Storing vital products with care

Vopak

HALFYEAR REPORT 2018

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

05 November 2018	Publication of 2018 third-quarter interim update
27 - 28 November 2018	Capital Markets Days 2018
13 February 2019	Publication of 2018 annual results
17 April 2019	Publication of 2019 first-quarter interim update
17 April 2019	Annual General Meeting
23 April 2019	Ex-dividend quotation
24 April 2019	Dividend record date
26 April 2019	Dividend payment date
16 August 2019	Publication of 2019 half-year results
04 November 2019	Publication of 2019 third-quarter interim update
12 February 2020	Publication of 2019 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 safe, efficient 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 5,700 people. As of 17 August 2018, Vopak operates 66 terminals in 25 countries with a combined storage capacity of 36.0 million cbm, with another 3.3 million cbm under development that will be added before the end of 2020.

For more information please contact:

Vopak Press: Liesbeth Lans - Manager External Communication,
Telephone: +31 (0)10 400 2777 | e-mail: global.communication@vopak.com

Vopak Analysts and Investors: Laurens de Graaf - Head of Investor Relations,
Telephone: +31 (0)10 400 2776 | e-mail: investor.relations@vopak.com

The analyst' presentation will be given via an on-demand audio webcast on Vopak's corporate website www.vopak.com, starting at 9:30 am CEST on 17 August 2018.

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

Royal Vopak
First Half Year Report 2018

Contents

Interim Management Report

Key events HY1 2018

Rotterdam, the Netherlands, 17 August 2018

Q2 2018	Q1 2018	Q2 2017	Δ Q2-Q2	In EUR millions	HY1 2018	HY1 2017	Δ
309.9	316.2	327.5	- 5%	Revenues	626.1	669.3	- 6%
				Results -excluding exceptional items-			
180.7	190.2	191.0	- 5%	Group operating profit before depreciation and amortization (EBITDA)	370.9	394.1	- 6%
113.8	122.9	122.7	- 7%	Group operating profit (EBIT)	236.7	258.1	- 8%
67.2	73.0	73.9	- 9%	Net profit attributable to holders of ordinary shares	140.2	150.4	- 7%
0.53	0.57	0.58	- 9%	Earnings per ordinary share (in EUR)	1.10	1.18	- 7%
				Results -including exceptional items-			
176.9	190.2	188.9	- 6%	Group operating profit before depreciation and amortization (EBITDA)	367.1	392.0	- 6%
110.0	122.9	120.6	- 9%	Group operating profit (EBIT)	232.9	256.0	- 9%
64.4	73.0	72.3	- 11%	Net profit attributable to holders of ordinary shares	137.4	148.8	- 8%
0.51	0.57	0.57	- 11%	Earnings per ordinary share (in EUR)	1.08	1.17	- 8%
				Cash flows from operating activities (gross)	341.0	321.0	6%
85%	87%	90%	- 5pp	Occupancy rate subsidiaries	86%	91%	- 5pp
36.0	35.9	35.9		Storage capacity end of period (in million cbm)	36.0	35.9	
2.18	1.99	2.20		Senior net debt : EBITDA	2.18	2.20	
11.5%	12.3%	11.9%	- 0.4pp	Return on Capital Employed (ROCE)	11.9%	12.3%	- 0.4pp
9.0%	9.5%	9.5%	- 0.5pp	Cash Flow Return On Gross Assets (CFROGA)	9.2%	9.7%	- 0.5pp

Highlights for HY1 2018 -excluding exceptional items-:

- EBITDA of EUR 371 million (HY1 2017: EUR 394 million). Adjusted for adverse currency translation effects of EUR 20 million, the EBITDA was comparable to prior year.
- Occupancy rate of 86% (HY1 2017: 91%) explained by lower rented capacity mainly at the oil hub terminals caused by a less favorable oil market structure. Other product-market segments showed continued stable demand for storage services.
- EBIT of EUR 237 million (HY1 2017: EUR 258 million) included EUR 15 million adverse currency translation effects.
- Net profit attributable to holders of ordinary shares of EUR 140 million (HY1 2017: EUR 150 million) resulting in earnings per ordinary share (EPS) of EUR 1.10 (HY1 2017: EUR 1.18).
- Return On Capital Employed (ROCE) of 11.9% (HY1 2017: 12.3%).
- Our worldwide storage capacity on a 100% basis was 36.0 million cbm per the end of the first half year of 2018. Our projects currently under development will add 3.2 million cbm of storage capacity to our global network in 2019.
- Vopak will conduct a strategic review and test the market value of its terminals in Algeciras, Amsterdam, Hamburg and Tallinn.

Exceptional items HY1 2018:

- There were no material exceptional items recognized in the first half year of 2018.

Looking ahead:

- The financial performance in 2018 is expected to be influenced by currency exchange movements of primarily the USD and SGD, and the currently less favorable oil market structure, impacting occupancy rates and price levels in the hub locations.
- Given the current 3.2 million cbm expansion program for 2019 with high commercial coverage, in conjunction with the cost efficiency delivery, Vopak has the potential to significantly improve the 2019 EBITDA, subject to market conditions and currency exchange movements.
- Our efficiency program to support margin development and reduce Vopak's future cost base with at least EUR 25 million has been delivered and is increased to EUR 40 million. As a result of the efficiency program the cost base for 2019, at current exchange rates, including EUR 15 million additional cost from growth projects, is expected to be below the 2017 reported operating expenses of EUR 676 million.

Royal Vopak Chief Executive Officer Eelco Hoekstra comments:

Vopak performance and strategy on track;
2018 remains difficult market, but provides opportunities.

"Given the market conditions to date, the results delivered are satisfactory. The execution of our strategy towards 2019 is very well on track and we increased our cost savings target for 2019.

We have successfully gone live with our new digital terminal management system in Long Beach and Los Angeles marking the start of our global roll out.

I see the shift in our portfolio of terminals with construction progressing and new projects being announced.

In our oil hub terminals the priority was to invest for the IMO 2020 bunker fuel regulations. Our terminals in Fujairah, Rotterdam, and Singapore will be fully ready to support new market requirements. Today we announce our investment plans for Rotterdam which are supported by customer commitments as of mid 2019.

In Saudi Arabia, together with our partners, we commissioned the last part of the industrial terminal Chemtank. The construction of our new industrial terminal in Pengerang is progressing well and first commissioning will take place end of 2018.

Our business development efforts in gas terminals have seen excellent progress. We announced the entrance in the growing LNG market in Pakistan, and the signing of two new joint ventures to develop LNG terminals in Germany and China.

We have made substantial progress in strengthening our chemical storage position globally. We have announced expansions in Houston and Rotterdam. Today we announce that we will invest in a new jetty in Antwerp, commence a major service improvement project in Penjuru, Singapore, and expand our terminal in Merak, Indonesia.

In total, we currently have more than 3 million cbm under construction. We find this the natural moment for a strategic review and test the market value of our terminals in Algeciras, Amsterdam, Hamburg and Tallinn. This review is fully in line with the focus on growing our portfolio with the four strategic terminal types (major hubs, gas & LNG, industrial terminals, distribution in major markets).

In the second half of the year, we will maintain our focus on both short-term performance and long-term value creation for all stakeholders and seize opportunities that are being created in today's market. This enables us to continue storing vital products with care."

Key figures

	HY1 2018	HY1 2017	Δ
Sustainability			
Total Injury Rate (TIR) per 200,000 hours worked own personnel and contractors	0.36	0.40	
Lost Time Injury Rate (LTIR) per 200,000 hours worked own personnel and contractors	0.15	0.12	
Process Safety Events Rate (PSER) per 200,000 hours worked own personnel and contractors	0.15	0.30	
Results (in EUR millions)			
Revenues	626.1	669.3	- 6%
Group operating profit before depreciation and amortization (EBITDA)	367.1	392.0	- 6%
Group operating profit before depreciation and amortization (EBITDA) -excluding exceptional items-	370.9	394.1	- 6%
Group operating profit (EBIT)	232.9	256.0	- 9%
Group operating profit (EBIT) -excluding exceptional items-	236.7	258.1	- 8%
Net profit attributable to holders of ordinary shares	137.4	148.8	- 8%
Net profit attributable to holders of ordinary shares -excluding exceptional items-	140.2	150.4	- 7%
Cash flows from operating activities (gross)	341.0	321.0	6%
Capital employed (in EUR millions)			
Total investments	228.1	193.5	18%
Average gross assets	7,050.6	7,042.5	0%
Average capital employed	3,977.2	4,148.7	- 4%
Capital and financing (in EUR millions)			
Equity attributable to owners of parent	2,502.4	2,439.1	3%
Net interest-bearing debt	1,661.8	1,767.6	- 6%
Ratios (excluding exceptional items)			
EBITDA margin excluding result of joint ventures and associates	49.7%	49.3%	0.4pp
Cash Flow Return On Gross Assets (CFROGA) *	9.2%	9.7%	- 0.5pp
Return On Capital Employed (ROCE)	11.9%	12.3%	- 0.4pp
Return On Equity (ROE)	10.8%	12.0%	- 1.2pp
Senior net debt : EBITDA	2.18	2.20	
Interest cover (EBITDA : net finance costs)	6.8	7.5	
Key figures per ordinary share (in EUR)			
Basic earnings	1.08	1.17	- 8%
Basic earnings -excluding exceptional items-	1.10	1.18	- 7%
Diluted earnings	1.08	1.17	- 8%
Diluted earnings -excluding exceptional items-	1.10	1.18	- 7%
Company data			
Number of employees end of period subsidiaries (in FTE)	3,721	3,630	3%
Number of employees end of period joint ventures and associates (in FTE)	2,061	2,107	- 2%
Storage capacity end of period subsidiaries (in million cbm)	19.6	19.7	- 1%
Storage capacity end of period joint ventures and associates (in million cbm)	12.6	12.4	2%
Storage capacity end of period operatorships (in million cbm)	3.8	3.8	–
Occupancy rate subsidiaries (average rented storage capacity in %)	86%	91%	- 5pp
Information on proportionate basis**			
Group operating profit before depreciation and amortization (EBITDA) -excluding exceptional items-	410.7	440.9	- 7%
Cash Flow Return On Gross Assets (CFROGA) *	8.6%	9.4%	- 0.8pp
Occupancy rate subsidiaries, joint ventures and associates	84%	91%	- 7pp
Number of shares outstanding			
Basic weighted average	127,653,148	127,480,709	
Weighted average including dilutive effect	127,817,940	127,702,542	
Total including treasury shares end of period	127,835,430	127,835,430	
Treasury shares end of period	170,597	291,599	
Exchange rates (per EUR 1.00)			
Average US dollar	1.21	1.08	
US dollar end of period	1.16	1.14	
Average Singapore dollar	1.61	1.52	
Singapore dollar end of period	1.58	1.57	

** 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 2018 events:

- On 16 February, Vopak and its partner PT AKR Corporindo announced to expand their import-distribution terminal in the Port of Jakarta, Indonesia. The expansion will add 100,000 cbm of storage capacity for clean petroleum products and biofuels supporting customers to comply with Indonesia's biofuel blending mandate regulations.
- On 16 February, Vopak announced to expand its Sebarok terminal in Singapore with 67,000 cbm. The expansion mainly caters for storage and handling of marine gas oil to strengthen the position of our Sebarok terminal with the flexibility of handling multiple fuels following the implementation of the International Marine Organization's global sulphur cap as of 1 January 2020.
- On 18 April, Vopak announced that it will expand its wholly-owned Botlek terminal which is located in the Port of Rotterdam, the Netherlands. The expansion will add 15 new stainless steel tanks with a capacity of 63,000 cbm for styrene and other chemical products.

