HAL Trust

Annual Report 2014

The history of HAL dates back to April 18, 1873, when the Nederlandsch-Amerikaansche Stoomvaart-Maatschappij (N.A.S.M.) was founded in Rotterdam, the Netherlands.

The Company continued its activities under various names and is now operating as HAL Holding N.V., a Curaçao company. All the shares of HAL Holding N.V. are held by HAL Trust and form the Trust's entire assets. HAL Trust was formed on October 19, 1977, by a Trust Deed which was last amended on May 18, 2011. The shares of the Trust are listed and traded on Euronext in Amsterdam.

HAL Holding N.V.
Johan van Walbeeckplein 11A
Willemstad
Curaçao
Telephone: (599) 9 4615 002
Telefax: (599) 9 4615 003

Postal address:
HAL Holding N.V.
5, Avenue des Citronniers
MC 98000 Monaco
Telephone: (377) 92 16 75 79
Telefax: (377) 93 25 54 34
www.halholding.com

Contents

Corporate Administration

HAL Holding N.V.

Supervisory Board:
S.E. Eisma, *Chairman*
M. van der Vorm, *vice Chairman*
T. Hagen
L.J. Hijmans van den Bergh
M.P.M. de Raad
G.J. Wijers

Executive Board:
M.F. Groot, *Chairman*
A.A. van ’t Hof, *CFO*
J.N. van Wiechen

Highlights and Financial Calendar

In euro	**2014***	2013*
Income *(in millions)*		
Revenues	**4,546.5**	4,249.7
Income from marketable securities and deposits	**2.8**	15.5
Share of profit/(loss) of associates and joint ventures	**316.6**	308.8
Income from other financial assets	**9.1**	36.1
Income from real estate activities	**10.9**	12.2
Net income attributable to the owners of the parent	**556.4**	472.8
Financial Position		
Total assets *(in millions)*	**8,121.9**	7,172.4
Equity attributable to the owners of the parent *(in millions)*	**5,034.5**	4,640.8
Equity attributable to the owners of the parent *(as a percentage of total assets)*	**62.0**	64.7
Number of Shares *(in thousands)*	**74,032****	71,553**
Average number of Shares outstanding *(in thousands)*	**72,876****	70,545**
Per Share		
Net income	**7.63**	6.49
Shareholders' Equity	**68.00**	64.86
Net asset value at market value of quoted associates	**103.71*****	102.38***
Closing price Shares HAL Trust	**125.75**	103.50
Volume weighted average December share price HAL Trust	**125.81**	101.41
Dividend per Share	**5.05******	4.10
Exchange rates - December 31		
US dollar per euro	**1.21**	1.38

Financial calendar	
Shareholders' meeting HAL Trust and interim statement	May 18, 2015
Ex-dividend date	May 20, 2015
Dividend record date	May 21, 2015
Election period cash/stock (stock being default)	May 22 – June 11, 2015 (15:00 hrs)
Determination and publication dividend conversion ratio	June 11, 2015 (after close of trading)
Delivery of shares and payment of cash dividend	June 18, 2015
Publication of 2014 half year results	August 27, 2015
Interim statement	November 18, 2015
Publication of preliminary net asset value	January 21, 2016
Publication of 2015 annual results	March 31, 2016
Shareholders' meeting HAL Trust and interim statement	May 18, 2016

* These figures relate, where applicable, to the pro forma financial statements as included in the supplemental information on pages 90 through 110.

** Net of treasury shares

*** Based on the market value of the quoted associates and the liquid portfolio and on the book value of the unquoted companies

**** Proposed

Report of the Trust Committee

HAL Trust

HAL Trust was formed in 1977 and holds all the outstanding shares of HAL Holding N.V.

For further details of the organization see page 120.

In accordance with the instructions issued on May 16, 2014, the Trust distributed a dividend of € 4.10 per share on June 19, 2014. This dividend was payable in shares HAL Trust unless a shareholder expressly requested for payment in cash.

Accordingly, a cash dividend was paid on 4,279,704 shares for a total of € 17.5 million and 2,522,079 HAL Trust shares were issued as stock dividend.

On December 31, 2014, 74,141,313 HAL Trust shares were in issue (2013: 71,619,234).

On December 31, 2014, HAL Holding N.V. owned 109,776 HAL Trust shares (2013: 66,289).

The Trust Committee
HAL Trust Committee Ltd.

March 31, 2015

Report of the Supervisory Board of HAL Holding N.V.

The Supervisory Board ('the Board') supervises the Executive Board and provides advice to the general meeting of shareholders. In performing its task, the Board is guided by the interest of HAL Holding N.V. and its business.

On May 27, 2014 the general meeting of shareholders reappointed Mr. L.J. Hijmans van den Bergh as a member of the Board and appointed Mr. G.J. Wijers as a member of the Board. On September 30, 2014 the general meeting of shareholders appointed Mr M. van der Vorm as a member of the Board, effective October 1, 2014. At the end of 2014 the Board consisted of six members. Their names, nationality and other relevant information are mentioned on page 124.

The Board met during eight meetings, five of which were regularly scheduled meetings. At one meeting, not being a regularly scheduled meeting, two Board members were absent.

