0	- 37%
Group operating profit before depreciation and amortization (EBITDA) -excluding exceptional items-	394.1	420.9	- 6%
Group operating profit (EBIT)	256.0	497.1	- 49%
Group operating profit (EBIT) -excluding exceptional items-	258.1	291.0	- 11%
Net profit attributable to holders of ordinary shares	148.8	384.6	- 61%
Net profit attributable to holders of ordinary shares -excluding exceptional items-	150.4	173.9	- 14%
Cash flows from operating activities (gross)	321.0	374.2	- 14%
Capital employed (in EUR millions)			
Total investments	193.5	173.9	11%
Average gross assets	7,042.5	6,734.9	5%
Average capital employed	4,148.7	4,073.2	2%
Capital and financing (in EUR millions)			
Equity attributable to owners of parent	2,439.1	2,189.4	11%
Net interest-bearing debt	1,767.6	1,792.6	- 1%
Ratios (excluding exceptional items)			
EBITDA margin excluding result of joint ventures and associates	49.3%	52.1%	- 2.8pp
Cash Flow Return On Gross Assets (CFROGA) *	9.7%	10.8%	- 1.1pp
Return On Capital Employed (ROCE)	12.3%	14.3%	- 2.0pp
Return On Equity (ROE)	12.0%	15.9%	- 3.9pp
Senior net debt : EBITDA	2.20	2.16	
Interest cover (EBITDA : net finance costs)	7.5	7.2	
Key figures per ordinary share (in EUR)			
Basic earnings	1.17	3.02	- 61%
Basic earnings -excluding exceptional items-	1.18	1.36	- 13%
Diluted earnings	1.17	3.01	- 61%
Diluted earnings -excluding exceptional items-	1.18	1.36	- 13%
Company data			
Number of employees end of period subsidiaries (in FTE)	3,630	3,478	4%
Number of employees end of period joint ventures and associates (in FTE)	2,107	2,121	- 1%
Storage capacity end of period subsidiaries (in million cbm)	19.7	19.6	1%
Storage capacity end of period joint ventures and associates (in million cbm)	12.4	11.7	6%
Storage capacity end of period operatorships (in million cbm)	3.8	2.3	65%
Occupancy rate subsidiaries (average rented storage capacity in %)	91%	94%	- 3pp
Information on proportionate basis**			
Group operating profit before depreciation and amortization (EBITDA) -excluding exceptional items-	440.9	466.1	- 5%
Cash Flow Return On Gross Assets (CFROGA) *	9.4%	10.3%	- 0.9pp
Occupancy rate subsidiaries, joint ventures and associates	91%	94%	- 3pp
Number of shares outstanding			
Basic weighted average	127,480,709	127,532,581	
Weighted average including dilutive effect	127,702,542	127,685,509	
Total including treasury shares end of period	127,835,430	127,835,430	
Treasury shares end of period	291,599	370,000	
Exchange rates (per EUR 1.00)			
Average US dollar	1.08	1.12	
US dollar end of period	1.14	1.11	
Average Singapore dollar	1.52	1.54	
Singapore dollar end of period	1.57	1.50	

** For the definition of CFROGA reference is made to Enclosure 3 in this report*

*** Vopak provides Non-IFRS proportionate financial information, for further details reference is made to Enclosure 1 in this report*

Business and other highlights

HY1 2017 events:

- On 17 February 2017, Vopak and its partner Reatile announced that they will expand their activities in South Africa. The expansion comprises two projects; a) a new 100,000 cbm inland terminal in the Gauteng province (Johannesburg) connected to Vopak Terminal Durban via the Transnet Multi Product Pipeline and b) an expansion of Vopak Terminal Durban with 130,000 cbm
- On 19 April 2017, Vopak announced that it will expand its wholly-owned terminal in Alemoa, which is located in Brazil's Port of Santos, Latin America's largest port. The expansion will add 16 new tanks with a capacity of 61,000 cbm. In addition, five additional truck loading bays will be constructed that are designed to handle up to 130 additional trucks per day.
  The expansion is expected to be commissioned in Q2 2019
- On 26 April 2017, after careful consideration, Vopak and Exmar jointly concluded that the closing of the envisaged acquisition by Vopak of Exmar's participation in FRSU assets would no longer be pursued. The finalization of the deal was subject to consent and cooperation of multiple stakeholders, which was not realized
- On 6 May 2017, Royal Vopak and AltaGas Ltd. (AltaGas) announced that they have entered into a joint venture agreement and will invest together in the development of the Ridley Island Propane Export Terminal (RIPET). RIPET will be the first propane export facility off the west coast of Canada. The project is to be designed to ship 1.2 million tonnes of propane per annum, with approximately 96,000 cubic meters of storage capacity. The facility is expected to be commissioned in Q1 2019. Vopak has a 30 percent interest in RIPET

Subsequent events:

- On 21 July 2017, it was announced that Gasunie LNG Holding B.V., Oiltanking GmbH and Vopak LNG Holding B.V. have acquired the approval under the EU Merger Regulation to establish a joint venture for owning and operating a liquefied natural gas (LNG) terminal in Northern Germany. This decision is a milestone within the feasibility study the companies are currently conducting
- On 18 August 2017, it was announced through a separate press release that Vopak and its joint venture partners have the intention to expand their independent storage terminal (PITSB) in Pengerang, Johor in southern Malaysia. PITSB will be expanded with 430,000 cbm to a total capacity of 1.7 million cubic meters.The expansion is expected to be commissioned Q1 2019
- On 18 August 2017, Vopak announces that it will further expand its wholly-owned terminal in Alemoa which is located in the Port of Santos, Latin America's largest port. This expansion is in addition to the expansion announced on 19 April 2017. The expansion will add another 44,900 cbm to Vopak's Alemoa Terminal. The total capacity of the terminal after the expansion will be 279,900 cbm. The investment is underpinned by long-term customer contracts and is expected to be commissioned in Q2 2019

Other:

- At the Annual General Meeting held on 19 April 2017, Mrs H.B.B. Sørensen was appointed as a member of the Supervisory Board as per that date for a term of four years.
  Mr R.G.M. Zwitserloot was re-appointed as a member of the Supervisory Board for a new term of four years
- Effective per 1 January 2018, Vopak will streamline its divisional structure, resulting in a situation where the Group will comprise of five divisions instead of the current six.
  The five divisions will be Europe & Africa, Asia & Middle East, China/North Asia, Americas and LNG

This is amongst others a part of the organizational and operational efficiency programs in relation to the earlier announced strategic direction for the period 2017-2019

- In line with the resignation schedule Mr Frans Cremers, Chairman of the Audit Committee, will step down from the Supervisory Board following the Annual General Meeting to be held on 18 April 2018. It will be proposed to appoint Mr Ben van der Veer as member of the Supervisory Board, ultimately during the Annual General Meeting to be held on 18 April 2018. Mr Ben van der Veer has an extensive senior management experience gained in various executive and non-executive functions at internationally operating companies

Sustainability review

To Vopak, sustainability means generating added value for our stakeholders, from customers, business partners and investors, to governments, local communities and society at large 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, surface and sewage water. We report on our progress in the Annual Report. The sustainability information in the Annual Report 2016 covers all relevant objectives and achievements.

The year 2017 started off with a regretful and deeply tragic fatal accident due to a fall from height at our ACS terminal in Antwerp (Belgium) involving a well-respected contractor. This is a reminder to all of us that we need to continue to focus on how to further improve our safety culture, systems and hardware to ensure a safe working place for all.

On 28 May, a third party fatality (homicide) occurred at our joint venture terminal Uniao-Vopak Armazens Gerais in Brazil at the truck off-site parking lot located 800 meter away from the terminal committed by a third party truck driver. The cause of the homicide is still under investigation by local police. The terminal is reviewing ways to further improve security measures at the parking lot.

	Total Injury Rate		Lost Time Injury Rate		Process Safety Event Rate	
	HY1 2017	HY1 2016	HY1 2017	HY1 2016	HY1 2017	HY1 2016
Netherlands	1.56	0.36	0.48	0.24	0.72	0.60
Europe, Middle East & Africa	0.87	0.33	0.39	0.11	0.39	0.11
Asia	0.18	0.12	0.02	0.07	0.20	0.12
Americas	0.10	0.10	–	–	–	0.52
LNG	–	–	–	–	1.08	0.50
Global HQ	–	0.73	–	0.73	–	–
Total Vopak	**0.40**	**0.19**	**0.12**	**0.08**	**0.30**	**0.23**

In terms of personal safety, the TIR, measured as the number of injuries per 200,000 hours worked, increased to 0.40 (HY1 2016: 0.19). The combined total injuries (between own employees and contractors) in the first half of 2017 almost doubled: 31 injuries compared to the 16 injury events recorded in HY1 2016. This is mainly driven by an increase of injury cases in the ARA region.
The Lost Time Injury Rate (LTIR, per 200,000 working hours) for own employees and contractors also increased to 0.12 (HY1 2016: 0.08).

In terms of Tier 1 and Tier 2 process safety event rate (PSER), the PSER increased to 0.30 (HY1 2016: 0.23).

In our emissions to soil, surface and sewage water, we had 31 spills representing a total of 628 metric tons product (HY1 2016: 27 spills representing 713 metric tons) of which one major (recovered) spill of 450 metric tons of gasoil at our Eurotank terminal (Belgium).