Subsequent events:

- On 20 July, Vopak and Engro Corporation announced the signing of a Share Purchase Agreement in which Vopak will acquire a 29% share in Engro Elengy Terminal Pakistan Ltd. (EETPL). This LNG import facility, located in Port Qasim, consists of an LNG jetty and high pressure gas pipeline. EETPL holds a 15 year Floating Storage and Regasification Unit (FSRU) time charter (capacity of 151,000 cbm). The acquisition is subject to certain conditions, including customary regulatory and shareholder approvals, and closing is anticipated to take place in Q4 2018.
- In July 2018, Vopak formalized the agreement regarding a new pension plan in the Netherlands effective per 1 January 2018, including a cash contribution of EUR 18.0 million. The agreement delivers a good outcome to both the participants and Vopak. The new pension plan provides flexibility to the participants and qualifies as a defined contribution plan under IAS 19. Going forward Vopak has the sole obligation to pay a contribution based on a fixed percentage of the pensionable salary. The total exceptional (non-cash) net gain before tax for the year from this event is EUR 19.1 million.
- Today, Vopak announces that it will expand its chemical terminal in Merak, Indonesia, with 50,000 cbm to 131,000 cbm. Merak is the main chemical import port of Indonesia and Merak has the highest concentration of petrochemical facilities. The expansion is expected to be commissioned in Q1 2020.
- Today, Vopak announces to invest in its Europoort terminal in Rotterdam, the Netherlands, to support 0.5% low sulphur fuel oil bunkering. This investment is supported by customer commitments and will be completed in the second half year of 2019.
- Vopak will further strengthen its global chemical storage positions. A new jetty will be constructed at Vopak Terminal Linkeroever in Antwerp, Belgium, enabling planned future growth. Furthermore, a major service improvement project will commence at Vopak Terminal Penjuru in Singapore, to service the chemical market in Singapore.
- Today, Vopak announces that it will conduct a strategic review and test the market value of its terminals in Algeciras, Amsterdam, Hamburg and Tallinn.

Corporate governance events:

- At the Annual General Meeting held 18 April 2018 Mr E.M. Hoekstra was re-appointed as Chairman of the Executive Board and CEO and Mr F. Eulderink was re-appointed as a member of the Executive Board and COO, both for a new term of four years.
- In line with the resignation schedule Mr F.J.G.M. Cremers and Mr C.J. van den Driest stepped down from the Supervisory Board following the Annual General Meeting held 18 April 2018. Mr M.F. Groot was re-appointed as member of the Supervisory Board for a new term of four years.
- Mr B. van der Veer and Mrs L.J.I. Foufopoulos - De Ridder were appointed as member of the Supervisory Board, both for a term of four years at the Annual General Meeting held 18 April 2018.

Sustainability review

We store and handle products that are crucial to people's lives, yet of which some can endanger their health and the environment if stored or handled inappropriately. As a service provider, we do not drive market choices but facilitate product flows. Our mission is to connect the supply and demand for these products by providing safe, efficient and clean storage and handling services for our customers. By fulfilling our mission with care, we strive to be the partner of choice for all our stakeholders, from customers, business partners and investors, to governments, local communities and society at large.

We believe it is each citizen's and each organization's responsibility to do what they can to maximize their contribution to and minimize their negative impact on society and environment. To Vopak, sustainability means generating added value for our stakeholders, 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.

Regrettably, a fatal incident occurred during underwater demolition work at our Sebarok terminal in Singapore on 23 June 2018. A Singaporean subcontractor diver lost his life as a result of this incident. Local authorities are investigating the incident and Vopak is working with them on investigations around the root cause.

	Total Injury Rate		Lost Time Injury Rate		Process Safety Event Rate	
	HY1 2018	HY1 2017	HY1 2018	HY1 2017	HY1 2018	HY1 2017
Europe & Africa	1.18	1.39	0.53	0.51	0.50	0.63
Asia & Middle East	0.10	0.11	0.02	–	0.08	0.29
China & North Asia	0.40	0.40	0.20	0.10	–	0.10
Americas	0.20	0.10	0.07	–	–	–
LNG	–	–	–	–	–	0.54
Global HQ	–	–	–	–	–	–
Total Vopak	**0.36**	**0.40**	**0.15**	**0.12**	**0.15**	**0.30**

Total Injury Rate (per 200,000 working hours) decreased to 0.36 (HY1 2017: 0.40). The combined absolute number of total injuries (between own employees and contractors) in the first half of 2018 equals the 31 injury events recorded in HY1 2017.

The Lost Time Injury Rate (per 200,000 working hours) for own employees and contractors increased to 0.15 (HY1 2017: 0.12).

Process Safety Event Rate for Tier 1 and Tier 2 decreased to 0.15 (HY1 2017: 0.30).

	Contained	Uncontained	Total
Total number of reportable spills	22	7	29
Total amount of spills (metric tons)	135	44	179

In our emissions to soil, surface and sewage water, we had 29 spills, of which seven were uncontained, representing a total of 179 metric tons product (HY1 2017: 31 spills representing 628 metric tons). This included a Tier 1 spill of 75 metric tons of naphtha at our Europoort terminal (the Netherlands).

Financial review

Revenues
In the first half year of 2018, Vopak's revenues amounted to EUR 626.1 million, which was EUR 43.2 million (6%) lower than the first six months of 2017 (EUR 669.3 million). Excluding the negative currency translation effect of EUR 27.9 million, the decrease amounted to EUR 15.3 million, reflecting lower rented capacity and pricing effects at the oil hub terminals in the Netherlands and Singapore caused by a less favorable fuel oil market for storage. This effect was partly offset by higher revenues from chemicals, vegetable oils and gas.

The average occupancy rate for Vopak's subsidiaries (i.e. excluding joint ventures and associates) for the first six months of 2018 was 86% compared to 91% in the first half year of 2017 and for a large part attributable to the oil hub terminals in the Netherlands and Singapore.

Vopak's worldwide storage capacity increased with 0.1 million cbm from 35.9 million cbm per the end of June 2017 to 36.0 million cbm per the end of June 2018. This increase relates to the commissioning of the remaining capacity that was under construction 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 23.2 million (6%) to EUR 370.9 million (HY1 2017: EUR 394.1 million). Excluding the negative currency translation effect of EUR 19.5 million, the decrease amounted to EUR 3.7 million. The lower revenues due to a lower occupancy in oil were partly offset by chemicals, vegetable oils and gas, the favorable settlement of legal and commercial positions and lower operating expenses. The result of the joint ventures and associates decreased.

Operating expenses -excluding exceptional items- decreased by EUR 17.3 million (5%) to EUR 325.0 million (HY1 2017: EUR 342.3 million). Excluding the positive currency translation effect of EUR 12.0 million, the decrease amounted to EUR 5.3 million. This decrease in expenses is to a large extent due to the cost efficiency program.

The net result of joint ventures and associates -excluding exceptional items-, included in the reported EBIT(DA) decreased by EUR 11.0 million (18%) to EUR 50.4 million (HY1 2017: EUR 61.4 million). Excluding the negative currency translation effect of EUR 3.4 million, the decrease amounted to EUR 7.6 million. This decrease was mainly due to a lower performance of joint venture oil terminals in the Asia and Middle East division due to a less favorable oil market structure.

Depreciation and amortization charges amounted to EUR 134.2 million, which was comparable to the first half year of 2017 (EUR 136.0 million). Excluding the positive currency translation effect of EUR 4.7 million, the increase amounted to EUR 2.9 million. The higher depreciation and amortization charges are primarily related to capex projects at existing terminals mainly in the Europe & Africa division and IT projects.

Group operating profit (EBIT) -excluding exceptional items- amounted to EUR 236.7 million; a decrease of EUR 21.4 million (8%) compared to EUR 258.1 million in the same period of 2017. Excluding the negative currency translation effect of EUR 14.9 million, the decrease amounted to EUR 6.5 million.

Exceptional items
The exceptional loss of EUR 3.8 million recognized in the first half of 2018 is related to the total net exceptional gain for the year of EUR 19.1 million related to the third quarter settlement of the defined benefits pension plan in the Netherlands. The EUR 3.8 million is the difference between the IFRS defined benefits costs and the actual defined contribution cash outflows for the period, that was agreed effective per 1 January 2018. Reference is made to note 4 of the interim financial statements.

Including exceptional items, group operating profit amounted to EUR 232.9 million in HY1 2018, which is a decrease of EUR 23.1 million (9%), compared to EUR 256.0 million in the same period of 2017.

Net profit attributable to holders of ordinary shares
In the first six-month period of 2018 the net profit attributable to holders of ordinary shares -excluding exceptional items- decreased by EUR 10.2 million (7%) to EUR 140.2 million from EUR 150.4 million in the same period of 2017.

Net profit attributable to holders of ordinary shares -including exceptional items- amounted to EUR 137.4 million, a decrease of EUR 11.4 million (8%) compared to EUR 148.8 million in the first half of 2017.

Earnings per ordinary share -excluding exceptional items- decreased by 7% to EUR 1.10 (HY1 2017: EUR 1.18). The weighted average number of outstanding ordinary shares was 127,653,148 for HY1 2018 (HY1 2017: 127,480,709). Including exceptional items, the earnings per ordinary share decreased by 8% to EUR 1.08 (HY1 2017: EUR 1.17).

Gross cash flows from operating activities
The gross cash flows from operating activities for the first half year of 2018 of EUR 341.0 million were 6% higher compared to prior year (HY1 2017: EUR 321.0 million). The operating cash flow generated by the subsidiary terminals was similar to that of prior year. The increase in the gross operating cash flows is primarily caused by a higher amount of dividends received from joint ventures and associates.

Strategic investments and divestments

Investments and divestments
In the first half year of 2018, total investments amounted to EUR 232.3 million (HY1 2017: EUR 194.6 million), of which EUR 202.2 million was invested in property, plant and equipment (HY1 2017: EUR 116.5 million), EUR 20.6 million in joint ventures and associates (HY1 2017: EUR 16.4 million) and EUR 9.5 million in IT (HY1 2017: EUR 10.7 million).

Of the total investments in property, plant and equipment (including capitalized interest) during the first half year of 2018, EUR 103.5 million (HY1 2017: EUR 26.2 million) was invested in the expansion of existing terminals and the construction of new terminals.

As part of the strategic direction for the period 2017-2019, Vopak has decided to invest over EUR 100 million in the period 2017-2019 in new technology and innovation programs as well as replacing its IT systems.

Vopak's sustaining and service improvement capex budget of EUR 750 million for the period 2017-2019 includes the budget for major service improvement projects and the expected investment of EUR 40 million in our fuel oil network to convert capacity to the desired flexibility and cubic meters to profitably serve the bunker market.

The service, maintenance, compliance and IT capex for the first half year of 2018 amounted to EUR 108.2 million (HY1 2017: EUR 96.3 million).

Impairments
There were no impairments recognized in the first half of 2018 (HY1 2017: 2.1 million).

Cash flows from investing and divesting activities
The cash outflows from investing activities for the first half year of 2018 amounted to EUR 198.3 million (HY1 2017: cash outflow of EUR 195.8 million). The cash flows from investing activities are lower than the accounting investments, due to timing differences and the effects of the capitalized interest. The increase in investment cash flows of EUR 34.6 million reflected expansion projects partly offset by cash inflows from repayments and disposals of EUR 32.5 million, of which the planned equity repayment from our associate terminal PT2SB in Malaysia.