The Board discussed the composition of the Executive Board on various occasions. As a result, the Board proposed to the shareholders' meeting to appoint Mr. A.A. van 't Hof and Mr. J.N. van Wiechen as new members of the Executive Board. In addition, the Board appointed Mr. M.F. Groot as chairman of the Executive Board. These appointments and the resignation of Mr. M. van der Vorm as Chairman of the Executive Board became effective on October 1, 2014. In the meeting of the Board held on August 28, 2014 the Chairman of the Board expressed the Board's sincere gratitude to Mr M. van der Vorm for his very substantial contribution to the success of the Company. Mr. van der Vorm has been a member of the Executive Board for more than 25 years. His leadership of the Company during a very long period has been marked by a highly successful creation of value, for which the Board is very grateful.

The Executive Board provided the Board with both written and verbal information. Based on this information, the status of the Company was discussed and evaluated. Among others, the following specific subjects were addressed during the meetings: the strategy, the budget, the development of the results, cash flow and liquidity, the quarterly, semi-annual and annual reports, the implications of IFRS 10 (see below), the remuneration policy, potential investments, the dividend policy, the corporate governance, the IPO of GrandVision, the risks associated with the Company and the design and implementation of the systems of internal control. For further information relating to this subject, we refer to the relevant paragraph in the report of the Executive Board on page 17.

As explained in the paragraph Administrative organization, risk management systems and financial reporting in the report of the Executive Board on page 17, a consequence of the business model of the Company is not to have a centralized management approach and not to develop a central risk management system. Each investee company has its own financial structure and is responsible for evaluating and managing its own risks. In light of this model, the application of IFRS 10 which requires the Company to consolidate the financial statements of Koninklijke Vopak N.V. ('Vopak') and Safilo Group S.p.A. ('Safilo') in its financial statements, effective January 1, 2014, has been evaluated and the following measures have been taken. The Company has entered into Memoranda of Understanding with Vopak and Safilo with respect to confidentiality, the process of exchanging financial information and attendance rights to the Audit Committee meetings of Vopak and the Control and Risk Committee meetings of Safilo of an independent financial expert on behalf of the Company. This financial expert will report to the Executive Board and the Supervisory Board, whether there are any matters relating to Vopak and Safilo that should be brought to the attention of the Company prior to the signing of the financial statements of the Company by the Executive Board and the Supervisory Board. In addition, the assessment that the Company's financial statements do not contain material errors attributable to the financial statements of Vopak and/or Safilo is based on the external audit. In this respect we also refer to the section relating to the consolidation of Vopak and Safilo in the paragraph Administrative organization, risk management and financial reporting in the report of the Executive Board on page 17. Otherwise the affairs of the publicly traded associates were discussed based on publicly available information.

In the publicly traded companies Koninklijke Boskalis Westminster N.V. ('Boskalis'), Vopak and Safilo, the Company plays its role as a large minority shareholder. This is complemented by board representation. Mr. M.F. Groot, Chairman of the Executive Board is a member of the Supervisory Board of Vopak, and a non-executive member of the Board of Safilo. Mr. J.N. van Wiechen, member of the Executive Board, is a member of the Supervisory Board of Boskalis. In their respective functions they may, from time to time, be in the possession of confidential information about these publicly traded companies that they do not share with the other members of the Executive Board and the Supervisory Board of the Company. The Executive Board and the Supervisory Board of the Company recognize the importance of confidentiality of the discussions at the level of the Boards of the above quoted companies as this contributes to a frank exchange of ideas and fruitful discussions. This modus operandi is based on sound business principles and allows that these investee companies can operate more independently from the Company.

The Board has determined the variable compensation of the Executive Board. Further information with respect to the compensation of the Executive Board is included on page 80. The remuneration per Board member for 2014, as determined by the General Meeting of Shareholders in 2011, amounted to € 80,000 (on an annual basis).

The Board had discussions with the external auditor during three meetings. Subjects for discussion were the financial statements, the report on the first half of 2014, impairment testing, the implications of IFRS 10 and the systems of administrative and internal controls, for financial reporting purposes.

The Board also met in the absence of the Executive Board to discuss, among other matters, the functioning and composition of the Board as well as the functioning of the Executive Board. All members of the Board were present during the meeting of Trust Shareholders of HAL Trust on May 16, 2014, and three Board members were present during the meeting of Trust Shareholders of HAL Trust on September 22, 2014.

The Board did not form any committees. Between Board meetings, the Chairman of the Board maintained more intensive contacts with the Chairman of the Executive Board. Individual members of the Board provided, between the meetings of the Board, their views on specific matters relevant to the Company.

The financial statements for 2014 were prepared by the Executive Board and discussed by the Board in the presence of the external auditor during a meeting on March 31, 2015.
After reviewing the unqualified opinion provided by PricewaterhouseCoopers Ltd., and the findings of the external auditor as summarized in a Report to the Board and the Executive Board, the financial statements were signed by all members of the Board. The Board approved the amounts reserved as proposed by the Executive Board.

The Board recommends that the Shareholders of HAL Trust instruct the Trustee to vote at the Annual Meeting of HAL Holding N.V., to be held on May 26, 2015, for the approval of the financial statements for 2014 as per the documents submitted and the proposed distribution of profits.