	Contained	Uncontained	Total
Total number of reportable spills	22	9	31
Total amount of spills (metric tons)	602	26	628

We consider these trends concerning in relation to our continuous improvement aim and we are further intensifying our efforts to turn our performance around.

Financial review

Revenues

In the first half year of 2017, Vopak's revenues amounted to EUR 669.3 million, which was EUR 10.6 million (2%) lower than the first six months of 2016 (EUR 679.9 million). Excluding the positive currency translation effect of EUR 8.6 million, the decrease amounted to EUR 19.2 million. The effects of the divestments of early 2016 were EUR 17.1 million. The lower revenues in the Netherlands were partially offset by higher revenues mainly in the Americas.

The average occupancy rate for Vopak's subsidiaries (i.e. excluding joint ventures and associates) for the first six months of 2017 decreased to 91% compared to 94% in the first half year of 2016. This decrease is for a large part attributable to the Netherlands division.

Vopak's worldwide storage capacity increased with 2.3 million cbm from 33.6 million cbm per the end of June 2016 to 35.9 million cbm per the end of June 2017. This increase primarily relates to the new operatorship of storage caverns in Singapore and additional capacity at our associate in Saudi Arabia.

Group operating profit

Group operating profit before depreciation and amortization (EBITDA) -excluding exceptional items- and including the net result of joint ventures and associates, decreased by EUR 26.8 million (6%) to EUR 394.1 million (HY1 2016: EUR 420.9 million). Excluding the positive currency translation effect of EUR 3.9 million, the decrease amounted to EUR 30.7 million, to a large extent explained by the lower revenues due to a lower occupancy, and higher expenses. In comparison to last year, the divestments completed early 2016 did not contribute to the results in the first six months of 2017, which had an adverse effect of EUR 10.1 million.

Operating expenses -excluding exceptional items- increased by EUR 12.3 million to EUR 342.3 million (HY1 2016: EUR 330.0 million). Excluding the negative currency translation effect of EUR 5.6 million and the positive effects of the divestments of EUR 8.3 million, the increase amounted to EUR 15.0 million. This increase in expense is to a large extent due to newly added capacity and new operatorships.

The net result of joint ventures and associates -excluding exceptional items-, which is included in the reported EBIT(DA) based on IFRS equity accounting, decreased by EUR 1.3 million or 2% to EUR 61.4 million (HY1 2016: EUR 62.7 million). Excluding the positive currency translation effect of EUR 0.9 million, the decrease amounted to EUR 2.2 million. This decrease was mainly due to a slightly lower performance of joint venture terminals in the EMEA division and Asia division.

Depreciation and amortization charges amounted to EUR 136.0 million, which was EUR 6.1 million (5%) higher compared to the first half year of 2016 (EUR 129.9 million). Excluding the negative currency translation effect of EUR 1.9 million, the increase amounted to EUR 4.2 million. The higher depreciation and amortization charges are primarily related to capacity increases at existing terminals mainly in the EMEA and Americas division.

Group operating profit (EBIT) -excluding exceptional items- amounted to EUR 258.1 million; a decrease of EUR 32.9 million (11%) compared to EUR 291.0 million in the same period of 2016. Excluding the positive currency translation effect of EUR 2.0 million, the decrease amounted to EUR 30.9 million. The adverse effect of the divestments completed early 2016 amounted to EUR 10.1 million.

Exceptional items
During HY1 2017, an immaterial exceptional loss before taxation of EUR 2.1 million (HY1 2016: an exceptional gain of EUR 206.1 million) was recognized, related to a scope change of a business development project in the Netherlands.

Including exceptional items, group operating profit amounted to EUR 256.0 million in HY1 2017, which is a decrease of EUR 241.1 million (49%), compared to EUR 497.1 million in the same period of 2016. The 2016 exceptional gain primarily related to the divestment of the UK assets.

Net profit attributable to holders of ordinary shares
In the first six-month period of 2017 the net profit attributable to holders of ordinary shares -excluding exceptional items- decreased by EUR 23.5 million (14%) to EUR 150.4 million from EUR 173.9 million in the same period of 2016.

Net profit attributable to holders of ordinary shares -including exceptional items- amounted to EUR 148.8 million, a decrease of EUR 235.8 million or 61% compared to EUR 384.6 million in the first half of 2016.

Earnings per ordinary share -excluding exceptional items- decreased by 13% to EUR 1.18 (HY1 2016: EUR 1.36). The weighted average number of outstanding ordinary shares was 127,480,709 for HY1 2017 (HY1 2016: 127,532,581). Including exceptional items, the earnings per ordinary share decreased by 61% to EUR 1.17 (HY1 2016: EUR 3.02).

Gross cash flows from operating activities
The gross cash flows from operating activities for the first half year of 2017 of EUR 321.0 million were 14% lower compared to prior year (HY1 2016: EUR 374.2 million), following the movement of the operating profit.

Strategic investments and divestments

Investments and divestments
Total non-current assets decreased with EUR 183.5 million to EUR 4,790.5 million (31 December 2016: EUR 4,974.0 million). In the first half year of 2017, total investments amounted to EUR 194.6 million (HY1 2016: EUR 173.9 million), of which EUR 116.5 million was invested in property, plant and equipment (HY1 2016: EUR 139.5 million). The remainder primarily relates to investments in joint ventures and associates of EUR 16.4 million and loans granted of EUR 50.6 million.

Of the investments in property, plant and equipment, EUR 26.2 million was invested in expansions at existing terminals (HY1 2016: EUR 41.0 million).

As part of the strategic direction for the period 2017-2019, Vopak aims to spend a maximum of approximately EUR 750 million on sustaining and service improvement capex for the period 2017-2019. In addition, Vopak has decided to invest approximately EUR 100 million in the period 2017-2019 in new technology and innovation programs as well as replacing its IT systems.
The service, maintenance, compliance and IT capex for the first half year of 2017 amounted to EUR 96.3 million (HY1 2016: EUR 104.3 million).

Impairments
There were no material impairments recognized in the first half of 2017 (HY1 2016: 53.6 million).

Cash flows from investing and divesting activities
The cash outflows from investing activities for the first half year of 2017 amounted to EUR 195.8 million (HY1 2016: cash inflow of EUR 370.6 million). This difference of EUR 566.4 million is primarily related to the proceeds from the divestment of the UK assets early 2016 of EUR 414.6 million.

Capital Structure

Equity
The equity attributable to holders of ordinary shares increased by EUR 39.4 million to EUR 2,439.1 million (31 December 2016: EUR 2,399.7 million). The increase mainly resulted from the addition of the net profit for the period of EUR 148.8 million, the net actuarial gains on defined benefit plans of EUR 68.4 million, other items of Other Comprehensive Income of EUR 42.4 million and the dividend payments in cash of EUR 133.9 million (EUR 1.05 per ordinary share with a nominal value of EUR 0.50).

Net debt
The net interest-bearing debt decreased with EUR 36.6 million to EUR 1,767.6 million (31 December 2016: EUR 1,804.2 million). This decrease is mainly related to the cash flow generated during the period, together with the positive effects of foreign exchange differences.

During the first half year of 2017, EUR 102.7 million (EUR 12.5 million and USD 100 million) (HY1 2016: EUR 346.8 million, including early repayments) of debt repayments took place. For the remainder of 2017, EUR 63.8 million (EUR 20 million and USD 50 million) of regular repayments on long-term loans are scheduled.

The Senior Net Debt : EBITDA ratio was 2.20 as at 30 June 2017, which is higher than the previous period (31 December 2016: 2.04), and well below the maximum agreed ratios in the covenants with the lenders.

Net finance costs
In the first half of 2017, the Group's net finance costs -excluding exceptional items- amounted to EUR 52.3 million (HY 2016: EUR 55.9 million). This decrease of EUR 3.6 million is primarily caused by lower interest expenses in 2017, whereas in 2016 a make-whole payment of EUR 4.4 million relating to the voluntary early redemption of the SGD Asian PP loan was included, following the cash proceeds of the divestments early 2016.

The average interest rate over the reporting period, including the effect of hedge accounting, was 4.44% (HY1 2016: 4.35%). The fixed-to-floating ratio of the long-term interest-bearing loans, including interest rate swaps, amounted to 99% versus 1% at 30 June 2017, in line with the same period last year.

Cash flows from financing activities
The cash outflow from financing activities amounted to EUR 281.8 million (HY1 2016: outflow of EUR 551.0 million). This decrease in the cash outflows from financing activities of EUR 269.2 million was for a large part the result of the 2016 early prepayment of loans of EUR 174.1 million, while such early prepayments are not present in 2017. In addition, in 2017 the company utilized part of its short term credit facilities for EUR 22.7 million, while in the previous year the company fully repaid these facilities for the amount of EUR 56.8 million.

Income taxes
Income tax expense -excluding exceptional items- for the first half year of 2017 amounted to EUR 33.8 million, a decrease of EUR 4.9 million (13%) compared with EUR 38.7 million in the same period of 2016. The effective tax rate -excluding exceptional items- for the first half year of 2017 of 16.4% is in line with 16.5% for the first half year of 2016.

The tax effect on exceptional items for group companies was immaterial (HY1 2016: EUR 4.5 million). Income tax expense -including exceptional items- for the first half year of 2017 amounted to EUR 33.3 million, which is in line with EUR 34.2 million in the same period of 2016.