Capital Structure
Equity
The equity attributable to holders of ordinary shares increased by EUR 22.4 million to EUR 2,502.4 million (31 December 2017: EUR 2,480.0 million). The increase mainly resulted from the addition of the net profit for the period of EUR 137.4 million, largely offset by the dividend payments in cash of EUR 134.0 million (EUR 1.05 per ordinary share with a nominal value of EUR 0.50).

Net debt
The net interest-bearing debt increased with EUR 127.8 million to EUR 1,661.8 million (31 December 2017: EUR 1,533.9 million). This increase is mainly related to the cash flow generated during the period, together with the effects of foreign exchange differences.

During the first half year of 2018, EUR 6.4 million (HY1 2017: EUR 102.7 million) of debt repayments took place. For the remainder of 2018, no repayments on long-term loans are scheduled.

On 1 June 2018, Vopak reached agreement with all 15 lenders of the EUR 1 billion senior unsecured revolving credit facility regarding a second extension of the facility. The maturity date has been extended until 1 June 2023. As per 30 June 2018, the facility was fully available.

The Senior Net Debt : EBITDA ratio was 2.18 as at 30 June 2018 (31 December 2017: 2.02), well below the maximum agreed ratios in the covenants with the lenders.

Net finance costs
In the first half of 2018, the Group's net finance costs -excluding exceptional items- amounted to EUR 38.7 million (HY 2017: EUR 52.3 million). This decrease of EUR 13.6 million is primarily caused by lower interest expenses in 2018 resulting from the debt repayments in 2017.

The average interest rate over the reporting period, including the effect of hedge accounting, was 4.25% (HY1 2017: 4.44%). The fixed-to-floating ratio of the long-term interest-bearing loans, including interest rate swaps, amounted to 98% versus 2% at 30 June 2018, comparable to the same period last year.

Cash flows from financing activities
The cash outflow from financing activities amounted to EUR 144.7 million (HY1 2017: outflow of EUR 281.8 million). This decrease in the cash outflows from financing activities of EUR 137.1 million was for a large part the result of the absence of material debt repayments in 2018.

Income taxes
Income tax expense -excluding exceptional items- for the first half year of 2018 amounted to EUR 39.8 million, an increase of EUR 6.0 million (18%) compared with EUR 33.8 million in the same period of 2017. The effective tax rate -excluding exceptional items- for the first half year of 2018

was 20.1% compared to 16.4% in HY1 2017. This increase is primarily caused by positive adjustments for previous years which were accounted for in the first half of 2017 and the decrease of the joint venture results in 2018.

In both periods the tax effect on exceptional items for group companies was immaterial.

Income tax expense -including exceptional items- for the first half year of 2018 amounted to EUR 38.8 million, which is 5.5 million higher than the EUR 33.3 million in the same period of 2017. The effective tax rate -including exceptional items for the first half year of 2018 was 20.0% compared to 16.3% in HY1 2017.

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 2018. The outcome and conclusions of this process have been reported to and discussed with the Executive Board and subsequently discussed with 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 2017 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 2018.

Reference is made to the 2017 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 117 to 129).

Product market developments

Crude oil and oil products
Global oil production peaked at 98.5 mbd in the first six months of 2018. Saudi Arabia and Russia decided to ease the oil supply cut and lifted their output by more than 500 kbd. Pressure on global oil supply mainly comes from a high number of disruptions, Iran sanctions, as well as declining production in Venezuela and Libya. The relative uncertain global market environment caused a high volatility in crude prices with Brent balancing between 60-80 $/bbl during HY1 2018.

Global product demand growth started strong at the beginning of 2018, although slowing down mainly as a result of higher prices. Cold winter weather was one of the reasons for higher demand with an increased demand for gasoil in the US and Europe during the first months of the year. Non-OECD markets in general saw increased growth for products, although feeling pressure from higher prices.

For the main bunker locations, demand was solid for Singapore, slightly lower for Rotterdam, volumes in Fujairah remained under pressure while Panama saw increased volumes.

Distribution terminals in short markets continue to benefit from solid market fundamentals. However, within the hub locations we notice, for in particular fuel oil, pressure from increased competition as well as demand for storage and handling services weakening. Overall pressure was mainly the result of tougher market environment for our customers caused by a backwardated market.

Chemicals and gases
Global demand for key chemicals grew 4.2% during the first six months of 2018, as the industry gained new strength built on robust demand, cheap feedstock and strengthening of economies. Producers enjoyed good margins and project development activity attained momentum.

Access to cheap ethane feedstock in the US continues to provide chemical manufacturers a cost advantage compared to the rest of the world. Concerns about ethylene overcapacity have faded as some projects have delayed and strong global demand absorbs the new supply. The US chemical industry continues to benefit from the strength of its economy, which is driving greater demand for chemicals.

The Chinese economy continued its strong growth path in the first half of the year. Even with a slowing economy, China remains a key market for chemicals, absorbing more than half of the world's exports. For the rest of Asia, demand for chemical products accelerated, with India continuing to be the fastest growing economy in the region.

The European chemical industry regained confidence following an overall economic recovery in its major economies. Demand for chemicals increased steadily and after years of rationalizations, several chemical companies recently announced investment plans in Europe.

The Middle East continued its role as major petrochemical exporter in the world, built around cheaper feeds. The $20 billion Sadara petrochemical complex that came to full production levels at the end of last year, raising exports in 2018.

Global LPG trade increased by 8% in the first half year of 2018 compared to the first half year of 2017 on the back of increased exports from the US and continuing growth of the Asian-Pacific residential and petrochemical end markets. Crackers in both Europe and Asia have been maximizing their intake of LPG as mix feedstock in the second quarter of 2018 due to favorable prices compared to naphtha.

These developments continue to support the steady growth of Vopak's chemicals and LPG portfolio across all regions.

Biofuels and vegoils

The Biofuels market has been very strong in the first half of the year. In Europe, despite some uncertainties in relation to the use of crop-based biodiesel, the blended volumes of FAME and HVO into Diesel in the first six months of 2018 achieved a four-year high. Ethanol blends remained flat in terms of blended volume despite recent price increases. For Brazil, higher oil prices and the depreciation of its currency have made ethanol exports more competitive. Arbitrage from Brazil to the US West Coast attracted strong interest, while for the US East Coast, the biofuel markets remained volatile due to anticipated changes in government subsidies.

Besides the gradual demand growth from the food sector, incremental demand for vegetable oils in the first half of 2018 was mainly fuelled by its improved price competitiveness in the energy sector. In key markets like Brazil, Indonesia, US, India, China and EU, recent increases in fossil fuel prices has resulted in strong demand growth of vegetable oils as feedstock for biodiesel production.

LNG

The strong growth in LNG imports in Asia and mainly China at the end of 2017 has continued in 2018. Demand growth at the beginning of 2018 was mainly driven by a long and cold winter, Chinese ramp-up of new contracts and nuclear outages in Japan and South Korea. Bangladesh joined the LNG market with its inaugural cargo in April 2018. European imports increased during 2018 compared to 2017. LNG imports into South America have continued to fall driven by higher domestic gas production as well as more hydropower generation capacity.

Cold winter weather in Asia led spot LNG prices to rise to heights of around $11 per MMBtu and softening during the summer period. Higher oil prices prevented spot prices from dropping as low as they did in the summer of 2017.

Vopak

Terminal portfolio and storage capacity developments.

	End HY1 2017	Net Change HY2 2017	End 2017	Net Change HY1 2018	End HY1 2018	Under Development	End 2020
Subsidiaries	19.7	- 0.1	19.6	–	19.6	1.0	20.6
Joint Ventures and associates	12.4	0.1	12.5	0.1	12.6	2.3	14.9
Operatorships	3.8	–	3.8	–	3.8	–	3.8
Total capacity	35.9	–	35.9	0.1	36.0	3.3	39.3

Since year-end 2017, our worldwide capacity has increased by 0.1 million cbm, to a total of 36.0 million cbm as per the end of HY1 2018.

Storage capacity Development					
Country	**Terminal**	**Vopak's ownership**	**Products**	**Capacity (cbm)**	**Commissioned**
Storage capacity per 31 December 2017				35.9	
New and existing terminals					
Saudi Arabia	Chemtank Jubail	25%	Chemicals	74,000	Q2 2018
Net change for the period as per 30 June 2018				0.1	million cbm
Total Storage capacity per 30 June 2018				36.0	million cbm

Once completed, 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 2020					
Country	**Terminal**	**Vopak's ownership**	**Products**	**Capacity (cbm)**	**Expected**
Existing terminals					
United States	Deer Park	100%	Chemicals	138,000	Q4 2018
Malaysia	Pengerang Independent Terminals (PITSB)	44.1%	Oil products	430,000	Q1 2019
Brazil	Alemoa	100%	Chemicals/oil products	106,000	Q3 2019
Singapore	Sebarok	69.5%	Oil products	67,000	Q3 2019
South Africa	Durban	70%	Oil products	130,000	Q4 2019
Indonesia	Jakarta	49%	Oil products	100,000	Q4 2019
Acquisitions					
Pakistan	Elengy Terminal Pakistan	29%	LNG	151,000	Q4 2018
New terminals					
Malaysia	PT2SB (Pengerang)	29.7%	Chemicals/oil products/LPG	1,496,000	Q4 2018-Q3 2019
Panama	Panama Atlantic	100%	Oil products	360,000	Q1 2019-Q3 2019
Canada	Ridley Island Propane Export Terminal	30%	LPG	96,000	Q2 2019
South Africa	Lesedi	70%	Oil products	100,000	Q2 2019
Net change for the period up to and including 2019				3.2	million cbm
Existing terminals					
Indonesia	Merak	95%	Chemicals	50,000	Q1 2020
Netherlands	Vopak Terminal Botlek	100%	Chemicals	63,000	Q2 2020
Net change for the period 2020				0.1	million cbm
Total Storage capacity up to and including 2020				39.3	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), and other (equity) interests and operatorships, and including currently out of service capacity due to maintenance and inspection programs.

Other terminal portfolio developments
In addition to the announced growth capacity developments, Vopak is investing in other projects with the following highlights:

Vopak will invest in its Europoort terminal in Rotterdam to create a dedicated 0.5% sulphur bunkering point. This investment is supported by customer commitments and will be completed in the second half year of 2019.

In addition, Vopak will further strengthen its global chemical storage positions. A new jetty will be constructed at Vopak Terminal Linkeroever in Antwerp, enabling future growth. A service improvement project was approved for Vopak Terminal Penjuru in Singapore, to maintain our leading position in the chemical market in Singapore.

Vopak has set up business development joint ventures with the aim to develop LNG import facilities in Germany and in China.

Our terminal in Venezuela operates under difficult circumstances. The economic, social and political environment in which our terminal in Venezuela operates is continuously deteriorating. Furthermore, strict currency controls continue to be applicable and the government has announced to remove five zeroes from the bolivar currency in order to keep up with the inflation, which is expected to exceed one million percent this year. Triggered by the increase in the speed of the deterioration of the environment, Vopak will continue to monitor its accounting position for this terminal in the second half year of 2018. Per year-end 2017, the accumulated amount of unrealized currency translation losses recognized in Equity via Other comprehensive income amounted to EUR 47.3 million per year-end 2017. For further details, see note 1.1 and note 2.8 of the 2017 Annual Report.