It should be noted that neither the Dutch Corporate Governance Code is applicable to HAL Holding N.V. because HAL Holding N.V. is not a Dutch company, nor are other Corporate Governance Codes applicable to HAL Holding N.V. Pages 121 through 123 of this report provide a description of HAL Holding N.V.'s corporate governance structure.

In accordance with the rotation schedule, Mr. T. Hagen will resign this year. Mr. Hagen is not available for a new term. Mr. Hagen has been a member of the Board since 1985. The Supervisory Directors would like to express their gratitude for the contributions Mr. Hagen made to the Company during this very long period.

It will be proposed that the Shareholders instruct the Trustee to vote at the Annual Meeting of HAL Holding N.V., to be held on May 26, 2015, to elect Mr. C.O. van der Vorm to the Supervisory Board in order to fill the vacancy caused by the resignation of Mr. T. Hagen. Information on Mr. C.O. van der Vorm is included on page 124.

On behalf of the Supervisory Board,
S.E. Eisma, *Chairman*

March 31, 2015

Report of the Executive Board of HAL Holding N.V.

Introduction

Net income of HAL Holding N.V. for 2014 amounted to € 557 million (€ 7.64 per share) compared with € 431 million (€ 5.92 per share) for 2013.

The net asset value based on the market value of the quoted associates and the liquid portfolio and on the book value of the unquoted companies, increased by € 380 million in 2014 compared with an increase of € 143 million in 2013. After taking into account the cash portion of the 2013 dividend (€ 18 million) and the net purchase of treasury shares (€ 10 million), the net asset value on December 31, 2014 amounted to € 7,678 million (€ 103.71 per share) compared to € 7,326 million (€ 102.38 per share) on December 31, 2013.

The net asset value does not include the positive difference between estimated value and book value of the unquoted companies as of December 31, 2014. This difference is calculated annually and, based on the principles and assumptions set out on pages 88 and 89 of this report, amounted to € 4,311 million (€ 58.23 per share) on December 31, 2014, compared to € 703 million (€ 9.82 per share) on December 31, 2013. This difference of € 4,311 million primarily relates to the optical retail activities. Contrary to previous years when GrandVision was included based on a multiple of earnings before interest, tax and amortization, estimated value as of December 31, 2014 includes GrandVision based on the price of its initial public offering ('IPO') on February 6, 2015 (€ 20.00 per share). Accordingly, HAL's 98.57% ownership interest in GrandVision is included in estimated value as of December 31, 2014 for an amount of € 5,016 million (book value € 799 million).
The pro forma net asset value as of December 31, 2014, whereby GrandVision is included based on the IPO price and the other unquoted companies based on book value, amounts to € 160.68 per share.

Corporate administration

Mr. M. van der Vorm decided to step down as Chairman of the Executive Board effective September 30, 2014. He completed more than 28 years of service with the Company, 25 years as a member of the Executive Board of which 21 years as Chairman. He was appointed member of the Supervisory Board effective October 1, 2014.

Due to his stewardship, the enterprise is now healthier and stronger than at any time during its incorporation more than 140 years ago. We wish to express our gratitude to Mr. van der Vorm and trust that, in his role as a member of the Supervisory Board, we may continue to benefit from his knowledge and experience for many years to come.

Dividend

The dividend policy is, barring unforeseen circumstances and provided sufficient liquid assets, to base the dividend on 4% of the volume weighted average share price of HAL Trust during December of the year prior to the year in which the dividend will be paid. Accordingly, the proposed dividend per share over 2014 amounts to € 5.05 (2013: € 4.10), payable in shares unless a shareholder expressly requests payment in cash.

Prospects

During the period from December 31, 2014 through March 27, 2015, the stock market value of the ownership interests in quoted associates and the liquid portfolio increased by approximately € 900 million (€ 12.16 per share). This includes the change in the stock market value of HAL's ownership interest in GrandVision since its IPO in February 2015.

In view of the fact that a significant part of the Company's net income is determined by the results of the quoted associates and potential capital gains and losses, we do not express an expectation as to the net income for 2015.

Strategy

The Company's strategy is focused on acquiring and holding significant shareholdings in companies, with the objective of increasing long-term shareholders' value. When selecting investment candidates the Company emphasizes, in addition to investment and return criteria, the potential of playing an active role as a shareholder and/or board member. Given the emphasis on the longer term, the Company does not have a pre-determined investment horizon.

HAL also owns real estate. The real estate activities are concentrated in the greater Seattle metropolitan area with an emphasis on the development and rental of multi-family properties and office buildings.

Application IFRS 10

The application of IFRS 10 has a significant effect on the consolidated financial statements, primarily due to the consolidation of Koninklijke Vopak N.V. ('Vopak', 48.15%) and Safilo Group S.p.A. ('Safilo', 41.69%) as the Company is deemed to have control, under the provisions of IFRS 10, over these entities. The effect of the application of IFRS 10 is set out in the notes to the consolidated financial statements on pages 31 and 32. The consolidated financial statements include supplemental information where Vopak and Safilo are accounted for on an unconsolidated basis using the equity method (pro forma financial statements).

The risks described below exclude the risks of Vopak and Safilo. The paragraph Results in this report refers to the segmentation in the pro forma financial statements on pages 109 and 110. Reference is also made to the paragraph Administrative organization, risk management systems and financial reporting on page 17 for the organizational and control aspects of the consolidation of Vopak and Safilo.