The effective tax rate -including exceptional items for the first half year of 2017 was 16.3% compared to 7.8% in HY1 2016. This increase is primarily caused by the 2016 tax effect of the Dutch participation exemption on the gain on the divestment of three terminals and a development project in the United Kingdom.

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 the company's regular periodic risk management assessment, the Global Risk Committee has coordinated and monitored the risk management process during the first half of 2017.
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 materially change the risk appetite and the risks identified to those reported in our 2016 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 2017.

Reference is made to the 2016 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 102 to 113 and page 129).

Market developments

Vopak continuously reviews the latest trends in the energy, manufacturing and food and agriculture markets. We closely work together with our partners and customers to translate these developments into new opportunities and anticipate their impact on our business.

Crude oil and oil products
Even with the continuation of OPEC production cuts, led by Saudi Arabia and Russia (non-OPEC), crude oil prices remained under pressure in the first half of 2017. This was mainly due to the further recovery of shale oil production in the US, which is re-emerging as the global engine for oil supply growth.

After a weak start of the year, global demand for oil products has been strengthening. In the first six months of 2017, diesel demand picked up in OECD countries reflecting economic recovery. The contrary is seen in non-OECD with limited growth due to a slow recovery in China. Gasoline demand in OECD has been lagging but is expected to pick-up in light of the US driving season. Jet demand remains very solid globally.

Vopak has benefited from this market sentiment with healthy occupancy rates and solid throughput levels, specifically for crude oil and refined products. However, within the fuel oil segment, we see the demand for storage and handling services weakening as a result of a tougher market environment for our customers caused by a backwardated market, lower blending margins and a decline in total volumes ex Baltics by-passing Rotterdam.

Chemicals and gases
The US Gulf Coast remains one of the key investment regions for petrochemical companies, thanks to the abundance of cheap feedstock. During the start of the year, heavier feedstocks such as naphtha were preferred over ethane as feedstock in the US, driven by strong co-product prices. In Q2, ethane returned to being the advantaged feed in the region. These developments continue to support the steady growth in Vopak's chemicals business in the Americas.

Most petrochemical companies in Europe remain conservative with expanding or upgrading their capacities, while demand in the region is expected to maintain its steady growth path.
The Middle East continues to contend with a more self-sufficient Asia and a mature Europe as it grows its production of polymers and other chemicals throughout 2017, adding to an increasing supply glut. In Asia, margin pressures are increasing among domestic chemicals producers due to an overcapacity in basic commodities and in certain value chains. Lower crude prices, resulting in cheaper naphtha and propane feedstock costs, have enabled cracker and PDH operators to run their units at full tilt due to wider production margins. Demand for chemicals in the region continues to be healthy, supported by stable growth in end-markets, including manufacturing, automotive and construction.

Propane exports from the Americas to Asia are expected to increase further, in particular exports from West Canada to Asia directly, supported by the new Ridley Island Propane Export Terminal (RIPET); expected to be operational in 2019. On a regional level we observe that LPG demand has been growing the most in India, mainly driven by governmental subsidies that promote the shift from kerosene to LPG for domestic purposes. Finally, in respect to lower butane and propane prices due to seasonality in demand, the economics are currently in favor of cracking LPG instead of naphtha in the ARA region.

Biofuels and vegoils

Biofuels

Legislation and trade policies continue influencing the biofuels and feedstock flows, which at present is considered to be moving into a positive direction for the trade flows in Europe. In contrast, the biofuel market in the US is marked by uncertainty around the new administration's intentions concerning biodiesel imports, related to the antidumping and countervailing duty petition filed against Argentinian and Indonesian product. The request of a tax to be imposed on imports of biodiesel could significantly decrease the volumes brought into the US. Additionally, Brazil's sugar industry group is seeking the introduction of an ethanol import tariff, one of the increasing destination of US surplus.

Vegoils

The vegoils market has been good for the first half of 2017, supporting our terminals in the Netherlands and the Americas. Economic growth in Brazil started to regain momentum, even with the current political crisis. This has started to positively impact a few sectors, such as the food and agriculture market, which is expected to recover further.

LNG

Qatar has been at the center of a geopolitical conflict in the Middle East, as a number of Arab countries cut diplomatic ties to the Gulf state in June this year. For now, the global LNG market is largely unaffected. However, if tensions escalate, there could be implications for global gas flows. Although the likelihood of any major impact is low, the threat is expected to feed into greater short-term volatility and risk for spot markets.

LNG demand is forecast to increase further in 2017. China and India will be among the top growth regions during the year, supported by an increase in contracted Australian supply. In the first half of the year, Northeast Asian demand has been relatively strong owing to a cold winter and temporary nuclear outages in Japan. Pakistan remains a high-growth potential market for LNG, as its imports have been growing substantially over the past two years. European demand growth has been modest so far this year.

Storage capacity developments

	End HY1 2016	Net change HY2 2016	End 2016	Net change HY1 2017	End HY1 2017	Under development	End 2019
Subsidiaries	19.6	0.1	19.7	–	19.7	0.8	20.5
Joint ventures and associates	11.7	0.5	12.2	0.2	12.4	2.4	14.8
Operatorships	2.3	0.5	2.8	1.0	3.8	–	3.8
Total capacity	**33.6**	**1.1**	**34.7**	**1.2**	**35.9**	**3.2**	**39.1**

Since the end of December 2016, our worldwide capacity has increased by 1.2 million cbm, to a total of 35.9 million cbm as per the end of HY1 2017.

Storage capacity Development					
Country	**Terminal**	**Vopak's ownership**	**Products**	**Capacity (cbm)**	**Commissioned**
Storage capacity per 31 December 2016				**34.7**	
New terminals					
Singapore	Banyan Cavern Storage Services	n.a. [1]	Oil products	990,000	Q1 2017
Saudi Arabia	Chemtank Jubail	25%	Chemicals	232,000	Q1 2017-Q2 2017
Net change for the period as per 30 June 2017				**1.2**	**million cbm**
Total Storage capacity per 30 june 2017:				**35.9**	**million cbm**

[1] Only acting as operator; Vopak Terminals Singapore (in which Vopak holds 69.5%) has a 45% interest in a joint service company.

Once completed, all projects currently under development will add 3.2 million cbm of storage capacity to our global network (on a 100% basis) in the period up to and including 2019.

Announced storage capacity developments for the period up to and including 2019					
Country	**Terminal**	**Vopak's ownership**	**Products**	**Capacity (cbm)**	**Expected**
Existing terminals					
China	Caojing	50%	Chemicals	24,000	Q3 2017-Q4 2017
United States	Deer Park	100%	Chemicals	138,000	Q1 2019
Malaysia	Pengerang Independent Terminals (PITSB)	44%	Oil products	430,000	Q1 2019
Brazil	Alemoa	100%	Chemicals	106,000	Q2 2019
South Africa	Durban	70%	Oil products	130,000	Q2 2019
New terminals					
Saudi Arabia	Chemtank Jubail	25%	Chemicals	145,000	Q3 2017-Q4 2017
Canada	Ridley Island Propane Export Terminal	30%	LPG	96,000	Q1 2019
Panama	Panama Atlantic	100%	Oil products	360,000	Q2 2019
South Africa	Lesedi	70%	Oil products	100,000	Q2 2019
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:				**3.2**	**million cbm**
Total Storage capacity up to and including 2019				**39.1**	**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.

Results HY1 2017 by division

Netherlands

In EUR millions	HY1 2017	HY1 2016	Δ
Revenues	235.4	251.9	- 7%
Results -excluding exceptional items-			
Group operating profit before depreciation and amortization (EBITDA)	122.4	148.0	- 17%
Group operating profit (EBIT)	69.1	95.5	- 28%
Results -including exceptional items-			
Group operating profit before depreciation and amortization (EBITDA)	120.3	148.0	- 19%
Group operating profit (EBIT)	67.0	95.5	- 30%
Average gross assets	2,363.5	2,252.7	5%
Average capital employed	1,239.1	1,211.9	2%
Occupancy rate subsidiaries	91%	96%	- 5pp
Storage capacity end of period (in million cbm)	10.0	10.0	–

Revenues of the Netherlands division amounted to EUR 235.4 million for the first half year of 2017, a decrease of EUR 16.5 million (7%) compared to the same period prior year (EUR 251.9 million). This was for the larger part due to the absence of a positive market sentiment for the storage and handling of oil products and temporarily higher out-of-service capacity at our chemical terminals. The average occupancy rate for the division decreased by five percentage points to 91% from 96% in HY1 2016.

Group operating profit -excluding exceptional items- decreased by EUR 26.4 million (28%) to EUR 69.1 million (HY1 2016: EUR 95.5 million). This decrease was mainly caused by lower revenues and higher operating expenses, among others related to IT initiatives.

An exceptional loss of EUR 2.1 million was recognized for an impairment related to a scope change of a business development project.