Results HY1 2018 by division[1]

Europe & Africa

In EUR millions	HY1 2018	HY1 2017	Δ
Revenues	312.1	324.4	- 4%
Results -excluding exceptional items-			
Group operating profit before depreciation and amortization (EBITDA)	155.3	160.7	- 3%
Group operating profit (EBIT)	79.2	85.9	- 8%
Results -including exceptional items-			
Group operating profit before depreciation and amortization (EBITDA)	152.5	158.6	- 4%
Group operating profit (EBIT)	76.4	83.8	- 9%
Average gross assets	3,513.0	3,385.1	4%
Average capital employed	1,844.1	1,879.9	- 2%
Occupancy rate subsidiaries	84%	91%	- 7pp
Storage capacity end of period (in million cbm)	13.7	13.8	- 1%

Revenues of the Europe & Africa division amounted to EUR 312.1 million for the first half year of 2018, a decrease of EUR 12.3 million (4%) compared to the same period prior year (EUR 324.4 million). The currency translation effect was immaterial. The decrease was for the larger part due to a less favorable oil market structure, which was partly compensated by higher revenues at the chemical and vegetable oil terminals in the ARA region.

The average occupancy rate for the division was 84% versus 91% in HY1 2017.

Group operating profit -excluding exceptional items- decreased by EUR 6.7 million (8%) to EUR 79.2 million (HY1 2017: EUR 85.9 million). This decrease was mainly caused by lower revenues, partly compensated by lower operating expenses resulting from cost saving initiatives.

Additional capacity of 0.3 million cbm in total is currently under construction.

Asia & Middle East

In EUR millions	HY1 2018	HY1 2017	Δ
Revenues	156.6	178.4	- 12%
Results -excluding exceptional items-			
Group operating profit before depreciation and amortization (EBITDA)	130.5	148.3	- 12%
Group operating profit (EBIT)	104.7	120.3	- 13%
Results -including exceptional items-			
Group operating profit before depreciation and amortization (EBITDA)	130.5	148.3	- 12%
Group operating profit (EBIT)	104.7	120.3	- 13%
Average gross assets	1,843.5	1,907.7	- 3%
Average capital employed	1,034.7	1,097.7	- 6%
Occupancy rate subsidiaries	88%	93%	- 5pp
Storage capacity end of period (in million cbm)	13.4	13.2	2%

[1] Effective per 1 January 2018, Vopak streamlined its divisional structure, resulting in a situation where the Group comprises five divisions (operating segments) instead of the previous six. The five divisions are Europe & Africa, Asia & Middle East, China & North Asia, Americas and LNG. This is part of the organizational and operational efficiency programs in relation to the earlier announced strategic direction for the period 2017-2019.

Revenues of the Asia & Middle East division decreased by EUR 21.8 million (12%) to EUR 156.6 million (HY1 2017: EUR 178.4 million). Excluding the negative currency translation effect of EUR 11.0 million, the decrease amounted to EUR 10.8 million. This was mainly related to the oil terminals in Singapore caused by a less favorable oil market structure. This effect was partly offset by higher revenues from the chemical terminals.

The average occupancy rate for the division was 88% versus 93% in HY1 2017.

Group operating profit -excluding exceptional items- decreased by EUR 15.6 million (13%) to EUR 104.7 million (HY1 2017: EUR 120.3 million). Excluding a negative currency translation effect of EUR 7.7 million, the decrease amounted to EUR 7.9 million. This was caused by the lower revenues, partly offset by lower expenses resulting from the cost efficiency program. At the same time, the results from joint venture decreased by EUR 13.3 million, primarily related to the lower performance of the oil joint venture terminals. Settlements of legal and commercial positions made a positive contribution of EUR 9.9 million.

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

China & North Asia

In EUR millions	HY1 2018	HY1 2017	Δ
Revenues	17.0	15.6	9%
Results -excluding exceptional items-			
Group operating profit before depreciation and amortization (EBITDA)	20.8	13.9	50%
Group operating profit (EBIT)	16.4	9.0	82%
Results -including exceptional items-			
Group operating profit before depreciation and amortization (EBITDA)	20.8	13.9	50%
Group operating profit (EBIT)	16.4	9.0	82%
Average gross assets	521.9	546.7	- 5%
Average capital employed	379.8	453.4	- 16%
Occupancy rate subsidiaries	78%	71%	7pp
Storage capacity end of period (in million cbm)	4.2	4.2	–

In the China & North Asia division, the revenues for the first half year of 2018 increased by EUR 1.4 million (9%) to EUR 17.0 million (HY1 2017: EUR 15.6 million). Excluding the negative currency translation effect of EUR 0.7 million, the revenues increased by EUR 2.1 million compared to prior year.

The average occupancy rate for the division was 78% versus 71% in HY1 2017.

Group operating profit -excluding exceptional items- increased by EUR 7.4 million (82%) to EUR 16.4 million (HY1 2017: EUR 9.0 million). Excluding the negative currency translation effect of EUR 0.6 million, the increase amounted to EUR 8.0 million. This increase was mainly caused by the higher revenues and the higher results from joint ventures and associates, while at the same time the operating expenses showed a decrease. Nevertheless, the competitive environment in China remains challenging. Furthermore, our industrial terminal in Haiteng has restarted the normal operations in June 2018 and it is expected that the main customer of Vopak Terminal Haiteng will restart its production before the end of 2018.

There is currently no additional capacity under construction.

Americas

In EUR millions	HY1 2018	HY1 2017	Δ
Revenues	139.9	149.9	- 7%
Results -excluding exceptional items-			
Group operating profit before depreciation and amortization (EBITDA)	67.1	68.8	- 2%
Group operating profit (EBIT)	45.2	44.9	1%
Results -including exceptional items-			
Group operating profit before depreciation and amortization (EBITDA)	67.1	68.8	- 2%
Group operating profit (EBIT)	45.2	44.9	1%
Average gross assets	913.8	981.3	- 7%
Average capital employed	480.3	531.1	- 10%
Occupancy rate subsidiaries	90%	90%	–
Storage capacity end of period (in million cbm)	3.9	3.9	–

In the Americas division, the revenues in the first half year of 2018 of EUR 139.9 million were EUR 10.0 million (7%) lower than the revenues of the same period prior year (HY1 2017: EUR 149.9 million). Excluding the negative currency translation effect of EUR 15.7 million, the increase amounted to EUR 5.7 million. This increase was mainly related to the US and Brazil terminals.

The average occupancy rate for the division of 90% was equal to prior year.

Group operating profit -excluding exceptional items- increased by EUR 0.3 million (1%) to EUR 45.2 million (HY1 2017: EUR 44.9 million). Excluding the negative currency translation effect of EUR 5.5 million, the increase amounted to EUR 5.8 million. This increase was primarily caused by the higher revenues.

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

LNG

In EUR millions	HY1 2018	HY1 2017	Δ
Results -excluding exceptional items-			
Group operating profit before depreciation and amortization (EBITDA)	17.9	17.3	3%
Group operating profit (EBIT)	17.9	17.3	3%
Results -including exceptional items-			
Group operating profit before depreciation and amortization (EBITDA)	17.9	17.3	3%
Group operating profit (EBIT)	17.9	17.3	3%
Average gross assets	177.7	167.2	6%
Average capital employed	183.0	166.8	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 divisional activities. Group operating profit -excluding exceptional items- from global LNG activities amounted to EUR 17.9 million, which is comparable to prior year (HY1 2017: EUR 17.3 million).

The announced acquisition of a 29% share in Engro Elengy Terminal in Pakistan, which is expected to be completed in the fourth quarter of 2018, will add 151,000 cbm capacity to the network.

Global functions, corporate activities and others
The global operating costs increased by EUR 7.4 million (38%) to EUR 26.7 million (HY1 2017: EUR 19.3 million). The increase relates to a large extent to higher costs related to insured events, additional costs from business development, IT activities and higher LTIP costs, together with the net effect of the cost allocations to and from divisions, which can differ per period.

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, the Executive Board confirms that, to the best of its knowledge:

- the interim consolidated financial statements for the six months ended 30 June 2018 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 2018 gives a true and 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 2018

The Executive Board

Eelco Hoekstra (Chairman of the Executive Board and CEO)
Frits Eulderink (Member of the Executive Board and COO)
Gerard Paulides (Member of the Executive Board and CFO)

Auditor's involvement

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

Interim consolidated financial statements

Consolidated statement of income

In EUR millions	Note	HY1 2018	HY1 2017
Revenues	5	626.1	669.3
Other operating income		19.4	5.7
Total operating income		**645.5**	**675.0**
Personnel expenses		168.7	171.6
Depreciation and amortization	6	134.2	136.0
Impairment		–	2.1
Other operating expenses		160.1	170.7
Total operating expenses		**463.0**	**480.4**
Operating profit		**182.5**	**194.6**
Result joint ventures and associates using the equity method	7.1	50.4	61.4
Group operating profit		**232.9**	**256.0**
Interest and dividend income		6.9	6.5
Finance costs		- 45.6	- 58.8
Net finance costs		**- 38.7**	**- 52.3**
Profit before income tax		**194.2**	**203.7**
Income tax		- 38.8	- 33.3
Net profit		**155.4**	**170.4**
Non-controlling interests		- 18.0	- 21.6
Net profit holders of ordinary shares		**137.4**	**148.8**
Basic earnings per ordinary share (in EUR)		**1.08**	**1.17**
Diluted earnings per ordinary share (in EUR)		**1.08**	**1.17**

Consolidated statement of comprehensive income

In EUR millions	HY1 2018	HY1 2017
Net profit	**155.4**	**170.4**
Exchange differences on translation of foreign operations	17.2	- 115.3
Net investment hedges	- 16.0	49.8
Effective portion of changes in fair value of cash flow hedges	1.2	13.4
Use of effective portion of cash flow hedges to statement of income	- 0.9	- 1.2
Share in other comprehensive income of joint ventures and associates	2.5	5.0
Other comprehensive income that may be reclassified to statement of income in subsequent periods	**4.0**	**- 48.3**
Fair value change other investments	9.2	–
Remeasurement of defined benefit plans	5.2	68.4
Other comprehensive income that will not be reclassified to statement of income in subsequent periods	**14.4**	**68.4**
Other comprehensive income, net of tax	**18.4**	**20.1**
Total comprehensive income	**173.8**	**190.5**
Attributable to:		
Holders of ordinary shares	154.6	174.8
Non-controlling interests	19.2	15.7
Total comprehensive income	**173.8**	**190.5**

Note: All amounts are net of tax.