Risks

There are a number of risks associated with the strategy and with its implementation. Financial risks are further described in the section Supplemental information of the financial statements on pages 96 through 98.

Besides risks which are specific to individual companies (these risks are not managed by HAL Holding N.V., see page 17), important risk factors are summarized below.

Concentration risk
Concentration risk exists with respect to the optical retail activities. There is also concentration risk with respect to the quoted associates as these represent a significant part of the net asset value of HAL.

Optical retail activities

Revenues of the optical retail and other unquoted companies for 2014 amounted to € 4,547 million. The optical retail activities represented 63% of this amount. At the end of 2014 the book value of the investments in optical retail and other unquoted companies amounted to € 1,668 million. An estimate of value of these assets, based on the principles and assumptions set out on pages 88 and 89 of this annual report and including GrandVision based on the price of its initial public offering ('IPO') in February 2015, amounted to € 5,979 million. Estimates of value can fluctuate significantly from year to year. In addition, values realized may be materially different from these estimates. The optical retail activities represented 84% of the aggregate estimated value of the optical retail activities and the other unquoted companies. Accordingly, there is a significant concentration risk with respect to the optical retail industry. A decrease in revenues of the optical retail activities, for example due to an economic recession, may have a significant impact on the profitability of HAL.
A 10% decrease in these revenues could, everything else being equal, negatively affect the profit before tax by more than € 100 million.

Quoted associates

At the end of 2014 the stock market value of HAL's interests in quoted associates amounted to € 5.2 billion (2013: € 5.1 billion). This included Koninklijke Vopak N.V. (€ 2,658 million, 2013: € 2,628 million), Koninklijke Boskalis Westminster N.V. (€ 1,929 million, 2013: € 1,583 million), SBM Offshore N.V. (€ 308 million, 2013: € 416 million), and Safilo Group S.p.A. (€ 281 million, 2013: € 443 million). Changes in stock prices of these companies may have a significant effect on the net asset value of HAL.

Market value risk
In addition to the interests in quoted associates as described above, at the end of 2014 HAL owned equities which are part of the liquid portfolio, for an amount of € 114 million (2013: € 82 million). The value of these assets can be subject to significant fluctuations as a result of the volatility of the stock markets. In 2014 share

price developments of the quoted associates and the equities in the liquid portfolio had a positive effect, including dividends received, of € 135 million on the net asset value (2013: € 40 million). The change in market value (based on stock exchange prices) of the quoted associates where HAL's ownership interest exceeds 20%, does not have an impact on the valuation in the financial statements as these assets are accounted for using the equity method in the pro forma financial statements.

Interest rate risk
Investments in fixed income instruments are exposed to fluctuations in interest rates. In view of the short duration of the Company's liquid assets, the interest rate risk is limited. In addition, the risk of an increase in interest rates exists with respect to the Company's consolidated debt position. At the end of 2014, this debt was exclusively at the level of the consolidated subsidiaries. Of the € 1,620 million bank debt outstanding at the end of 2014 (2013: € 1,209 million), 48% (2013: 70%) was at fixed rates for an average period of 2.1 years (2013: 2.3 years).

Currency risk
The most important currency risk relates to currency translation risk as a result of the translation of (net) balance sheet positions from a foreign currency to the Euro. At the end of 2014 the unhedged exposure to currency translation risk, excluding the translation risk of investee companies where the ownership interest does not exceed 50% and excluding the USD exposure with respect to the ordinary shares in SBM Offshore N.V., was € 964 million (2013: € 917 million). The largest currency exposure related to the U.S. dollar and amounted to € 219 million (2013: € 190 million). The potential impact is detailed in the section Supplemental information of the financial statements on page 98. Currency risk also exists with respect to the translation of the results of foreign currency operations. Changes in exchange rates compared with 2013 had a negative effect on revenues of € 34 million. The effect on operating income and net income was not significant.

Credit risk
HAL is subject to credit risk with respect to financial instruments and liquid assets. This is the risk that a counterparty is unable to comply with its contractual obligations. The Company generally only enters into transactions with counterparties that have a strong credit rating (S&P long term credit rating varying from A to AA-). At the end of 2014 the liquid assets (excluding equities) amounted to € 904 million (2013: € 475 million) of which € 632 million (2013: € 219 million) was part of the 'corporate' liquid portfolio.

Liquidity risk
Liquidity risk relates to situations where a company is unable to comply with its financial obligations. The financial liabilities mainly relate to the consolidated subsidiaries. The liquidity risk of the consolidated subsidiaries is detailed in the section Supplemental information on page 97 of the financial statements. HAL Holding N.V had, at the end of 2014, committed revolving bank facilities of € 515 million with an average of 2.4 years remaining until maturity.

Acquisition risk
In the process of acquisitions, the Company makes hypotheses, assumptions and judgements about possible future events. Actual developments may turn out to be significantly different. In addition, errors of judgement in due diligence and contract negotiations, as well as non compliance with laws and regulations in the context of acquisitions, could result in (opportunity) losses and/or reputational damage for the Company.