Europe, Middle East & Africa (EMEA)

In EUR millions	HY1 2017	HY1 2016	Δ
Revenues	89.0	101.5	- 12%
Results -excluding exceptional items-			
Group operating profit before depreciation and amortization (EBITDA)	55.0	62.7	- 12%
Group operating profit (EBIT)	33.3	43.2	- 23%
Results -including exceptional items-			
Group operating profit before depreciation and amortization (EBITDA)	55.0	301.7	- 82%
Group operating profit (EBIT)	33.3	282.2	- 88%
Average gross assets	1,184.4	1,106.2	7%
Average capital employed	809.6	784.7	3%
Occupancy rate subsidiaries	92%	95%	- 3pp
Storage capacity end of period (in million cbm)	8.7	7.9	10%

Revenues in the EMEA (Europe, Middle East & Africa) division decreased by EUR 12.5 million (12%) to EUR 89.0 million (HY1 2016: EUR 101.5 million). Excluding the positive currency translation effect of EUR 1.7 million, the decrease amounted to EUR 14.2 million. The decrease was primarily caused by the effect of the divestments early 2016 of EUR 17.1 million. The average occupancy rate for the division decreased by three percentage points to 92% from 95% in HY1 2016. This decrease was among others was caused by the divestment of the UK assets early 2016.

Group operating profit -excluding exceptional items- decreased by EUR 9.9 million (23%) to EUR 33.3 million (HY1 2016: EUR 43.2 million). Excluding a positive currency translation effect of EUR 1.3 million, the decrease amounted to EUR 11.2 million. The divestments of early 2016 had a negative effect of EUR 9.0 million.

Additional capacity of 0.4 million cbm in total is currently under construction.

Asia

In EUR millions	HY1 2017	HY1 2016	Δ
Revenues	194.1	191.9	1%
Results -excluding exceptional items-			
Group operating profit before depreciation and amortization (EBITDA)	145.7	150.2	- 3%
Group operating profit (EBIT)	112.8	117.3	- 4%
Results -including exceptional items-			
Group operating profit before depreciation and amortization (EBITDA)	145.7	123.3	18%
Group operating profit (EBIT)	112.8	90.4	25%
Average gross assets	2,291.5	2,278.5	1%
Average capital employed	1,382.4	1,424.9	- 3%
Occupancy rate subsidiaries	90%	92%	- 2pp
Storage capacity end of period (in million cbm)	12.5	11.5	9%

In the Asia division, the revenues for the first half year of 2017 increased by EUR 2.2 million (1%) to EUR 194.1 million (HY1 2016: EUR 191.9 million). Excluding the positive currency translation effect of EUR 3.6 million, the revenues were slightly lower compared to prior year. The average occupancy rate for the division decreased by two percentage points to 90% from 92% in HY1 2016.

Group operating profit -excluding exceptional items- decreased by EUR 4.5 million (4%) to EUR 112.8 million (HY1 2016: EUR 117.3 million). Excluding the positive currency translation effect of EUR 2.0 million, the group operating profit -excluding exceptional items- decreased by EUR 6.5 million. This decrease was mainly caused by the lower results from joint ventures and associates and the slightly lower revenues, while the operating expenses remained in line with prior year. 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 2018.

Additional capacity of 2.1 million cbm in total is currently under construction.

Americas

In EUR millions	HY1 2017	HY1 2016	Δ
Revenues	149.9	134.1	12%
Results -excluding exceptional items-			
Group operating profit before depreciation and amortization (EBITDA)	68.8	61.9	11%
Group operating profit (EBIT)	44.9	40.4	11%
Results -including exceptional items-			
Group operating profit before depreciation and amortization (EBITDA)	68.8	59.5	16%
Group operating profit (EBIT)	44.9	38.0	18%
Average gross assets	981.3	900.6	9%
Average capital employed	531.1	484.4	10%
Occupancy rate subsidiaries	90%	92%	- 2pp
Storage capacity end of period (in million cbm)	3.9	3.4	15%

In the Americas division, the revenues in the first half year of 2017 of EUR 149.9 million were EUR 15.8 million (12%) higher than the revenues of the same period prior year (HY1 2016: EUR 134.1 million). Excluding the positive currency translation effect of EUR 3.3 million, the increase amounted to EUR 12.5 million. This increase was mainly due to the improved occupancy rate of our terminals in Mexico and Brazil and the operatorship fee for the terminal in Panama. The average occupancy rate for the division decreased by two percentage points to 90% from 92% in HY1 2016.

Group operating profit -excluding exceptional items- increased by EUR 4.5 million (11%) to EUR 44.9 million (HY1 2016: EUR 40.4 million). Excluding the negative currency translation effect of EUR 1.3 million, the increase amounted to EUR 5.8 million. The increase was mainly caused by the higher revenues, which were partially offset by an increase on the operating expenses. The increase in the expenses relates to a large extent to our operations in Panama.

Additional capacity of 0.7 million cbm in total is currently under construction.

LNG

In EUR millions	HY1 2017	HY1 2016	Δ
Results -excluding exceptional items-			
Group operating profit before depreciation and amortization (EBITDA)	17.3	16.0	8%
Group operating profit (EBIT)	17.3	16.0	8%
Results -including exceptional items-			
Group operating profit before depreciation and amortization (EBITDA)	17.3	16.0	8%
Group operating profit (EBIT)	17.3	16.0	8%
Average gross assets	167.2	160.4	4%
Average capital employed	166.8	151.4	10%
Storage capacity end of period (in million cbm)	0.8	0.8	–

The 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 amounted to EUR 17.3 million, which is an increase of EUR 1.3 million (8%) compared to prior year (HY1 2016: EUR 16.0 million).

Global functions, corporate activities and others

The global operating costs decreased by EUR 2.1 million (10%) to EUR 19.3 million (HY1 2016: EUR 21.4 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 2017 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 2017 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, 17 August 2017

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 2017	HY1 2016
Revenues	669.3	679.9
Other operating income	5.7	293.2
Total operating income	**675.0**	**973.1**
Personnel expenses	171.6	170.2
Depreciation and amortization	136.0	129.9
Impairment	2.1	4.5
Other operating expenses	170.7	185.1
Total operating expenses	**480.4**	**489.7**
Operating profit	194.6	483.4
Result joint ventures and associates using the equity method	61.4	13.7
Group operating profit	**256.0**	**497.1**
Interest and dividend income	6.5	6.0
Finance costs	- 58.8	- 61.9
Net finance costs	**- 52.3**	**- 55.9**
Profit before income tax	203.7	441.2
Income tax	- 33.3	- 34.2
Net profit	**170.4**	**407.0**
Non-controlling interests	- 21.6	- 22.4
Net profit holders of ordinary shares	**148.8**	**384.6**
Basic earnings per ordinary share (in EUR)	1.17	3.02
Diluted earnings per ordinary share (in EUR)	1.17	3.01

Consolidated statement of comprehensive income

In EUR millions	HY1 2017	HY1 2016
Net profit	**170.4**	**407.0**
Exchange differences on translation of foreign operations	- 115.3	1.3
Net investment hedges	49.8	3.3
Use of exchange rate differences on translation of foreign operations and use of net investment hedges	–	- 4.9
Effective portion of changes in fair value of cash flow hedges	13.4	10.2
Use of effective portion of cash flow hedges to statement of income	- 1.2	- 2.0
Share in other comprehensive income of joint ventures and associates	5.0	- 14.1
Other comprehensive income that may be reclassified to statement of income in subsequent periods	**- 48.3**	**- 6.2**
Remeasurement of defined benefit plans	68.4	- 64.8
Other comprehensive income that will not be reclassified to statement of income in subsequent periods	**68.4**	**- 64.8**
Other comprehensive income, net of tax	**20.1**	**- 71.0**
Total comprehensive income	**190.5**	**336.0**
Attributable to:		
Holders of ordinary shares	174.8	310.2
Non-controlling interests	15.7	25.8
Total comprehensive income	**190.5**	**336.0**

Note: All amounts are net of tax.

Vopak

Condensed consolidated statement of financial position

In EUR millions	Note	30-Jun-17	31-Dec-16
ASSETS			
Intangible assets	5	145.1	145.8
Property, plant and equipment	5	3,455.3	3,553.0
- Joint ventures and associates		1,068.7	1,091.7
- Finance lease receivable		30.0	30.5
- Loans granted		14.9	14.5
- Other financial assets		1.0	1.1
Financial assets	5	1,114.6	1,137.8
Deferred taxes		4.8	15.7
Derivative financial instruments		44.6	94.2
Other non-current assets		26.1	27.5
Total non-current assets		**4,790.5**	**4,974.0**
Trade and other receivables		218.0	224.6
Loans granted	5	49.9	-
Prepayments		37.5	16.4
Derivative financial instruments		26.1	35.9
Cash and cash equivalents	8	167.5	306.0
Assets held for sale		19.6	25.1
Total current assets		**518.6**	**608.0**
Total assets		**5,309.1**	**5,582.0**
EQUITY			
- Issued capital		63.9	63.9
- Share premium		194.4	194.4
- Treasury shares		- 11.2	- 13.2
- Other reserves		- 163.9	- 121.5
- Retained earnings		2,355.9	2,276.1
Equity attributable to owners of parent	7	**2,439.1**	**2,399.7**
Non-controlling interests	9	156.2	159.3
Total equity		**2,595.3**	**2,559.0**
LIABILITIES			
Interest-bearing loans	8	1,794.9	1,938.7
Derivative financial instruments		69.4	71.2
Pensions and other employee benefits		73.9	169.0
Deferred taxes		230.7	221.3
Provisions		22.2	23.8
Other non-current liabilities		25.1	28.8
Total non-current liabilities		**2,216.2**	**2,452.8**
Bank overdrafts and short-term borrowings	8	76.1	8.5
Interest-bearing loans	8	64.1	163.0
Derivative financial instruments		4.2	11.0
Trade and other payables		289.0	302.1
Taxes payable		42.3	47.9
Pensions and other employee benefits		1.9	1.5
Provisions		20.0	36.2
Total current liabilities		**497.6**	**570.2**
Total liabilities		**2,713.8**	**3,023.0**
Total equity and liabilities		**5,309.1**	**5,582.0**