Consolidated statement of financial position

In EUR millions	Note	30-jun-18	31-dec-17
ASSETS			
Intangible assets	6	152.2	148.8
Property, plant and equipment	6	3,552.2	3,488.1
- Joint ventures and associates		986.6	968.7
- Finance lease receivable		28.6	29.2
- Loans granted		19.6	19.8
- Other financial assets		10.2	0.9
Financial assets	6	1,045.0	1,018.6
Deferred taxes		4.2	4.8
Derivative financial instruments		20.1	16.3
Other non-current assets		24.9	24.8
Total non-current assets		**4,798.6**	**4,701.4**
Trade and other receivables		256.4	253.7
Loans granted	6	-	8.8
Prepayments		57.7	17.9
Derivative financial instruments		17.1	2.7
Cash and cash equivalents	9	97.9	130.0
Total current assets		**429.1**	**413.1**
Total assets		**5,227.7**	**5,114.5**
EQUITY			
- Issued capital		63.9	63.9
- Share premium		194.4	194.4
- Treasury shares		- 7.3	- 8.0
- Other reserves		- 177.3	- 189.3
- Retained earnings		2,428.7	2,419.0
Equity attributable to owners of parent	8	**2,502.4**	**2,480.0**
Non-controlling interests		149.2	155.9
Total equity		**2,651.6**	**2,635.9**
LIABILITIES			
Interest-bearing loans	9	1,623.9	1,551.4
Derivative financial instruments		70.1	83.8
Pensions and other employee benefits		108.3	111.3
Deferred taxes		186.7	183.0
Provisions		24.5	23.8
Other non-current liabilities		26.1	24.2
Total non-current liabilities		**2,039.6**	**1,977.5**
Bank overdrafts and short-term borrowings	9	135.6	107.1
Interest-bearing loans	9	0.2	5.4
Derivative financial instruments		6.1	15.5
Trade and other payables		310.9	287.3
Taxes payable		52.7	49.5
Pensions and other employee benefits		4.2	1.4
Provisions		26.8	34.9
Total current liabilities		**536.5**	**501.1**
Total liabilities		**2,576.1**	**2,478.6**
Total equity and liabilities		**5,227.7**	**5,114.5**

Consolidated statement of changes in equity

In EUR millions	Issued capital	Share premium	Treasury shares	Other reserves	Retained earnings	Total	Non- con- trolling interests	Total equity
	Equity attributable to owners of parent							
Balance at 31 December 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**

In EUR millions	Issued capital	Share premium	Treasury shares	Other reserves	Retained earnings	Total	Non- con- trolling interests	Total equity
	Equity attributable to owners of parent							
Balance at 31 December 2017	**63.9**	**194.4**	**- 8.0**	**- 189.3**	**2,419.0**	**2,480.0**	**155.9**	**2,635.9**
Net profit	–	–	–	–	137.4	137.4	18.0	155.4
Other comprehensive income, net of tax	–	–	–	12.0	5.2	17.2	1.2	18.4
Total comprehensive income	–	–	–	**12.0**	**142.6**	**154.6**	**19.2**	**173.8**
Dividend paid in cash	–	–	–	–	- 134.0	- 134.0	- 25.9	- 159.9
Purchase treasury shares	–	–	–	–	–	–	–	–
Measurement of equity-settled share-based payment arrangements	–	–	–	–	1.8	1.8	–	1.8
Settlement of equity-settled share-based payment arrangements	–	–	0.7	–	- 0.7	–	–	–
Total transactions with owners	–	–	**0.7**	–	**- 132.9**	**- 132.2**	**- 25.9**	**- 158.1**
Balance at 30 June 2018	**63.9**	**194.4**	**- 7.3**	**- 177.3**	**2,428.7**	**2,502.4**	**149.2**	**2,651.6**

Consolidated statement of cash flows

In EUR millions	HY1 2018	HY1 2017
Cash flows from operating activities (gross)	**341.0**	**321.0**
Interest received	3.1	2.3
Dividend received	0.9	0.9
Income tax paid	- 32.1	- 26.9
Cash flows from operating activities (net)	**312.9**	**297.3**
Investments:		
Intangible assets	- 9.3	- 10.7
Property, plant and equipment - growth capex	- 98.0	- 26.9
Property, plant and equipment - service, maintenance, compliance and IT capex	- 98.9	- 88.7
Joint ventures and associates	- 20.7	- 0.5
Loans granted	- 1.1	- 50.6
Other non-current assets	- 0.1	- 0.2
Acquisitions of joint ventures and associates	–	- 15.9
Total investments	**- 228.1**	**- 193.5**
Disposals and repayments:		
Property, plant and equipment	0.2	0.3
Joint ventures and associates	23.9	–
Loans granted	8.8	–
Finance lease receivable	2.4	2.5
Total disposals and repayments	**35.3**	**2.8**
Cash flows from investing activities (excluding derivatives)	**- 192.8**	**- 190.7**
Settlement of derivatives (net investment hedges)	- 5.5	- 5.1
Cash flows from investing activities (including derivatives)	**- 198.3**	**- 195.8**
Financing:		
Repayment of interest-bearing loans	- 6.4	- 102.7
Proceeds from interest-bearing loans	25.5	6.0
Finance costs paid	- 34.8	- 68.3
Settlement of derivative financial instruments	0.9	14.8
Dividend paid in cash	- 134.0	- 133.9
Dividend paid to non-controlling interests	- 25.9	- 18.8
Purchase treasury shares	–	- 1.6
Proceeds and repayments in short-term financing	30.0	22.7
Cash flows from financing activities	**- 144.7**	**- 281.8**
Net cash flows	**- 30.1**	**- 180.3**
Exchange rate differences	- 0.5	- 3.1
Net change in cash and cash equivalents (including bank overdrafts)	**- 30.6**	**- 183.4**
Net cash and cash equivalents (including bank overdrafts) at 1 January	**102.9**	**297.8**
Net cash and cash equivalents (including bank overdrafts) at 30 June	**72.3**	**114.4**

Segmentation

Effective per 1 January 2018, Vopak streamlined its divisional structure, resulting in a situation where the Group comprises five divisions (operating segments) instead of the previous six. The five divisions are Europe & Africa, Asia & Middle East, China & North Asia, Americas and LNG. This is part of the organizational and operational efficiency programs in relation to the earlier announced strategic direction for the period 2017-2019. The comparative figures have been updated to reflect this change in segmentation.

Statement of income	Revenues		Result of joint ventures and associates		EBITDA		Group operating profit (EBIT)	
In EUR millions	HY1 2018	HY1 2017	HY1 2018	HY1 2017	HY1 2018	HY1 2017	HY1 2018	HY1 2017
Europe & Africa	312.1	324.4	1.4	1.0	155.3	160.7	79.2	85.9
of which Netherlands	*222.4*	*235.4*	*0.7*	*0.9*	*115.6*	*122.4*	*61.9*	*69.1*
Asia & Middle East	156.6	178.4	17.3	30.6	130.5	148.3	104.7	120.3
of which Singapore	*121.1*	*139.5*	*0.4*	*0.5*	*85.2*	*101.5*	*66.3*	*80.8*
China & North Asia	17.0	15.6	12.5	10.2	20.8	13.9	16.4	9.0
Americas	139.9	149.9	0.6	0.5	67.1	68.8	45.2	44.9
of which United States	*83.4*	*87.8*	*0.3*	*0.3*	*40.6*	*42.2*	*29.0*	*29.4*
LNG	–	–	18.6	18.8	17.9	17.3	17.9	17.3
Global functions, corporate activities and others	0.5	1.0	–	0.3	- 20.7	- 14.9	- 26.7	- 19.3
Total excluding exceptional items	**626.1**	**669.3**	**50.4**	**61.4**	**370.9**	**394.1**	**236.7**	**258.1**
Exceptional items[1]:								
Europe & Africa							- 2.8	- 2.1
Asia & Middle East							–	–
China & North Asia							–	–
Americas							–	–
LNG							–	–
Global functions, corporate activities and others							- 1.0	–
Total including exceptional items							**232.9**	**256.0**
Reconciliation consolidated net profit								
Group operating profit (EBIT)							232.9	256.0
Net finance costs							- 38.7	- 52.3
Profit before income tax							194.2	203.7
Income tax							- 38.8	- 33.3
Net profit							**155.4**	**170.4**

Occupancy rate subsidiaries

In percentage	HY1 2018	HY1 2017
Europe & Africa	84%	91%
Asia & Middle East	88%	93%
China & North Asia	78%	71%
Americas	90%	90%
Vopak	**86%**	**91%**

[1] Exceptional items are disclosed in note 4.

EBITDA and Group operating profit of the divisions includes the net-effects of the company-wide cost allocations. Costs that cannot be allocated to the divisions are part of the 'Global functions, corporate activities and others'. The actual allocated costs can differ per reporting period.

Statement of financial position	Assets of subsidiaries		Joint ventures and associates		Total assets		Total liabilities	
In EUR millions	30-jun-18	31-dec-17	30-jun-18	31-dec-17	30-jun-18	31-dec-17	30-jun-18	31-dec-17
Europe & Africa	2,200.9	2,197.4	19.8	19.4	2,220.7	2,216.8	264.4	254.7
of which Netherlands	*1,483.5*	*1,480.4*	*1.6*	*1.8*	*1,485.1*	*1,482.2*	*125.6*	*108.5*
Asia & Middle East	904.3	895.7	441.2	449.4	1,345.5	1,345.1	279.2	251.1
of which Singapore	*630.8*	*634.6*	*0.9*	*1.3*	*631.7*	*635.9*	*233.4*	*211.0*
China & North Asia	162.1	158.3	256.9	251.7	419.0	410.0	24.1	22.7
Americas	777.3	706.8	85.1	67.5	862.4	774.3	180.8	176.6
of which United States	*332.6*	*309.2*	*45.4*	*42.6*	*378.0*	*351.8*	*96.1*	*97.4*
LNG	5.4	0.4	184.1	181.4	189.5	181.8	2.6	1.9
Global functions, corporate activities and others	191.1	187.2	- 0.5	- 0.7	190.6	186.5	1,825.0	1,771.6
Total	**4,241.1**	**4,145.8**	**986.6**	**968.7**	**5,227.7**	**5,114.5**	**2,576.1**	**2,478.6**

Notes to the 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 interim consolidated financial statements for the first half year of 2018 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 interim consolidated financial statements on 17 August 2018.

1.1. Basis of preparation

These interim consolidated financial statements for the six months period ended 30 June 2018 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 2017 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 2017 Annual Report, except for the following:

IFRS 15 - Revenue from contracts with customers

IFRS 15 'Revenue from contracts with customers' 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 was applied by the Group as of 1 January 2018 and has no material effect. The additional disclosures required by the new standard relevant per half year can be found in note 5 and were to a large extent already voluntarily provided in the 2017 Annual Report.

IFRS 9 - Financial instruments

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. This new standard replaces the guidance in IAS 39. This new standard was applied by the Group as of 1 January 2018. As disclosed in the 2017 Annual Report, the new hedge accounting requirements provide more flexibility to the company as these are more in line with the financial risk management policies of the company, at the same time the direct financial effects of the new standard - including those relating to the new impairment requirements - are immaterial.

Furthermore, as per year-end 2017, the Group had a 10% share in the equity of SabTank (Saudi Arabia) for the amount of EUR 0.9 million which is classified as an Investment and which was at that time measured at cost. IFRS 9 requires that investments in equity instruments are measured at fair value and does not allow at cost measurement. Early 2018 on initial application of IFRS 9, the Group made the irrevocable election to present all fair value changes on this individual investment in Other comprehensive income. The fair value of this investment amounted to EUR 10.1 million as per 30 June 2018 and has a very limited effect on the consolidated balance sheet of the Group.

The group did not implement any other new standards, amendments to existing standards or new IFRIC interpretations that materially impact the consolidated financial statements of the Group for the financial year 2018.

1.3. New standards not yet adopted by the Group

IFRS 16 - Leases

The IASB published IFRS 16 'Leases' in January 2016. It will result in almost all leases being recognized on the balance sheet, as the distinction between operating and finance leases is removed for lessees. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases. Lessor accounting has not changed significantly. This new standard will be effective as of 1 January 2019 and has been endorsed by the European Union.

It has been concluded that in almost all 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 lease standard 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.