Financial reporting risk
Although HAL's ownership interest in Koninklijke Vopak N.V. and Safilo Group S.p.A. is below 50%, IFRS requires these associates to be consolidated in the consolidated financial statements as of January 1, 2014 as HAL, in accordance with the provisions of IFRS 10 (Consolidated Financial Statements) is deemed to have control over these two entities. HAL has agreed with Vopak and Safilo on certain procedures for the exchange of information which allows HAL to comply with its consolidation requirement. If however, for whatever reason, either Vopak or Safilo will not, or is not able to, provide HAL with this information, HAL may not be able to comply with its obligation to prepare consolidated financial statements on a timely basis.

Other
In addition to the above mentioned risk factors, it should be noted that the profitability and the net asset value of the Company are

susceptible to economic downturns. Demand for the products and services of the subsidiaries and minority owned affiliates and/or their profitability may decline as a direct result of an economic recession, inflation, changes in the prices of raw materials, consumer confidence, interest rates or governmental (including fiscal) policies, legislation as well as geopolitical developments.

Acquisitions optical retail and other unquoted companies

In 2014, GrandVision acquired five optical retail chains in Colombia, Germany, Italy and the United Kingdom. These chains had, in aggregate, 2014 revenues of € 163 million. In addition, at the end of August, GrandVision acquired 62% of the shares, including an option for the remaining 38%, of the Peruvian optical retail chain Topsa. Revenues for 2014 of Topsa amounted to € 28 million.

In April, HAL acquired control of Gispen Group B.V. Before the transaction HAL had a 49% ownership interest. Gispen, based in Culemborg (the Netherlands), produces and sells office furniture. Revenues for 2014 amounted to € 63 million.

HAL's ownership interest in PontMeyer N.V. increased from 68% to 75% primarily due to a share issue in June in which HAL participated for € 12.8 million.

Early January 2015, Auxilium GmbH a 54% subsidiary of Orthopedie Investments Europe B.V., acquired Reha Aktiv 2000, a German health care company which manufactures and distributes medical aids. The company has annual revenues of approximately € 20 million.

Subsidiaries

Optical retail subsidiaries

At the end of September 2014, HAL transferred the optical retail subsidiaries Shanghai Red Star Optical Co. (China) and Atasun Optik (Turkey) to GrandVision, thereby bringing all optical retail chains under the GrandVision umbrella. GrandVision is based at Amsterdam Airport Schiphol. At the end of 2014, HAL had a 98.57% ownership interest in the company.

At the end of 2014 GrandVision was active in 43 countries and had 5,814 optical stores including stores from associates (2013, including China and Turkey: 5,135), of which 1,070 franchise stores (2013: 1,044) and had 25,776 full-time equivalent employees (FTE's). The total 2014 system wide sales (defined as sales including sales of franchise stores) amounted to € 3,190 million (including China and Turkey on a full year basis).

Revenues (including China and Turkey on a full year basis) as reported in the financial statements amounted to € 2,862 million (2013, restated: € 2,673 million), a 7.1% increase. Excluding the effects of acquisitions (€ 60 million) and changes in currency exchange rates (negative € 32 million), revenues increased by € 161 million (6.0%). The 2014 same store sales (defined as the sales at constant currency exchange rates of those stores, excluding franchise stores, which were both on January 1, 2013 and on December 31, 2014 part of the store network and including China and Turkey), increased by 4.5% compared with a 2013 restated increase of 1.8%. The 2014 operating income (earnings before interest, exceptional and non-recurring items, taxes and amortization of intangible assets, but including amortization of software) including China and Turkey, amounted to € 342 million (2013, restated: € 294 million).
HAL has had an ownership interest in GrandVision since 1996.

IPO GrandVision

On February 6, 2015 GrandVision commenced trading on Euronext Amsterdam as a result of a secondary offering, by HAL, of 21.9% of the outstanding shares of the company. The offer price of € 20.00 per share corresponded to an equity value for GrandVision of € 5 billion and gross proceeds for HAL of € 1,116 million.
As of December 31, 2014 the book value of HAL's interest in GrandVision amounted to € 799 million. Post IPO, HAL's ownership interest in GrandVision was 76.72%. No capital gain will be recognized in the income statement on this transaction as, in accordance with IFRS, the result (approximately € 900 million) will be recorded through shareholders' equity.

Other unquoted subsidiaries

Broadview Holding B.V. (97.4%) is located in 's-Hertogenbosch (the Netherlands). Its main subsidiaries are Trespa International B.V. and Arpa Industriale S.p.A. Trespa is located in Weert (the Netherlands) and produces High-Pressure Laminate (HPL) products, mainly for exterior applications. Arpa also produces HPL-products, mainly for interior applications, and is located in Bra (Italy). Broadview also owns the Intersafe Group, Elacin International B.V. and De Vlamboog B.V. Intersafe is a supplier of a comprehensive range of safety products and safety services in the Netherlands, Belgium and France. Elacin produces and distributes hearing protection equipment. De Vlamboog is a distributor of products for the welding industry. At the end of 2014 Broadview employed 1,387 FTE's. Revenues for 2014 increased by 2.7% to € 381 million (2013: € 371 million). The operating income amounted to € 35 million (2013: € 30 million).
HAL has had an ownership interest in Broadview since 1996.