Condensed consolidated statement of changes in equity

In EUR millions	Issued capital	Share premium	Treasury shares	Other reserves	Retained earnings	Total	Non-controlling 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**

In EUR millions	Issued capital	Share premium	Treasury shares	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
	Equity attributable to owners of parent							
Balance at 31 December 2016	**63.9**	**194.4**	**- 13.2**	**- 121.5**	**2,276.1**	**2,399.7**	**159.3**	**2,559.0**
Net profit	–	–	–	–	148.8	148.8	21.6	170.4
Other comprehensive income, net of tax	–	–	–	- 42.4	68.4	26.0	- 5.9	20.1
Total comprehensive income	**–**	**–**	**–**	**- 42.4**	**217.2**	**174.8**	**15.7**	**190.5**
Dividend paid in cash	–	–	–	–	- 133.9	- 133.9	- 18.8	- 152.7
Purchase treasury shares	–	–	- 1.6	–	–	- 1.6	–	- 1.6
Measurement of equity-settled share-based payment arrangements	–	–	–	–	0.1	0.1	–	0.1
Settlement of equity-settled share-based payment arrangements	–	–	3.6	–	- 3.6	–	–	–
Total transactions with owners	**–**	**–**	**2.0**	**–**	**- 137.4**	**- 135.4**	**- 18.8**	**- 154.2**
Balance at 30 June 2017	**63.9**	**194.4**	**- 11.2**	**- 163.9**	**2,355.9**	**2,439.1**	**156.2**	**2,595.3**

Condensed consolidated statement of cash flows

In EUR millions	HY1 2017	HY1 2016
Cash flows from operating activities (gross)	**321.0**	**374.2**
Interest received	2.3	2.8
Dividend received	0.9	1.0
Income tax paid	- 26.9	- 44.2
Cash flows from operating activities (net)	**297.3**	**333.8**
Investments:		
Intangible assets	- 10.7	- 5.8
Property, plant and equipment	- 115.6	- 139.5
Joint ventures and associates	- 0.5	- 28.3
Loans granted	- 50.6	- 0.3
Other non-current assets	- 0.2	–
Acquisitions of joint ventures and associates	- 15.9	–
Total investments	**- 193.5**	**- 173.9**
Disposals and repayments:		
Property, plant and equipment	0.3	2.5
Loans granted	–	85.9
Finance lease receivable	2.5	2.4
Assets held for sale	–	458.4
Total disposals and repayments	**2.8**	**549.2**
Cash flows from investing activities (excluding derivatives)	**- 190.7**	**375.3**
Settlement of derivatives (net investment hedges)	- 5.1	- 4.7
Cash flows from investing activities (including derivatives)	**- 195.8**	**370.6**
Financing:		
Repayment of interest-bearing loans	- 102.7	- 290.0
Proceeds from interest-bearing loans	6.0	17.0
Finance costs paid	- 68.3	- 69.8
Settlement of derivative financial instruments	14.8	–
Dividend paid in cash	- 133.9	- 127.6
Dividend paid to non-controlling interests	- 18.8	- 20.0
Purchase treasury shares	- 1.6	- 3.8
Proceeds and repayments in short-term financing	22.7	- 56.8
Cash flows from financing activities	**- 281.8**	**- 551.0**
Net cash flows	**- 180.3**	**153.4**
Exchange rate differences	- 3.1	1.7
Net change in cash and cash equivalents (including bank overdrafts)	**- 183.4**	**155.1**
Net cash and cash equivalents (including bank overdrafts) at 1 January	**297.8**	**67.3**
Net cash and cash equivalents (including bank overdrafts) at 30 June	**114.4**	**222.4**

Segmentation

Statement of income

In EUR millions	Revenues		Depreciation and amortization		Result of joint ventures and associates		Group operating profit (EBIT)	
	HY1 2017	HY1 2016	HY1 2017	HY1 2016	HY1 2017	HY1 2016	HY1 2017	HY1 2016
Netherlands	235.4	251.9	53.3	52.5	0.9	0.8	69.1	95.5
Europe, Middle East & Africa	89.0	101.5	21.7	19.5	17.6	18.7	33.3	43.2
Asia	194.1	191.9	32.9	32.9	23.4	26.6	112.8	117.3
of which Singapore	*139.5*	*138.2*	*20.7*	*20.7*	*0.5*	*0.3*	*80.8*	*81.3*
of which China	*14.0*	*15.0*	*4.6*	*4.7*	*8.7*	*10.8*	*7.6*	*10.4*
Americas	149.9	134.1	23.9	21.5	0.5	0.1	44.9	40.4
of which United States	*87.8*	*85.9*	*12.8*	*12.3*	*0.3*	*0.2*	*29.4*	*28.2*
LNG	–	–	–	–	18.8	16.5	17.3	16.0
Global functions, corporate activities and others	0.9	0.5	4.2	3.5	0.2	–	- 19.3	- 21.4
Total excluding exceptional items	**669.3**	**679.9**	**136.0**	**129.9**	**61.4**	**62.7**	**258.1**	**291.0**
Exceptional items [1]*:*								
Netherlands							- 2.1	–
Europe, Middle East & Africa							–	239.0
Asia							–	- 26.9
Americas							–	- 2.4
Global functions, corporate activities and others							–	- 3.6
Total including exceptional items							**256.0**	**497.1**
Reconciliation consolidated net profit								
Group operating profit (EBIT)							256.0	497.1
Net finance costs							- 52.3	- 55.9
Profit before income tax							**203.7**	**441.2**
Income tax							- 33.3	- 34.2
Net profit							**170.4**	**407.0**

[1] Exceptional items are disclosed in note 4.

Statement of financial position

In EUR millions	Total assets			Total liabilities		
	30-Jun-17	31-Dec-16	30-Jun-16	30-Jun-17	31-Dec-16	30-Jun-16
Netherlands	1,476.8	1,480.1	1,457.8	120.4	116.2	134.4
Europe, Middle East & Africa	928.6	940.3	899.4	150.2	151.9	156.6
Asia	1,731.3	1,761.1	1,727.0	272.4	290.7	325.1
of which Singapore	*646.8*	*671.5*	*684.1*	*215.5*	*232.7*	*243.4*
of which China	*441.5*	*470.1*	*480.7*	*16.2*	*17.7*	*34.3*
Americas	739.8	781.4	713.5	190.9	210.2	164.2
of which United States	*338.5*	*358.2*	*338.6*	*117.1*	*129.9*	*120.5*
LNG	167.5	170.7	147.4	1.6	3.1	1.6
Global functions, corporate activities and others	265.1	448.4	345.8	1,978.3	2,250.9	2,162.8
Total	**5,309.1**	**5,582.0**	**5,290.9**	**2,713.8**	**3,023.0**	**2,944.7**

Vopak

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 25 countries. These condensed interim consolidated financial statements for the first half year of 2017 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 17 August 2017.

1.1. Basis of preparation

These condensed interim consolidated financial statements for the six months period ended 30 June 2017 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 2016 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 2016 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 2017.

1.3. New standards not yet adopted by the Group

IFRS 15 - Revenue from contracts with customers

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 been endorsed by the European Union. The company has finalized its assessment of the effects of this new standard in 2016. It was concluded that the effects on the annual result will be limited, apart from the fact that additional disclosures will need to be provided.

IFRS 9 - Financial instruments

This standard 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 been endorsed by the European Union. The company has finalized its impact assessment of IFRS 9 'Financial Instruments' in 2016. It was concluded that the new hedge accounting requirements will provide more flexibility to the company as it is more aligned with the financial risk management policies of the company, but that the direct financial effects of the new standard - including those relating to the new impairment requirements - will be limited.

IFRS 16 - Leases

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.

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 of this new standard.

It has been concluded that in most cases the services that Vopak provides to its customers do not contain a lease due to the absence of an identified asset. As the definition of a lease under IFRS 16 is substantially the same as under the current IAS 17, this conclusion is the same under both standards. As such, Vopak does not act as a lessor for most contracts in line with the current accounting treatment.

Furthermore, as the company has a large portfolio of long-term land leases and leases of other non-current assets, the impact on the statement of financial position and the result of the company of applying the new standard is estimated to be material from a lessee perspective.

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 2016, 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) Recoverable value of non-current 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 other non-current assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amounts for those assets may not be recoverable.

There were no material impairments recognized in the first half year of 2017.

The value in use of the cash generating units (CGUs) is based on estimates of future expected cash flows (value in use) made on the basis of the budget for the coming year and two subsequent plan years, which form the basis for the 15-year period discounted cash flow model. Fair value less cost of disposal is primarily based either on comparable market-multiples and/or (indicative non-)binding bids or discounted cash flow models from the perspective of a willing buyer in an orderly transaction.