As per half-year 2018, the company has gathered the relevant details of its global lease contract portfolio, implemented a lease accounting tool and is in the process of implementing and embedding the new requirements in its processes and systems. 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.

Per year-end 2017, the total off-balance lease commitments amounted to EUR 1,145.3 million (22% of total assets). The group has preliminary calculated the increase in the net-debt position based on the lease contract portfolio per the end of June 2018. The position per year-end 2018 will further be updated to include certain significant land leases that are currently in the process of being renewed and are therefore not yet included in the calculated lease liability per the end of June 2018 and will include the effects of foreign currency movements.

In 2017 the total operating leases expenses recognized as operating expenses amounted to EUR 65.7 million (9% of EBITDA). When applying the new standard the larger part of these operating expenses resulting from lease contracts will be reclassified to depreciation and interest expenses depending on the transition method applied. As such, the EBITDA and Group operating profit is expected to increase in 2019.

Although the company has elected to apply the modified retrospective approach for transitioning to IFRS 16, the impact on the income statement is not yet known as the company is still assessing whether it has sufficient historical data to measure the right-of-use assets at its carrying amount as if the standard has been applied since the commencement date, but discounted at the incremental borrowing rate at the date on initial application for the largest long-term land lease contracts. Otherwise, the right-of-use assets will be measured at an amount equal to the lease liability at the date of initial application.

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 judgments

The preparation of the 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 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 2017, except for the following:

(a) Taxes

Taxes on income in the 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 impairments recognized in the first half year of 2018.

For value in use, the assessment 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. Key assumptions applied are the expected occupancy, the estimated storage rate per cbm (for revenues not covered by long-term contracts), sustaining capex expenditures, expected growth rates and the estimated terminal value after the 15-year period, together with the applied discount rates. 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

There are no assets held for sale as at the end of the first half year of 2018.

(d) Changes in judgments and estimates with regards to legal cases

There were no material changes in the facts and circumstances after year-end 2017 regarding certain legal cases, other than disclosed in note 10.

(e) Accounting treatment for the operations in Venezuela

The accounting treatment for the operations in Venezuela has not changed compared to year-end 2017. For more information, reference is made to the 'Terminal portfolio and storage capacity developments' paragraph of this report.

2. Acquisitions, divestments and newly established entities

During the first half of 2018, there were no material changes in the composition of the Vopak Group.

For a list of the principal subsidiaries, we refer to note 8.11 of the 2017 Annual Report.

3. Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed on page 145 of the 2017 Annual Report.

The interim 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 2018.

	HY1 2018	
In EUR millions	Carrying amount	Fair value
Currency derivatives	55.2	55.2
Interest rate derivatives	- 94.2	- 94.2
Other financial assets	10.2	10.2
Financial instruments at fair value	**- 28.8**	**- 28.8**
Loans granted	19.6	19.6
Finance lease receivable	28.6	28.6
Trade and other receivables	256.4	256.4
Cash and cash equivalents	97.9	97.9
Loans and receivables	**402.5**	**402.5**
US Private Placements	- 1,351.7	- 1,395.0
JPY Private Placement	- 156.5	- 156.6
Bank loans	- 63.2	- 65.4
Credit facility and other long-term loans	- 25.3	- 25.3
Bank overdrafts and short-term borrowings	- 135.6	- 135.6
Trade creditors	- 37.1	- 37.1
Other creditors	- 70.3	- 70.3
Other financial liabilities	**- 1,839.7**	**- 1,885.3**
Net at amortized cost	**- 1,437.2**	**- 1,482.8**
Standby credit facility		1,037.9
Standby bank loans		157.0
Unrecognized financial instruments		**1,194.9**

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 2018, 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 2018 amounted to EUR 1,661.8 million (31 December 2017: EUR 1,533.9 million). The Senior net debt : EBITDA ratio increased to 2.18 compared to 2.02 per year-end 2017, which is well below the maximum agreed ratios in the covenants with the lenders.

		30 June 2018			31 December 2017		
In EUR millions	Maturity	Total facility	Used	Unused	Total facility	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	63.2	25.3	37.9	62.6	6.3	56.3
Total committed facilities		**1,063.2**	**25.3**	**1,037.9**	**1,062.6**	**6.3**	**1,056.3**
Royal Vopak - Bank loan facility	< 1 year	230.0	110.0	120.0	230.0	80.0	150.0
Total uncommitted facilities		**230.0**	**110.0**	**120.0**	**230.0**	**80.0**	**150.0**
Total facilities		**1,293.2**	**135.3**	**1,157.9**	**1,292.6**	**86.3**	**1,206.3**

4. Exceptional items

In EUR millions	HY1 2018	HY1 2017
Impairments	–	- 2.1
Dutch Pension Fund	- 3.8	–
Total before income tax	**- 3.8**	**- 2.1**
Income tax	1.0	0.5
Total effect on net profit	**- 2.8**	**- 1.6**

The items in the statement of income include items related to events 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.

The exceptional loss of EUR 3.8 million recognized in the first half of 2018 is part of the total net exceptional gain for the year of EUR 19.1 million related to the third quarter settlement of the defined benefits pension plan in the Netherlands. The EUR 3.8 million is the difference between the IFRS defined benefits costs and the actual defined contribution cash outflows for the period that were agreed effective per 1 January 2018. Reference is made to note 12.

In 2017 there were no material exceptional items.

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

	HY1 2018			HY1 2017
In EUR millions	IFRS figures	Exceptional items	Excluding exceptional items	Excluding exceptional items
Revenues	626.1	–	626.1	669.3
Other operating income	19.4	–	19.4	5.7
Total operating income	**645.5**	–	**645.5**	**675.0**
Personnel expenses	- 168.7	- 3.8	- 164.9	- 171.6
Impairment	–	–	–	–
Other operating expenses	- 160.1	–	- 160.1	- 170.7
Result joint ventures and associates	50.4	–	50.4	61.4
Group operating profit before depreciation and amortization (EBITDA)	367.1	- 3.8	370.9	394.1
Depreciation and amortization	- 134.2	–	- 134.2	- 136.0
Group operating profit	**232.9**	**- 3.8**	**236.7**	**258.1**
Interest and dividend income	6.9	–	6.9	6.5
Finance costs	- 45.6	–	- 45.6	- 58.8
Net finance costs	**- 38.7**	–	**- 38.7**	**- 52.3**
Profit before income tax	194.2	- 3.8	198.0	205.8
Income tax	- 38.8	1.0	- 39.8	- 33.8
Net profit	**155.4**	**- 2.8**	**158.2**	**172.0**
Non-controlling interests	- 18.0	–	- 18.0	- 21.6
Net profit holders of ordinary shares	**137.4**	**- 2.8**	**140.2**	**150.4**
Basic earnings per ordinary share (in EUR)	1.08		1.10	1.18
Diluted earnings per ordinary share (in EUR)	1.08		1.10	1.18

5. Revenues

The table below provides an overview of the revenue per type of service that the Group provides to its customers.

In EUR millions	HY1 2018	HY1 2017
Storage services	496.8	542.3
Product movements	49.2	48.0
Storage and handling related services	54.6	46.9
Other services	25.5	32.1
Revenues	**626.1**	**669.3**

The table below provides an overview of the revenues per product type per reportable segment (product-market combinations).

Revenue per Product Type per Reporting Segment	Oil Products		Chemical Products		Vegoils & Biofuels		Gas Products		Other Services		Total	
In EUR millions	HY1 2018	HY1 2017	HY1 2018	HY1 2017	HY1 2018	HY1 2017	HY1 2018	HY1 2017	HY1 2018	HY1 2017	HY1 2018	HY1 2017
Europe & Africa	163.3	186.2	88.8	83.9	34.6	30.5	16.4	14.5	9.0	9.3	312.1	324.4
Asia & Middle East	76.4	95.2	67.2	67.5	1.3	1.8	4.4	4.7	7.3	9.2	156.6	178.4
China & North Asia	0.9	0.6	15.9	14.7	–	–	0.2	0.2	–	0.1	17.0	15.6
Americas	41.3	43.8	70.9	70.3	18.4	27.9	–	–	9.3	7.9	139.9	149.9
Other	–	–	–	–	–	–	–	–	0.5	1.0	0.5	1.0
Total	**281.9**	**325.8**	**242.8**	**236.4**	**54.3**	**60.2**	**21.0**	**19.4**	**26.1**	**27.5**	**626.1**	**669.3**

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

In EUR millions	Intangible assets	Property, plant and equipment	Financial assets
Carrying amount at 31 December 2017	**148.8**	**3,488.1**	**1,027.4**
Additions	9.5	202.2	20.6
Disposals	–	- 0.2	
Depreciation and amortization	- 7.3	- 126.9	
Share in result joint ventures and associates			50.4
Dividends received			- 49.8
Loans granted			1.1
Finance lease interest income			2.6
Fair value change			9.2
Repayments			- 11.2
Redemption share capital			- 23.9
Other comprehensive income			2.9
Exchange rate differences	1.2	- 11.0	15.7
Carrying amount at 30 June 2018	**152.2**	**3,552.2**	**1,045.0**

Total investments in property, plant and equipment (including capitalized interest) during the first half year of 2018 were EUR 202.2 million (HY1 2017: EUR 116.5 million), of which EUR 103.5 million (HY1 2017: EUR 26.2 million) was invested in the expansion of existing terminals and the construction of new terminals.

7. Joint ventures and associates

Vopak holds interests in 28 (YE 2017: 26) unlisted joint ventures and 6 (YE 2017: 6) 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 and associates we make a distinction in the activities of the divisions Europe & Africa (limited number of oil and chemical terminals), Asia & Middle East, (all types of storage terminals, except LNG), LNG (joint ventures with long-term contracts), and China & North Asia (mainly industrial terminals). The Americas division currently has no material joint ventures and associates.

For an overview of the principal joint ventures and associates, we refer to note 8.11 of the 2017 Annual Report.

7.1. 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 as follows:

	Joint ventures		Associates		Total	
In EUR millions	2018	2017	2018	2017	2018	2017
Vopak's share in net assets	655.1	771.5	243.2	244.4	898.3	1,015.9
Goodwill on acquisition	64.4	69.5	6.0	6.3	70.4	75.8
Carrying amount at 1 January	**719.5**	**841.0**	**249.2**	**250.7**	**968.7**	**1,091.7**
Share in profit or loss	48.4	58.7	2.0	2.7	50.4	61.4
Net profit	**48.4**	**58.7**	**2.0**	**2.7**	**50.4**	**61.4**
Other comprehensive income	5.2	5.4	- 2.3	–	2.9	5.4
Total comprehensive income	**53.6**	**64.1**	**- 0.3**	**2.7**	**53.3**	**66.8**
Dividends received	- 49.4	- 50.5	- 0.4	–	- 49.8	- 50.5
Investments	5.4	0.5	15.2	–	20.6	0.5
Acquisitions	–	–	–	15.9	–	15.9
Redemption share capital	–		- 23.9		- 23.9	
Exchange differences	13.3	- 49.1	4.4	- 6.6	17.7	- 55.7
Carrying amount at 30 June	**742.4**	**806.0**	**244.2**	**262.7**	**986.6**	**1,068.7**
Vopak's share in net assets	676.7	739.9	238.2	256.7	914.9	996.6
Goodwill on acquisition	65.7	66.1	6.0	6.0	71.7	72.1
Carrying amount at 30 June	**742.4**	**806.0**	**244.2**	**262.7**	**986.6**	**1,068.7**

7.2. 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-18	31-dec-17	30-jun-18	31-dec-17	30-jun-18	31-dec-17
Commitments to provide debt or equity funding	69.7	55.7	51.2	72.2	120.9	127.9
Guarantees and securities provided	114.2	114.2	72.2	89.3	186.4	203.5

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, of EUR 91.5 million at 30 June 2018 was similar to the amount EUR 91.6 million at 31 December 2017. Of this amount EUR 0.1 million (YE 2017: EUR 0.1 million) was recognized in the statement of financial position.