AudioNova International B.V. (95.01%) is a Rotterdam (the Netherlands) based retail company that sells hearing aids. At the end of 2014 the company employed 2,611 FTE's and operated 1,303 stores (2013: 1,272) in twelve European countries. Revenues for 2014 increased by 8.5% to € 333 million (2013: € 307 million). The same store sales increased by 7.3% (2013: decrease of 14.7%). In 2013 the same store sales were negatively affected by changes in the reimbursement schemes in the Netherlands and Denmark. Operating income for 2014 amounted to € 35 million (2013: € 9 million). This increase is primarily due to higher sales in Germany and the Netherlands. In 2014 HAL's ownership interest decreased from 96.3% to 95.01% due to the sale of shares to management.
HAL has had an ownership interest in AudioNova since 2001.

PontMeyer N.V. (75.4%) located in Zaandam (the Netherlands), is one of the country's leading suppliers of timber products and building materials used for new construction, renovations and maintenance. The company has 49 outlets throughout the Netherlands and had 668 FTE's at the end of 2014. Revenues for 2014 increased by 8% to € 285 million (2013: € 264 million). The operating income amounted to € 8 million (2013: € 2 million).
HAL has had an ownership interest in PontMeyer since 1999.

Stonehaven Holding B.V. (96%) is the holding company of Koninklijke Ahrend N.V. and Gispen Group B.V.
Ahrend is based in Amsterdam (the Netherlands) and employed 1,125 FTE's at the end of 2014. The company is active in the office furniture industry in the Benelux, Central and Eastern Europe, Germany, the United Kingdom, Russia, and the United Arab Emirates. Revenues for 2014 decreased by 3.2% to € 184 million (2013: € 190 million). The operating income increased from negative € 2 million in 2013 to break-even in 2014.
Gispen Group B.V., located in Culemborg (the Netherlands), produces and sells office furniture and had 304 FTE's at the end of 2014. The company has operations in the Netherlands, Belgium and China. Revenues for 2014 amounted to € 63 million (2013: € 57 million). Operating income also increased.
In 2014 HAL's ownership interest in Stonehaven increased from 92.6% to 96% due to the purchase of shares from management.
HAL has had an ownership interest in Stonehaven since 2001.

Anthony Veder Group N.V. (62.9%) is a Rotterdam (the Netherlands) based shipping company. At the end of 2014 the company had 702 FTE's and operated 26 gas tankers (2013: 27), of which 20 (2013:18) were (partially) owned. Anthony Veder provides the commercial and technical management of four gas tankers (book value € 101 million) which are the property of companies in which HAL owns 99.9% of the shares. Anthony Veder has the option to acquire these shares in 2015. Revenues for 2014 amounted to $ 162 million (€ 134 million) compared to $162 million (€ 117 million) for the year before (restated for IFRS 11). Operating income amounted to $ 18 million (€ 15 million) compared to $14 million (€ 10 million) for 2013.
HAL has had an ownership interest in Anthony Veder since 1991.

Orthopedie Investments Europe B.V. (100%) manufactures and sells orthopaedic devices and is located in Haarlem (the Netherlands). The company is active in the Netherlands (Livit B.V.) and Germany (Auxilium GmbH). Livit operates

a network of 32 specialised care centres and a large number of fitting locations throughout the country. Auxilium GmbH, based in Essen (Germany), is the holding company of a number of German companies (including Luttermann GmbH and Thies Medicenter GmbH)) active in the manufacturing and sale of medical aids. Orthopedie Investments Europe has a 54% ownership interest in Auxilium. At the end of 2014, the company had 1,110 FTE's. Revenues for 2014 increased by 3.4% to € 121 million (2013: € 117 million). This increase is primarily due to a 7% autonomous growth in Germany. In the Netherlands revenues decreased by 7%. The operating income was on the same level as the year before.
HAL has had an ownership interest in Orthopedie Investments Europe since 2007.

FD Mediagroep B.V. (100%) is located in Amsterdam (the Netherlands). The three major brands of the company are the Dutch financial newspaper "Het Financieele Dagblad", the radio station "BNR Nieuwsradio" and Company.info. Company.info provides on-line access to a data base with information on Dutch companies. FD Mediagroep also has a 50% interest in Fondsnieuws and Redactiepartners. Fondsnieuws is a platform that focuses on investment professionals and standardized investment products. Redactiepartners supports companies with their internal and external communications. The company employed 292 FTE's at the end of 2014. Revenues of FD Mediagroep for 2014 increased by 6.7% to € 64 million (2013: € 60 million). Operating income amounted to € 8 million (2013: € 6 million).
HAL has had an ownership interest in FD Mediagroep since 1997.

InVesting B.V. (81.4%), located in Hilversum (the Netherlands), is a company with a focus on the purchase of bad debt portfolios for its own account and credit management. At the end of 2014, InVesting employed 447 FTE's. Revenues for 2014 increased by 7.5% to € 57 million (2013: € 53 million). This increase is primarily due to an acquisition in 2013 (Focum). The operating income increased compared to the year before. In 2014 HAL's ownership increased from 67.9% to 81.4%.
HAL has had an ownership interest in InVesting since 2006.