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
The assets held for sale as at the end of the first half year of 2017, comprises a business development joint venture in China. This immaterial divestment has been completed in July 2017.

(d) Changes in judgments and estimates with regards to legal cases
There were no material changes in the facts and circumstances after year-end 2016 regarding certain legal cases.

2. Acquisitions, divestments and newly established entities

Newly formed associate
In the second quarter of 2017, Vopak entered into an associate and will invest together with its partner Altagas in the development of the Ridley Island Propane Export Terminal (RIPET). RIPET is expected to be the first propane export facility off the west coast of Canada. The project is to be designed to ship 1.2 million tonnes of propane per annum, with approximately 96,000 cubic meters of storage capacity. The facility is expected to be commissioned in Q1 2019.

Vopak has a 30 percent interest in RIPET. Vopak's investment is underpinned by long-term customer contracts and is fully aligned with Vopak's long-term strategy where storage and handling of gas has been earmarked as one of the strategic focus areas. Canada has a structural surplus in gas and natural gas liquids for which Asia is an important market to export these energy products.

There were no other significant changes in the composition of the Group in the first half year of 2017.

Earlier announced acquisition no longer pursued
On 21 December 2016, Vopak and Exmar announced they reached a conditional agreement on the acquisition by Vopak of Exmar's participation in FSRU assets. As previously stated, the finalization of the deal was subject to consent and cooperation of multiple stakeholders.

On 26 April 2017, after careful consideration, Vopak and Exmar have concluded that these requirements will not be met on the envisaged transaction. Therefore the closing of the FSRU transaction between Vopak and Exmar was no longer pursued.

For a list of the principal subsidiaries, we refer to note 8.11 of the 2016 Annual Report.

3. Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed on page 129 of the 2016 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 2017.

	HY1 2017	
In EUR millions	Carrying amount	Fair value
Currency derivatives	80.6	80.6
Interest rate derivatives	- 84.7	- 84.7
Other financial assets	1.0	1.0
Financial instruments at fair value	**- 3.1**	**- 3.1**
Loans granted	64.8	64.8
Finance lease receivable	30.0	30.0
Trade and other receivables	218.0	218.0
Cash and cash equivalents	167.5	167.5
Loans and receivables	**480.3**	**480.3**
US Private Placements	- 1,606.4	- 1,692.2
JPY Private Placement	- 155.8	- 155.9
Bank loans	- 63.7	- 67.8
Credit facility and other long-term loans	- 33.1	- 33.1
Bank overdrafts and short-term borrowings	- 76.1	- 76.1
Trade creditors	- 36.6	- 36.6
Other creditors	- 84.5	- 84.5
Other financial liabilities	**- 2,056.2**	**- 2,146.2**
Net at amortized cost	**- 1,575.9**	**- 1,665.9**
Standby credit facility		1,057.4
Standby bank loans		157.0
Unrecognized financial instruments		**1,214.4**

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 2017, 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 2017 amounted to EUR 1,767.6 million (31 December 2016: EUR 1,804.2 million). The Senior net debt : EBITDA ratio increased to 2.20 compared to 2.04 per year-end 2016, which is well below the maximum agreed ratios in the covenants with the lenders.

		30 June 2017			31 December 2016		
In EUR millions	Maturity	Total facility [1]	Used	Unused	Total facility [1]	Used	Unused
Royal Vopak - Revolving credit facility	< 5 years	1,000.0	–	1,000.0	1,000.0	–	1,000.0
VTS - Revolving credit facility	< 4 years	63.7	6.4	57.3	65.8	19.7	46.1
Total committed facilities		**1,063.7**	**6.4**	**1,057.3**	**1,065.8**	**19.7**	**1,046.1**
Royal Vopak - Bank loan facility	< 1 year	180.0	23.0	157.0	180.0	–	180.0
Total uncommitted facilities		**180.0**	**23.0**	**157.0**	**180.0**	–	**180.0**
Total facilities		**1,243.7**	**29.4**	**1,214.3**	**1,245.8**	**19.7**	**1,226.1**

1. The RCF of Vopak was successfully extended with 1 year one 1 June 2017.

4. Exceptional items

In EUR millions	HY1 2017	HY1 2016
Gain on sale of UK terminals	–	282.8
Loss on sale of Nippon terminals	–	- 1.6
Gain on sale of US terminals	–	2.1
Impairments	- 2.1	- 4.5
Impairments joint ventures	–	- 49.0
Vopak 400 years	–	- 3.7
Write-off receivable	–	- 5.0
Claim provision	–	- 15.0
Total before income tax	**- 2.1**	**206.1**
Income tax	0.5	4.5
Total effect on net profit	**- 1.6**	**210.6**

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 the first half year of 2017 there were no material exceptional items. The minor impairment of EUR 2.1 million, related to a scope change of a business development project in the Netherlands.

Reconciliation of IFRS figures to income statement -excluding exceptional items-

In EUR millions	HY1 2017 IFRS figures	HY1 2017 Exceptional items	HY1 2017 Excluding exceptional items	HY1 2016 Excluding exceptional items
Revenues	669.3	–	669.3	679.9
Other operating income	5.7	–	5.7	8.3
Total operating income	**675.0**	–	**675.0**	**688.2**
Personnel expenses	- 171.6	–	- 171.6	- 170.1
Impairment	- 2.1	- 2.1	–	–
Other operating expenses	- 170.7	–	- 170.7	- 159.9
Result joint ventures and associates	61.4	–	61.4	62.7
Group operating profit before depreciation and amortization (EBITDA)	392.0	- 2.1	394.1	420.9
Depreciation and amortization	- 136.0	–	- 136.0	- 129.9
Group operating profit	**256.0**	**- 2.1**	**258.1**	**291.0**
Interest and dividend income	6.5	–	6.5	6.0
Finance costs	- 58.8	–	- 58.8	- 61.9
Net finance costs	**- 52.3**	–	**- 52.3**	**- 55.9**
Profit before income tax	203.7	- 2.1	205.8	235.1
Income tax	- 33.3	0.5	- 33.8	- 38.7
Net profit	**170.4**	**- 1.6**	**172.0**	**196.4**
Non-controlling interests	- 21.6	–	- 21.6	- 22.5
Net profit holders of ordinary shares	**148.8**	**- 1.6**	**150.4**	**173.9**
Basic earnings per ordinary share (in EUR)	1.17		1.18	1.36
Diluted earnings per ordinary share (in EUR)	1.17		1.18	1.36

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 2016	**145.8**	**3,553.0**	**1,137.8**
Acquisitions	–	–	15.9
Additions	10.8	116.5	0.5
Disposals	–	- 0.3	–
Depreciation and amortization	- 5.6	- 130.4	–
Share in result joint ventures and associates	–	–	61.4
Dividends received	–	–	- 50.5
Loans granted	–	–	50.5
Finance lease interest income	–	–	2.8
Repayments	–	–	- 2.5
Impairments	–	- 2.1	–
Other comprehensive income	–	–	5.4
Exchange rate differences	- 5.9	- 81.4	- 56.8
Carrying amount at 30 June 2017	**145.1**	**3,455.3**	**1,164.5**

Total investments in property, plant and equipment (including capitalized interest) during the first half year of 2017 were EUR 116.5 million (HY1 2016: EUR 139.5 million), of which EUR 26.2 million (HY1 2016: EUR 41.0 million) was invested in the expansion of existing terminals and the construction of new terminals.

6. Joint ventures and associates

Vopak holds interests in 28 (YE 2016: 28) unlisted joint ventures and 5 (YE 2016: 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).

For an overview of the principal joint ventures and associates we refer to note 8.11 of Vopak's 2016 Annual Report.

6.1. Movements in Vopak's share of total comprehensive income and the carrying amount of 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	2017	2016	2017	2016	2017	2016
Vopak's share in net assets	917.7	889.5	98.2	90.4	1,015.9	979.9
Goodwill on acquisition	69.5	81.6	6.3	6.6	75.8	88.2
Carrying amount at 1 January	**987.2**	**971.1**	**104.5**	**97.0**	**1,091.7**	**1,068.1**
Share in profit or loss	58.7	58.1	2.7	3.7	61.4	61.8
Impairments	–	- 48.2	–	–	–	- 48.2
Reversal of impairments	–	0.1	–	–	–	0.1
Net profit	**58.7**	**10.0**	**2.7**	**3.7**	**61.4**	**13.7**
Other comprehensive income	5.4	- 13.7	–	–	5.4	- 13.7
Total comprehensive income	**64.1**	**- 3.7**	**2.7**	**3.7**	**66.8**	–
Dividends received	- 50.5	- 63.7	–	–	- 50.5	- 63.7
Investments	0.5	28.3	–	–	0.5	28.3
Acquisitions	–	43.6	15.9	–	15.9	43.6
Reclassification to assets held for sale	–	- 27.6	–	–	–	- 27.6
Exchange differences	- 49.1	- 12.9	- 6.6	- 3.1	- 55.7	- 16.0
Carrying amount at 30 June	**952.2**	**935.1**	**116.5**	**97.6**	**1,068.7**	**1,032.7**
Vopak's share in net assets	886.1	867.9	110.5	91.3	996.6	959.2
Goodwill on acquisition	66.1	67.2	6.0	6.3	72.1	73.5
Carrying amount at 30 June	**952.2**	**935.1**	**116.5**	**97.6**	**1,068.7**	**1,032.7**

6.2. 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-17	31-Dec-16	30-Jun-17	31-Dec-16	30-Jun-17	31-Dec-16
Commitments to provide debt or equity funding	–	–	55.1	71.4	55.1	71.4
Guarantees and securities provided	117.5	123.1	98.0	–	215.5	123.1

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 100.4 million at 31 December 2016 to EUR 94.9 million at 30 June 2017. Of this amount EUR 0.1 million (YE 2016: EUR 0.1 million) was recognized in the statement of financial position.