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

	Joint ventures										Associates	
	Asia & Middle East		China & North Asia		LNG		Others		Total		Total	
In EUR millions	30-jun-18	31-dec-17	30-jun-18	31-dec-17	30-jun-18	31-dec-17	30-jun-18	31-dec-17	30-jun-18	31-dec-17	30-jun-18	31-dec-17
Non-current assets	1,036.6	998.5	698.7	700.7	1,064.7	1,076.9	233.3	229.1	3,033.3	3,005.2	2,009.8	1,839.8
Cash and cash equivalents	51.5	89.5	76.8	85.5	42.7	73.4	17.2	17.8	188.2	266.2	92.6	149.9
Other current assets	75.5	32.2	42.8	30.9	30.7	23.8	16.2	15.7	165.2	102.6	100.1	109.7
Total assets	**1,163.6**	**1,120.2**	**818.3**	**817.1**	**1,138.1**	**1,174.1**	**266.7**	**262.6**	**3,386.7**	**3,374.0**	**2,202.5**	**2,099.4**
Financial non-current liabilities	254.5	283.7	323.3	329.7	605.9	638.3	32.3	34.8	1,216.0	1,286.5	1,110.0	1,036.6
Other non-current liabilities	21.9	28.9	11.0	10.5	198.9	205.7	5.1	5.4	236.9	250.5	42.2	48.0
Financial current liabilities	63.5	69.8	6.2	6.3	69.7	67.8	11.3	12.2	150.7	156.1	64.0	57.4
Other current liabilities	145.6	87.2	47.2	50.9	35.2	37.2	22.1	22.7	250.1	198.0	151.7	107.7
Total liabilities	**485.5**	**469.6**	**387.7**	**397.4**	**909.7**	**949.0**	**70.8**	**75.1**	**1,853.7**	**1,891.1**	**1,367.9**	**1,249.7**
Net assets	**678.1**	**650.6**	**430.6**	**419.7**	**228.4**	**225.1**	**195.9**	**187.5**	**1,533.0**	**1,482.9**	**834.6**	**849.7**
Vopak's share of net assets	273.6	262.6	212.4	207.0	124.4	122.7	66.3	62.8	676.7	655.1	238.2	243.2
Goodwill on acquisition	5.4	5.2	0.5	0.5	59.8	58.7	–	–	65.7	64.4	6.0	6.0
Vopak's carrying amount of net assets	**279.0**	**267.8**	**212.9**	**207.5**	**184.2**	**181.4**	**66.3**	**62.8**	**742.4**	**719.5**	**244.2**	**249.2**

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

	Joint ventures										Associates	
	Asia & Middle East		China & North Asia		LNG		Others		Total		Total	
In EUR millions	HY1 2018	HY1 2017	HY1 2018	HY1 2017	HY1 2018	HY1 2017	HY1 2018	HY1 2017	HY1 2018	HY1 2017	HY1 2018	HY1 2017
Revenues	122.2	158.8	75.6	86.9	110.6	112.9	31.9	50.9	340.3	409.5	76.2	59.1
Operating expenses	- 41.0	- 41.7	- 21.6	- 23.6	- 21.5	- 21.1	- 22.4	- 30.8	- 106.5	- 117.2	- 28.9	- 20.8
Depreciation, amortization and impairment	- 28.6	- 31.4	- 18.2	- 19.5	- 22.6	- 22.9	- 4.0	- 13.5	- 73.4	- 87.3	- 25.9	- 16.0
Operating profit (EBIT)	**52.6**	**85.7**	**35.8**	**43.8**	**66.5**	**68.9**	**5.5**	**6.6**	**160.4**	**205.0**	**21.4**	**22.3**
Net finance costs	- 6.7	- 8.3	2.7	- 7.4	- 18.5	- 20.3	- 0.4	- 1.8	- 22.9	- 37.8	- 8.9	- 5.8
Income tax	- 9.1	- 11.1	- 10.9	- 10.5	- 13.4	- 13.5	- 0.8	- 0.7	- 34.2	- 35.8	- 2.6	- 4.5
Net profit	**36.8**	**66.3**	**27.6**	**25.9**	**34.6**	**35.1**	**4.3**	**4.1**	**103.3**	**131.4**	**9.9**	**12.0**
Other comprehensive income	5.1	- 5.8	- 0.5	0.6	6.0	14.0	–	1.7	10.6	10.5	- 7.7	–
Total comprehensive income	**41.9**	**60.5**	**27.1**	**26.5**	**40.6**	**49.1**	**4.3**	**5.8**	**113.9**	**141.9**	**2.2**	**12.0**
Vopak's share of net profit	14.8	25.8	13.3	12.5	18.6	18.8	1.7	1.6	48.4	58.7	2.0	2.7
Vopak's share of other comprehensive income	2.1	- 2.5	–	–	3.1	7.1	–	0.8	5.2	5.4	- 2.3	–
Vopak's share of total comprehensive income	**16.9**	**23.3**	**13.3**	**12.5**	**21.7**	**25.9**	**1.7**	**2.4**	**53.6**	**64.1**	**- 0.3**	**2.7**

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.

8. 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 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**
Balance at 31 December 2017	**127,835,430**	**–**	**127,835,430**	**- 190,000**	**63.9**	**194.4**	**- 8.0**
Movements	–	–	–	19,403	–	–	0.7
Balance at 30 June 2018	**127,835,430**	**–**	**127,835,430**	**- 170,597**	**63.9**	**194.4**	**- 7.3**

A dividend of EUR 1.05 per ordinary share (HY1 2017: EUR 1.05 per ordinary share) with a nominal value of EUR 0.50, or EUR 134.0 million in total (HY1 2017: EUR 133.9 million), was paid in cash on 25 April 2018.

Share-based payments arrangements:

During the first half year of 2018, 19,403 (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 2018-2020, has been granted to the Executive Board and senior management.

9. Borrowings

9.1 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 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**
Carrying amount at 31 December 2017	**102.9**	**- 80.0**	**- 1,556.8**	**- 1,533.9**
Cash flows	- 30.1	- 30.0	- 19.1	- 79.2
Other non-cash movements	–	–	- 0.6	- 0.6
Exchange rate differences	- 0.5	–	- 47.6	- 48.1
Carrying amount at 30 June 2018	**72.3**	**- 110.0**	**- 1,624.1**	**- 1,661.8**
Current assets	97.9	–	–	97.9
Non-current liabilities	–	–	- 1,623.9	- 1,623.9
Current liabilities	- 25.6	- 110.0	- 0.2	- 135.8
Carrying amount at 30 June 2018	**72.3**	**- 110.0**	**- 1,624.1**	**- 1,661.8**

During the first half year of 2018, EUR 6.4 million (HY1 2017: EUR 102.7 million) of debt repayments took place. For the remainder of 2018, no repayments on long-term loans are scheduled.

9.2 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	1,315.7	148.3	62.6	6.3	18.5	–	1,551.4
Current	–	–	–	–	5.4	80.0	85.4
Carrying amount at 31 December 2017	**1,315.7**	**148.3**	**62.6**	**6.3**	**23.9**	**80.0**	**1,636.8**
Average remaining terms (in years)	6.2	23.0	2.7	2.7	34.1	–	7.7
Non-current	1,351.7	156.5	63.2	23.5	24.3	–	1,619.2
Current	–	–	–	–	4.9	110.0	114.9
Carrying amount at 30 June 2018	**1,351.7**	**156.5**	**63.2**	**23.5**	**29.2**	**110.0**	**1,734.1**
Average remaining terms (in years)	5.7	22.5	2.2	2.2	34.0	–	0.0
Required ratios							
Senior net debt : EBITDA (maximum)	3.75	3.75	3.75	3.75	3.75	3.75	
Interest cover (minimum) [1]	3.50	3.50	3.50	3.50	3.50	3.50	

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

9.3 Financial ratios reconciliation

In EUR millions	HY1 2018	HY1 2017
EBITDA past 12 months	**670.3**	**788.3**
-/- Result joint ventures and associates	100.3	122.5
Gross dividend received from joint ventures and associates	98.8	103.1
-/- Exceptional items	- 69.6	- 7.3
-/- Divestments full year adjustment	–	–
EBITDA for ratio calculation	**738.4**	**776.2**
Net interest-bearing debt	**- 1,661.8**	**- 1,767.6**
Derivative financial instruments (currency)	52.9	67.4
Credit replacement guarantees	- 91.4	- 94.9
-/- Subordinated loans	- 89.8	- 90.6
Senior net debt for ratio calculation	**- 1,610.5**	**- 1,704.5**
Financial ratios		
Senior net debt : EBITDA	2.18	2.20
Interest cover	6.8	7.5

The Senior net debt : EBITDA ratio was 2.18 as at 30 June 2018 (31 December 2017: 2.02), well below the maximum agreed ratios in the covenants with the lenders.

10. Contingent assets and liabilities

In the first half year of 2018 legal and commercial positions in Australia were settled in favor of Vopak, resulting in a total net gain of EUR 9.9 million that was recognized as Other operating income.

The investment commitments undertaken for subsidiaries amounted to EUR 266.1 million at 30 June 2018 (YE 2017: EUR 265.8 million). For more information, reference is made to the 'Terminal portfolio and 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 7.2.

There are no other significant changes in the contingent assets liabilities per the end of June 2018 compared to the contingent liabilities disclosed in note 8.8 in the 2017 Annual report.

11. Related party disclosures

For the details on the nature of the Group's related parties, reference is made to section 6 in our 2017 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 2017 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 consolidated financial statements, were entered into during the first half year of 2018.

12. Subsequent events

1. Engro Corporation and Royal Vopak sign LNG infrastructure agreement:
On 20 July, Vopak and Engro Corporation announced the signing of a Share Purchase Agreement in which Vopak will acquire a 29% share in Engro Elengy Terminal Pakistan Ltd. (EETPL). This LNG import facility located in Port Qasim consists of an LNG jetty and a high pressure gas pipeline connected to the grid of EETPL's sole customer Sui Southern Gas Company Ltd, a Pakistan government-owned entity. EETPL holds a 15 year Floating Storage and Regasification Unit (FSRU) time charter (151,000 cbm). The acquisition is subject to certain conditions, including customary regulatory and shareholder approvals, and closing is anticipated to take place in the fourth quarter of 2018.

2. Settlement Dutch Pension Plan:
In July 2018, Vopak formalized the agreement regarding a new pension plan in the Netherlands effective per 1 January 2018. The new pension plan qualifies as a defined contribution plan under IAS 19. Going forward Vopak has the sole obligation to pay a contribution based on a fixed percentage of the pensionable salary. This agreement will result in the third quarter of 2018 in an additional cash contribution by the company to the Dutch pension fund of EUR 18.0 million. The total exceptional (non-cash) net gain before tax for the year from the release of the IAS19 pension provision is EUR 19.1 million. This gain results from the release of the IAS19 pension provision. Of this total exceptional gain an amount of EUR 3.8 million was already recognized as an exceptional loss in the first half of the year. This amount is the difference between the IFRS defined benefits costs and the actual defined contribution cash outflows for the period that were agreed effective per 1 January 2018.