Mercurius Groep Holding B.V. (100%) is based in Westzaan (the Netherlands) and employed 210 FTE's at the end of 2014. In 2014 Mercurius sold its operating subsidiaries Belarto (distribution of announcement cards) and Imprima (financial communication and virtual datarooms). These transactions resulted in a loss of € 1.5 million. The remaining subsidiary of Mercurius is Floramedia which provides horticultural communication products and services to growers, garden centers and retailers. The company uses a horticultural data base which contains more than 210,000 pictures, videos, texts and other plant-related content. Revenues for 2014 amounted to € 50 million (2013: € 58 million), a decrease of € 8 million (13.8%). On a comparable basis, taking into account divestitures, revenues increased by € 1 million (3.3%). The operating income increased due to the sale of loss making activities.
HAL has had an ownership interest in Mercurius since 1999.

Sports Timing Holding B.V. (95%), located in Haarlem (the Netherlands), operates under the MYLAPS brand and is active in the development and production of identification and timing equipment for sports events. The company employed 125 FTE's at the end of 2014. Revenues for 2014 amounted to € 26 million (2013: € 24 million). Operating income also increased.
HAL has had an ownership interest in the company since 1998.

Flight Simulation Company B.V. (70%) is based at Amsterdam Airport Schiphol (the Netherlands) and provides training for pilots using full flight simulators. At the end of 2014 the company owned 11 simulators and employed 44 FTE's. Revenues for 2014 amounted to € 17 million (2013: € 15 million). Operating income also increased.
HAL has had an ownership interest in Flight Simulation Company since 2006.

Unquoted non-controlling interests

N.V. Nationale Borg-Maatschappij (46.7%) is an Amsterdam (the Netherlands) based insurance company that specializes in bank guarantees, the reinsurance of bank guarantees and in credit insurance. The company operates in the Netherlands, Curaçao and Belgium and has an A-/stable outlook rating from Standard & Poor's

(January 2015). Total net premium revenue for 2014 amounted to € 78 million (2013: € 79 million). Net income for 2014 amounted to € 16 million (2013: € 9 million).
HAL has had an ownership interest in Nationale Borg-Maatschappij since 2007.

Atlas Services Group Holding B.V. (45%), located in Hoofddorp (the Netherlands), specializes in supplying professional staff to the energy and maritime industries worldwide. Revenues for 2014 amounted to € 190 million (2013: € 180 million). This increase was primarily due to acquisitions in 2013. On a comparable basis revenues were at the same level as in 2013. Operating income for 2014 amounted to € 10 million (2013: € 9 million).
HAL has had an ownership interest in Atlas since 2011.

Private equity partnerships
At the end of 2014 HAL had investments in five private equity partnerships. These partnerships are managed by Navis Capital Partners Ltd. ('Navis'), in which HAL has a 25% ownership interest. The total book value of the investments amounted to € 70 million (2013: € 57 million). At the end of 2014 the partnerships managed by Navis had approximately € 2.5 billion invested in a portfolio of companies, located in South-East Asia, China, India and Australia.
HAL has had an ownership interest in Navis since 1999.

Publicly traded associates

HAL has ownership interests in the following quoted associates:

Koninklijke Vopak N.V. (48.15%) is the world's largest independent tank storage company by capacity, specialized in the storage and handling of oil products, liquid chemicals and gasses. As per 27 February 2015, Vopak operated 80 terminals in 28 countries with a combined storage capacity of 33.8 million cbm. At the end of 2014 the company had 3,860 employees. The shares of the company are listed on Euronext in Amsterdam. The market value at the end of 2014 amounted to approximately € 5.5 billion. On December 31, 2014, HAL owned 48.2% of the common shares and 13.6% of the preferred shares. The preferred shares were repaid and cancelled in January 2015. Revenues for 2014 amounted to € 1,323 million (2013: € 1,295 million). Net income for holders of ordinary shares amounted to € 247.1 million (2013: € 312.7 million).
HAL has had an ownership interest in Vopak since 1999.

For additional information on Vopak please refer to the company's annual report and its website www.vopak.com.

Safilo Group S.p.A. (41.7%) is a Padua (Italy) based manufacturer and distributor of optical frames and sunglasses. The shares of the company are listed on the Milan stock exchange The market value at the end of 2014 amounted to approximately € 0.7 billion. At the end of 2014 the company had 7,514 employees. Revenues for 2014 amounted to € 1,179 million (2013: € 1,122 million). Net income amounted to € 39 million (2013: € 15.5 million).
HAL has had an ownership interest in Safilo since 2005.

For additional information on Safilo please refer to the company's annual report and its website www.safilo.com.

Koninklijke Boskalis Westminster N.V. (34.5%) is a leading global services provider operating in the dredging, maritime infrastructure and maritime services sectors. The company provides creative and innovative all-round solutions to infrastructural challenges in the maritime, coastal and delta regions of the world with services including the construction and maintenance of ports and waterways, land reclamation, coastal defense and riverbank protection. In addition, Boskalis offers a wide variety of marine services and contracting for the offshore energy sector including subsea, heavy transport, lifting and installation (through Boskalis, Dockwise and Fairmount)) and towage and salvage (through SMIT). With a versatile fleet of 1,000 units Boskalis operates in around 75 countries across six continents. Excluding its share in partnerships, Boskalis has 8,500 employees. The shares of the company are listed on Euronext in Amsterdam. The market value at the end of 2014 amounted to approximately € 5.6 billion. Revenues for 2014 amounted to € 3,167 million (2013: € 3,144 million). Net income for 2014 amounted to € 490 million (2013: € 366 million). At the end of 2014 the order book of the company amounted to € 3,286 million compared to € 3,323 million at the end of 2013.