6.3. 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-17	31-dec-16	30-jun-17	31-dec-16	30-jun-17	31-dec-16	30-jun-17	31-dec-16	30-jun-17	31-dec-16	30-jun-17	31-dec-16
Non-current assets	555.9	610.4	2,035.4	2,025.6	1,111.0	1,162.4	245.7	253.9	3,948.0	4,052.3	1,117.0	1,132.2
Cash and cash equivalents	38.5	40.1	206.6	170.7	54.7	67.4	12.2	11.2	312.0	289.4	116.1	117.9
Other current assets	28.0	24.1	84.8	79.6	38.8	25.3	3.0	9.4	154.6	138.4	53.4	56.9
Total assets	**622.4**	**674.6**	**2,326.8**	**2,275.9**	**1,204.5**	**1,255.1**	**260.9**	**274.5**	**4,414.6**	**4,480.1**	**1,286.5**	**1,307.0**
Financial non-current liabilities	63.3	80.4	631.2	693.7	669.6	716.0	76.6	80.0	1,440.7	1,570.1	678.4	725.6
Other non-current liabilities	17.4	18.4	41.1	37.6	223.7	250.4	16.1	18.2	298.3	324.6	36.6	34.1
Financial current liabilities	39.1	48.2	217.4	48.8	73.1	68.6	5.6	5.8	335.2	171.4	37.3	67.4
Other current liabilities	38.0	61.9	106.2	90.6	43.7	25.7	4.6	4.5	192.5	182.7	132.3	119.4
Total liabilities	**157.8**	**208.9**	**995.9**	**870.7**	**1,010.1**	**1,060.7**	**102.9**	**108.5**	**2,266.7**	**2,248.8**	**884.6**	**946.5**
Net assets	**464.6**	**465.7**	**1,330.9**	**1,405.2**	**194.4**	**194.4**	**158.0**	**166.0**	**2,147.9**	**2,231.3**	**401.9**	**360.5**
Vopak's share of net assets	184.1	185.0	548.5	577.3	106.6	106.9	46.9	48.5	886.1	917.7	110.5	98.2
Goodwill on acquisition	5.3	5.8	0.6	0.6	60.2	63.1	–	–	66.1	69.5	6.0	6.3
Vopak's carrying amount of net assets	**189.4**	**190.8**	**549.1**	**577.9**	**166.8**	**170.0**	**46.9**	**48.5**	**952.2**	**987.2**	**116.5**	**104.5**

6.4. 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 2017	HY1 2016	HY1 2017	HY1 2016	HY1 2017	HY1 2016	HY1 2017	HY1 2016	HY1 2017	HY1 2016	HY1 2017	HY1 2016
Revenues	106.7	108.3	177.5	191.0	112.9	106.4	12.4	15.0	409.5	420.7	59.1	42.0
Operating expenses	- 42.8	- 42.6	- 50.5	- 59.4	- 21.1	- 19.7	- 4.2	- 7.7	- 118.6	- 129.4	- 19.4	- 7.7
Depreciation, amortization and impairment	- 25.3	- 93.6	- 36.2	- 41.2	- 22.9	- 22.3	- 2.8	- 2.8	- 87.2	- 159.9	- 16.1	- 8.0
Operating profit (EBIT)	**38.6**	**- 27.9**	**90.8**	**90.4**	**68.9**	**64.4**	**5.4**	**4.5**	**203.7**	**131.4**	**23.6**	**26.3**
Net finance costs	- 2.1	- 1.7	- 13.2	- 15.4	- 20.3	- 20.6	- 1.0	- 1.8	- 36.6	- 39.5	- 7.0	- 4.3
Income tax	- 2.5	- 0.1	- 19.3	- 17.3	- 13.5	- 13.1	- 0.6	- 0.4	- 35.9	- 30.9	- 4.4	- 5.7
Net profit	**34.0**	**- 29.7**	**58.3**	**57.7**	**35.1**	**30.7**	**3.8**	**2.3**	**131.2**	**61.0**	**12.2**	**16.3**
Other comprehensive income	0.2	- 0.5	- 5.3	- 10.7	14.0	- 14.9	1.6	- 1.6	10.5	- 27.7	–	–
Total comprehensive income	**34.2**	**- 30.2**	**53.0**	**47.0**	**49.1**	**15.8**	**5.4**	**0.7**	**141.7**	**33.3**	**12.2**	**16.3**
Vopak's share of net profit	12.7	- 30.8	25.6	23.3	18.8	16.5	1.6	1.0	58.7	10.0	2.7	3.7
Vopak's share of other comprehensive income	0.1	- 0.1	- 2.6	- 5.2	7.1	- 7.6	0.8	- 0.8	5.4	- 13.7	–	–
Vopak's share of total comprehensive income	**12.8**	**- 30.9**	**23.0**	**18.1**	**25.9**	**8.9**	**2.4**	**0.2**	**64.1**	**- 3.7**	**2.7**	**3.7**

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 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
Balance at 31 December 2016	127,835,430	–	127,835,430	- 370,000	63.9	194.4	- 13.2
Movements	–	–	–	78,401	–	–	2.0
Balance at 30 June 2017	127,835,430	–	127,835,430	- 291,599	63.9	194.4	- 11.2

A dividend of EUR 1.05 per ordinary share (HY1 2016: EUR 1.00 per ordinary share) with a nominal value of EUR 0.50, or EUR 133.9 million in total (HY1 2015: EUR 127.6 million), was paid in cash on 26 April 2017.

Share-based payments arrangements:
During the first half year of 2017, 118,401 shares were transferred to employees in relation to the settlement of Long-Term Incentive Plans. During the period a new Long-Term Incentive Plan, for the period 2017-2019, has been granted to the Executive Board and senior management.

8. Borrowings

8.1 Net debt reconciliation

The movements in the net interest-bearing debt were as follows:

In EUR millions	Cash and cash equivalents	Short-term borrowings	Interest-bearing loans	Net interest-bearing debt
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**
Carrying amount at 31 December 2016	**297.8**	**- 0.3**	**- 2,101.7**	**- 1,804.2**
Cash flows	- 180.3	- 22.7	96.7	- 106.3
Other non-cash movements	–	–	- 0.7	- 0.7
Exchange rate differences	- 3.1	–	146.7	143.6
Carrying amount at 30 June 2017	**114.4**	**- 23.0**	**- 1,859.0**	**- 1,767.6**
Current assets	167.5	–	–	167.5
Non-current liabilities	–	–	- 1,794.9	- 1,794.9
Current liabilities	- 53.1	- 23.0	- 64.1	- 140.2
Carrying amount at 30 June 2017	**114.4**	**- 23.0**	**- 1,859.0**	**- 1,767.6**

During the first half year of 2017, EUR 102.7 million (EUR 12.5 million and USD 100 million) (HY1 2016: EUR 346.8 million) of debt repayments took place. For the remainder of 2017, EUR 63.8 million (EUR 20 million and USD 50 million) of regular repayments on long-term loans are scheduled.

8.2 Average remaining maturities and main covenant ratios

	Interest-bearing loans						
In EUR millions	USPPs	Asian PPs	VTS Bankloan	RCFs	Other	Bank loans	Total
Non-current	1,669.8	162.7	65.8	17.0	23.4	–	1,938.7
Current	162.7	–	–	–	0.3	0.3	163.3
Carrying amount at 31 December 2016	**1,832.5**	**162.7**	**65.8**	**17.0**	**23.7**	**0.3**	**2,102.0**
Average remaining terms (in years)	6.3	24.0	3.7	3.7	38.7	–	7.9
Non-current	1,543.4	155.8	63.7	4.0	28.0	–	1,794.9
Current	63.0	–	–	–	1.1	23.0	87.1
Carrying amount at 30 June 2017	**1,606.4**	**155.8**	**63.7**	**4.0**	**29.1**	**23.0**	**1,882.0**
Average remaining terms (in years)	6.1	23.5	3.2	3.2	32.1	–	7.4
Required ratios							
Senior net debt : EBITDA (maximum)	3.75	3.75	3.75	3.75	3.75	3.75	
Interest cover (minimum) [1]	3.5	3.5	3.5	3.5	3.5	3.5	

[1] Interest cover is the ratio of the EBITDA and the net finance costs.

8.3 Financial ratios reconciliation

In EUR millions	HY1 2017	HY1 2016
EBITDA past 12 months	**788.3**	**1,020.5**
-/- Result joint ventures and associates	122.5	111.5
Gross dividend received from joint ventures and associates	103.1	104.2
-/- Exceptional items	- 7.3	196.6
-/- Divestments full year adjustment	–	28.6
EBITDA for ratio calculation	**776.2**	**788.0**
Net interest-bearing debt	**- 1,767.6**	**- 1,792.6**
Derivative financial instruments (currency)	67.4	117.9
Credit replacement guarantees	- 94.9	- 117.9
-/- Subordinated loans	- 90.6	- 92.5
Senior net debt for ratio calculation	**- 1,704.5**	**- 1,700.1**
Financial ratios		
Senior net debt : EBITDA	2.20	2.16
Interest cover	7.5	7.2

The Senior net debt : EBITDA ratio was 2.20 as at 30 June 2017, which is higher than the previous period (30 June 2016: 2.16), and well below the maximum agreed ratios in the covenants with the lenders.