The table below provides a reconciliation between the provision for the Dutch pension plan per year-end 2017, the half year 2018 pension provision and the movements in the month of July until the settlement date. The table also provides an overview of the exceptional results per quarter which add up to the net exceptional gain for the year of EUR 19.1 million.

Reconciliation estimated YE17 gain to actual 2018 gain on settlement

In EUR millions	HY1 2018	July 2018	FY 2018
Net Dutch Pension liability (opening)	**54.2**	**56.6**	**54.2**
one-off additional contribution		- 18.0	- 18.0
costs recognized in P&L	13.7	2.3	16.0
change in actuarial assumptions	- 1.4	- 16.3	- 17.7
employer contribution paid to plan assets	- 9.9	- 1.7	- 11.6
gain on settlement		**- 22.9**	- 22.9
Net Dutch Pension liability (closing)	56.6	–	–
Net Exceptional gain	**- 3.8**	**22.9**	**19.1**

3. Expansion of chemical terminal in Merak, Indonesia:
Today, Vopak announces that it will expand its chemical terminal in Merak, Indonesia, with 50,000 cbm to 131,000 cbm. Merak is the main chemical import port of Indonesia and has the highest concentration of petrochemical facilities. The expansion is expected to be commissioned in Q1 2020.

4. Fuel oil project in Rotterdam:
Today, Vopak announces to invest in its Europoort terminal in Rotterdam, the Netherlands, to support 0.5% low sulphur fuel oil bunkering. This investment is supported by customer commitments and will be completed in the second half year of 2019.

5. Service improvement projects in Antwerp and Singapore:

Vopak will further strengthen its global chemical storage positions. A new jetty will be constructed at Vopak Terminal Linkeroever in Antwerp, Belgium, enabling planned future growth. Furthermore, a major service improvement project will commence at Vopak Terminal Penjuru in Singapore, to service the chemical market in Singapore.

6. Strategic review of terminals in Algeciras, Amsterdam, Hamburg and Tallinn:

Today, Vopak announces that it will conduct a strategic review and test the market value of its terminals in Algeciras, Amsterdam, Hamburg and Tallinn.

Enclosures

Enclosure 1. Non-IFRS proportionate financial information

Basis of preparation

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

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

Statement of income	HY1 2018				HY1 2017			
In EUR millions	IFRS figures	Exclusion exceptional items	Effects proportionate consolidation	Proportionate consolidated	IFRS figures	Exclusion exceptional items	Effects proportionate consolidation	Proportionate consolidated
Revenues	626.1	–	130.3	756.4	669.3	–	151.1	820.4
Net operating expenses	- 309.4	- 3.8	- 40.1	- 345.7	- 336.6	–	- 42.9	- 379.5
Results of joint ventures and associates using the equity method	50.4	–	- 50.4	–	61.4	–	- 61.4	–
Impairment	–	–	–	–	- 2.1	- 2.1	–	–
Group operating profit before depreciation and amortization (EBITDA)	**367.1**	**- 3.8**	**39.8**	**410.7**	**392.0**	**- 2.1**	**46.8**	**440.9**
Depreciation and amortization	- 134.2	–	- 32.4	- 166.6	- 136.0	–	- 36.1	- 172.1
Group operating profit (EBIT)	**232.9**	**- 3.8**	**7.4**	**244.1**	**256.0**	**- 2.1**	**10.7**	**268.8**
Net finance costs	- 38.7	–	- 12.0	- 50.7	- 52.3	–	- 18.1	- 70.4
Income tax	- 38.8	1.0	- 13.4	- 53.2	- 33.3	0.5	- 14.2	- 48.0
Net profit	**155.4**	**- 2.8**	**- 18.0**	**140.2**	**170.4**	**- 1.6**	**- 21.6**	**150.4**
Non-controlling interests	- 18.0	–	18.0	–	- 21.6	–	21.6	–
Net profit owners of parent	**137.4**	**- 2.8**	**–**	**140.2**	**148.8**	**- 1.6**	**–**	**150.4**

Statement of financial position	30-jun-18			31-dec-17		
In EUR millions	IFRS figures	Effects proportionate consolidation	Proportionate consolidated	IFRS figures	Effects proportionate consolidation	Proportionate consolidated
Non-current assets (excl. joint ventures and associates)	3,812.0	1,766.6	5,578.6	3,732.7	1,706.8	5,439.5
Joint ventures and associates	986.6	- 986.6	–	968.7	- 968.7	–
Current assets	429.1	253.1	682.2	413.1	276.2	689.3
Total assets	**5,227.7**	**1,033.1**	**6,260.8**	**5,114.5**	**1,014.3**	**6,128.8**
Non-current liabilities	2,039.6	964.4	3,004.0	1,977.5	988.9	2,966.4
Current liabilities	536.5	217.9	754.4	501.1	181.3	682.4
Total liabilities	**2,576.1**	**1,182.3**	**3,758.4**	**2,478.6**	**1,170.2**	**3,648.8**
Equity attributable to owners of parent	2,502.4	–	2,502.4	2,480.0	–	2,480.0
Non-controlling interests	149.2	- 149.2	–	155.9	- 155.9	–
Total equity	**2,651.6**	**- 149.2**	**2,502.4**	**2,635.9**	**- 155.9**	**2,480.0**

Other information

	HY1 2018	HY1 2017
EBITDA margin -excluding exceptional items-	53.1%	53.5%
Cash Flow Return On Gross Assets (CFROGA)	8.6%	9.4%
Occupancy rate subsidiaries, joint ventures and associates	84%	91%
Service, maintenance, compliance and IT capex (in EUR millions)	115.1	100.3

Segment information -excluding exceptional items-	Revenues		EBITDA		Group operating profit (EBIT)	
In EUR millions	HY1 2018	HY1 2017	HY1 2018	HY1 2017	HY1 2018	HY1 2017
Europe & Africa	320.8	341.4	155.3	165.3	79.1	85.8
of which Netherlands	*224.0*	*239.9*	*116.0*	*124.8*	*62.0*	*70.5*
Asia & Middle East	181.3	209.6	127.0	140.2	91.6	104.2
of which Singapore	*84.8*	*97.6*	*58.9*	*70.3*	*45.9*	*56.1*
China & North Asia	54.3	57.4	35.8	34.6	20.8	18.4
Americas	141.2	151.1	66.8	68.5	44.8	44.4
of which United States	*83.4*	*87.8*	*40.2*	*41.8*	*28.5*	*28.8*
LNG	58.5	59.9	46.7	47.2	34.7	35.0
Global functions, corporate activities and others	0.3	1.0	- 20.9	- 14.9	- 26.9	- 19.0
Total excluding exceptional items	**756.4**	**820.4**	**410.7**	**440.9**	**244.1**	**268.8**

In EUR millions	30-jun-18	31-dec-17
Non-current portion of interest-bearing loans	2,483.5	2,427.2
Current portion of interest-bearing loans	82.1	88.3
Total interest-bearing loans	**2,565.6**	**2,515.5**
Short-term borrowings	113.9	84.0
Bank overdrafts	25.6	27.1
Cash and cash equivalents	- 197.4	- 286.8
Net interest-bearing debt	**2,507.7**	**2,339.8**

Revenue per Product Type per Reporting Segment	Oil Products		Chemical Products		Vegoils & Biofuels		Gas Products		Other Services		Total	
In EUR millions	HY1 2018	HY1 2017	HY1 2018	HY1 2017	HY1 2018	HY1 2017	HY1 2018	HY1 2017	HY1 2018	HY1 2017	HY1 2018	HY1 2017
Europe & Africa	167.0	197.5	92.1	86.5	34.8	30.7	16.4	14.5	10.6	12.2	320.9	341.4
Asia & Middle East	82.1	109.6	84.2	85.0	1.3	1.9	4.0	4.3	9.6	8.8	181.2	209.6
China & North Asia	1.8	7.3	52.1	49.6	–	–	0.2	0.2	0.3	0.4	54.4	57.5
Americas	41.3	43.8	72.1	71.4	18.4	27.9	–	–	9.3	8.0	141.1	151.1
LNG	–	–	–	–	–	–	58.5	59.9	–	–	58.5	59.9
General Services	–	–	–	–	–	–	–	–	0.3	0.9	0.3	0.9
Total	**292.2**	**358.2**	**300.5**	**292.5**	**54.5**	**60.5**	**79.1**	**78.9**	**30.1**	**30.3**	**756.4**	**820.4**

Enclosure 2. Key results second quarter

Statement of income	Revenues			Result of joint ventures and associates			EBITDA			Group operating profit (EBIT)		
In EUR millions	Q2 2018	Q1 2018	Q2 2017	Q2 2018	Q1 2018	Q2 2017	Q2 2018	Q1 2018	Q2 2017	Q2 2018	Q1 2018	Q2 2017
Europe & Africa	153.2	158.9	160.6	0.9	0.5	1.0	74.5	80.8	78.8	36.4	42.8	40.7
of which Netherlands	*107.8*	*114.6*	*116.1*	*0.6*	*0.1*	*0.5*	*53.9*	*61.7*	*59.3*	*26.9*	*35.0*	*32.2*
Asia & Middle East	76.4	80.2	86.8	7.7	9.6	14.9	66.5	64.0	71.7	53.6	51.1	57.6
of which Singapore	*59.0*	*62.1*	*67.8*	*0.2*	*0.2*	*0.2*	*39.4*	*45.8*	*48.8*	*29.9*	*36.4*	*38.3*
China & North Asia	8.6	8.4	7.7	6.9	5.6	4.9	11.9	8.9	6.5	9.6	6.8	4.1
Americas	71.5	68.4	71.8	0.3	0.3	0.4	34.9	32.2	32.4	24.2	21.0	20.6
of which United States	*42.2*	*41.2*	*42.7*	*0.2*	*0.1*	*0.2*	*20.3*	*20.3*	*20.3*	*14.5*	*14.5*	*13.8*
LNG	–	–	–	9.2	9.4	9.4	9.6	8.3	8.6	9.6	8.3	8.6
Global functions, corporate activities and others	0.2	0.3	0.6	–	–	0.1	- 16.7	- 4.0	- 7.0	- 19.6	- 7.1	- 8.9
Total excluding exceptional items	**309.9**	**316.2**	**327.5**	**25.0**	**25.4**	**30.7**	**180.7**	**190.2**	**191.0**	**113.8**	**122.9**	**122.7**
Exceptional items:												
Europe & Africa										- 2.8	–	- 2.1
Asia & Middle East										–	–	–
China & North Asia										–	–	–
Americas										–	–	–
LNG										–	–	–
Global functions, corporate activities and others										- 1.0	–	–
Total including exceptional items										**110.0**	**122.9**	**120.6**

Occupancy rate subsidiaries			
In percentage	Q2 2018	Q1 2018	Q2 2017
Europe & Africa	83%	86%	90%
Asia & Middle East	86%	89%	91%
China & North Asia	79%	77%	70%
Americas	90%	90%	89%
Vopak	**85%**	**87%**	**90%**

Enclosure 3. Glossary

CFROGA - Cash Flow Return on Gross Assets Before Interest and After Tax
The 'Cash Flow Return on Gross Assets' (CFROGA) is defined as EBITDA -excluding exceptional items- minus the statutory income tax charge on EBIT divided by the average 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 that 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.