9. Contingent liabilities

The investment commitments undertaken for subsidiaries amounted to EUR 257.9 million at 30 June 2017 (YE 2016: EUR 106.1 million). The increase is primarily related to the announced capacity expansions, mainly in the Americas and South Africa. 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 6.2.

There are no significant changes in the contingent liabilities per the end of June 2017 compared to the contingent liabilities disclosed in note 8.8 in our 2016 Annual report.

10. Related party disclosures

For the details on the nature of the Group's related parties, reference is made to section 6 in our 2016 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 2016 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 2017.

11. Subsequent events

There are no material events after the balance sheet date.

Enclosures

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.

In the tables in this section, we provide the proportionate financial information for the statement of income, the statement of financial position, and the segment information for each of our reportable segments. 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 2017				HY1 2016			
In EUR millions	IFRS figures	Exclusion exceptional items	Effects proportio-nate con-solidation	Proportio-nate con-solidated	IFRS figures	Exclusion exceptional items	Effects proportio-nate con-solidation	Proportio-nate con-solidated
Revenues	669.3	–	151.1	820.4	679.9	–	153.7	833.6
Net operating expenses	- 336.6	–	- 42.9	- 379.5	- 62.1	259.6	- 45.8	- 367.5
Results of joint ventures and associates using the equity method	61.4	–	- 61.4	–	13.7	- 49.0	- 62.7	–
Impairment	- 2.1	- 2.1	–	–	- 4.5	- 4.5	–	–
Group operating profit before depreciation and amortization (EBITDA)	**392.0**	**- 2.1**	**46.8**	**440.9**	**627.0**	**206.1**	**45.2**	**466.1**
Depreciation and amortization	- 136.0	–	- 36.1	- 172.1	- 129.9	–	- 35.6	- 165.5
Group operating profit (EBIT)	**256.0**	**- 2.1**	**10.7**	**268.8**	**497.1**	**206.1**	**9.6**	**300.6**
Net finance costs	- 52.3	–	- 18.1	- 70.4	- 55.9	–	- 19.5	- 75.4
Income tax	- 33.3	0.5	- 14.2	- 48.0	- 34.2	4.5	- 12.6	- 51.3
Net profit	**170.4**	**- 1.6**	**- 21.6**	**150.4**	**407.0**	**210.6**	**- 22.5**	**173.9**
Non-controlling interests	- 21.6	–	21.6	–	- 22.4	0.1	22.5	–
Net profit owners of parent	**148.8**	**- 1.6**	**–**	**150.4**	**384.6**	**210.7**	**–**	**173.9**

Statement of financial position

	30-Jun-17			31-Dec-16		
In EUR millions	IFRS figures	Effects proportio-nate con-solidation	Proportio-nate con-solidated	IFRS figures	Effects proportio-nate con-solidation	Proportio-nate con-solidated
Non-current assets (excl. joint ventures and associates)	3,721.8	1,859.8	5,581.6	3,882.3	1,918.7	5,801.0
Joint ventures and associates	1,068.7	- 1,068.7	–	1,091.7	- 1,091.7	–
Current assets	518.6	232.5	751.1	608.0	277.6	885.6
Total assets	**5,309.1**	**1,023.6**	**6,332.7**	**5,582.0**	**1,104.6**	**6,686.6**
Non-current liabilities	2,216.2	994.2	3,210.4	2,452.8	1,075.0	3,527.8
Current liabilities	497.6	185.6	683.2	570.2	188.9	759.1
Total liabilities	**2,713.8**	**1,179.8**	**3,893.6**	**3,023.0**	**1,263.9**	**4,286.9**
Equity attributable to owners of parent	2,439.1	–	2,439.1	2,399.7	–	2,399.7
Non-controlling interests	156.2	- 156.2	–	159.3	- 159.3	–
Total equity	**2,595.3**	**- 156.2**	**2,439.1**	**2,559.0**	**- 159.3**	**2,399.7**

Other information

	HY1 2017	HY1 2016
EBITDA margin -excluding exceptional items-	53.5%	55.5%
Cash Flow Return On Gross Assets (CFROGA)	9.4%	10.3%
Occupancy rate subsidiaries, joint ventures and associates	91%	94%
Service, maintenance, compliance and IT capex (in EUR millions)	100.3	113.1

Segment information -excluding exceptional items-

In EUR millions	Revenues		EBITDA		Group operating profit (EBIT)	
	HY1 2017	HY1 2016	HY1 2017	HY1 2016	HY1 2017	HY1 2016
Netherlands	239.9	258.3	124.8	150.6	70.5	96.9
Europe, Middle East & Africa	140.2	151.3	68.4	75.8	35.8	45.2
Asia	228.3	232.0	147.1	150.2	102.3	106.1
of which Singapore	*97.6*	*96.6*	*70.3*	*70.6*	*56.1*	*56.4*
of which China	*50.9*	*53.8*	*32.2*	*34.1*	*16.6*	*18.5*
Americas	151.1	134.9	68.5	61.7	44.4	40.0
of which United States	*87.8*	*85.9*	*41.8*	*40.3*	*28.8*	*27.9*
LNG	59.9	56.6	47.2	45.6	35.0	33.8
Global functions, corporate activities and others	1.0	0.5	- 15.1	- 17.8	- 19.2	- 21.4
Total excluding exceptional	**820.4**	**833.6**	**440.9**	**466.1**	**268.8**	**300.6**

Net interest-bearing debt

In EUR millions	30-Jun-17	31-Dec-16
Non-current portion of interest-bearing loans	2,653.7	2,865.9
Current portion of interest-bearing loans	150.0	257.5
Total interest-bearing loans	**2,803.7**	**3,123.4**
Short-term borrowings	25.2	3.0
Bank overdrafts	53.1	8.2
Cash and cash equivalents	- 317.4	- 457.7
Net interest-bearing debt	**2,564.6**	**2,676.9**

2. Key results second quarter

Segmentation

In EUR millions	Revenues			Depreciation and amortization			Result of joint ventures and associates			Group operating profit (EBIT)		
	Q2 2017	Q1 2017	Q2 2016	Q2 2017	Q1 2017	Q2 2016	Q2 2017	Q1 2017	Q2 2016	Q2 2017	Q1 2017	Q2 2016
Netherlands	116.2	119.2	125.5	27.1	26.2	26.4	0.5	0.4	0.4	32.2	36.9	46.1
Europe, Middle East & Africa	44.4	44.6	43.0	11.0	10.7	10.1	8.9	8.7	9.9	16.4	16.9	18.0
Asia	94.6	99.5	97.1	16.3	16.6	16.6	11.5	11.9	12.5	54.0	58.8	59.0
of which Singapore	*67.9*	*71.6*	*70.3*	*10.4*	*10.3*	*10.4*	*0.2*	*0.3*	*0.2*	*38.4*	*42.4*	*42.1*
of which China	*6.9*	*7.1*	*7.4*	*2.3*	*2.3*	*2.4*	*4.0*	*4.7*	*4.8*	*3.3*	*4.3*	*4.8*
Americas	71.8	78.1	66.1	11.8	12.1	10.8	0.3	0.2	0.1	20.6	24.3	19.7
of which United States	*42.7*	*45.1*	*42.5*	*6.4*	*6.4*	*6.2*	*0.2*	*0.1*	*0.2*	*13.8*	*15.6*	*14.5*
LNG	–	–	–	–	–	–	9.4	9.4	8.2	8.6	8.7	8.3
Global functions, corporate activities and others	0.5	0.4	0.3	2.1	2.1	1.7	0.1	0.1	- 0.1	- 9.1	- 10.2	- 10.5
Total excluding exceptional items	**327.5**	**341.8**	**332.0**	**68.3**	**67.7**	**65.6**	**30.7**	**30.7**	**31.0**	**122.7**	**135.4**	**140.6**
Exceptional items:												
Netherlands										- 2.1	–	–
Europe, Middle East & Africa										–	–	- 43.8
Asia										–	–	- 25.5
Americas										–	–	- 4.5
Global functions, corporate activities and others										–	–	- 2.1
Total including exceptional items										**120.6**	**135.4**	**64.7**

Occupancy rate subsidiaries

In percentage	Q2 2017	Q1 2017	Q2 2016
Netherlands	90%	92%	96%
Europe, Middle East & Africa	91%	93%	95%
Asia	88%	91%	91%
Americas	89%	90%	92%
Vopak	**90%**	**91%**	**94%**

3. Glossary

CFROGA - Cash Flow Return on Gross Assets Before Interest and After Tax
The 'Cash Flow Return on Gross Assets' (CFROGA) is defined is EBITDA -excluding exceptional items- minus the statutory income tax charge on EBIT divided by the average gross assets (historical investment). This 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 10.0 million.

Gross Assets / Gross capital employed
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 concerned.

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.