HAL has had an ownership interest in Boskalis since 1989.

For additional information on Boskalis please refer to the company's annual report and its website www.boskalis.com.

SBM Offshore N.V. (15.01%) is a leader in floating production and mooring systems, production operations as well as terminals and services. The company's main activities are the design, supply, installation, operation and the life extension of Floating Production, Storage and Offloading (FPSO) vessels. These are either owned and operated by SBM Offshore and leased to its clients or supplied on a turnkey sale basis. The company has approximately 8,300 FTE's. Its shares are listed on Euronext in Amsterdam and had a market value of approximately € 2.1 billion at the end of 2014. Revenues for 2014 amounted to $ 5,482 million (€ 4,531 million) compared with $ 4,584 million (€ 3,322 million) for 2013. Net income for 2014 amounted to $ 575 million (€ 475 million) compared to a net income of $ 114 million (€ 83 million) for 2013. At the end of 2014 the order book of the company amounted to $ 21.8 billion (€ 18 billion) compared to $ 22.2 billion (€ 16.1 billion) at the end of 2013.
HAL has had an ownership interest in SBM Offshore since 2012. On November 18, 2014 the ownership interest in SBM Offshore N.V. was increased to 15.01%. At the end of 2013 this interest was 13.5%.

For additional information on SBM Offshore please refer to the company's annual report and its website www.sbmoffshore.com.

Real estate

In April, the Company's principal real estate asset, an office property in the Seattle area with a total of 407,000 square feet of rentable space, was sold for US $ 60 million. The sale resulted in an after tax capital gain of € 6 million. At the end of 2014 the real estate portfolio mainly consisted of a 74,000 square feet development parcel and a loan of € 6 million secured by an office property. The loan will convert to a full equity ownership of the building at the end of 2015.

Liquid portfolio

The corporate liquid portfolio increased in 2014 by € 446 million to € 747 million. This increase was primarily due to principal repayments on shareholder loans to GrandVision (€ 325 million), the sale of the Chinese and Turkish optical retail activities to GrandVision (€ 83 million) and dividend from Koninklijke Vopak N.V. (€ 61 million). On December 31, 2014, the liquid portfolio consisted for 85% (2013: 73%) of fixed income instruments and cash balances amounting to € 632 million (2013: € 219 million), and for 15% (2013: 27%) of equities, for an amount of € 114 million (2013: € 82 million). The fixed income instruments and cash balances provided a return of 0.1% (2013: 0.1%). The duration of this portfolio at the end of 2014 was less than one month. The equity portfolio provided a return of 1.2% (2013: 18%).

Results

Optical retail

Revenues for 2014 amounted to € 2,862 million (2013, restated: € 2,673 million), a 7.1% increase. Excluding the effects of acquisitions (€ 60 million) and changes in currency exchange rates (negative € 32 million), revenues increased by € 161 million (6.0%). The 2014 same store sales (defined as the sales at constant currency exchange rates of those stores, excluding franchise stores, which were both on January 1, 2013 and on December 31, 2014 part of the store network), increased by 4.5% compared with a 2013 restated increase of 1.8%. The 2014 operating income amounted to € 342 million (2013, restated: € 294 million).
Revenues and operating income for 2013 of the optical retail companies were restated, primarily due to the application of IFRS 10. The positive effect of the restatement on revenues for 2013 was € 142 million and on operating income € 23 million.

Other unquoted companies
Revenues from the other unquoted subsidiaries for 2014 amounted to € 1,684 million (2013, restated: € 1,577 million), representing an increase of € 107 million (6.8%). Excluding the effect of acquisitions and divestitures

(€ 39 million) and currency exchange differences (negative € 3 million), revenues from the other unquoted subsidiaries increased by € 71 million (4.5%). This increase is primarily due to higher sales at AudioNova International B.V. and PontMeyer N.V.
The operating income of the other unquoted companies for 2014 amounted to € 136 million (2013: € 77 million). This increase is primarily due to higher operating income from AudioNova International B.V., PontMeyer N.V. and Broadview Holding B.V. Revenues for 2013 of the other unquoted companies were restated due to the application of IFRS 11. The negative effect of the restatement on revenues for 2013 was € 7 million. There was no effect on operating income.

Income from quoted minority interests

Income from quoted minority interests decreased by € 30 million to € 298 million. This is primarily due to capital gains realized in 2013 due to the sale of the 31.6% ownership interest in Dockwise Ltd. to Koninklijke Boskalis Westminster N.V. (€ 22 million) and the capital gain on the redemption at par of the € 68 million Senior 9⁵/₈% Notes issued by Safilo Group S.p.A.(€ 26 million). HAL's share in the earnings of Boskalis increased by € 44 million to € 169 million whereas the share in the earnings of Vopak decreased by € 32 million to € 119 million.

Liquid portfolio

Income from the liquid portfolio decreased by € 13 million to € 3 million primarily due to lower capital gains on the sale of equities.

Amortization

Amortization decreased by € 35 million to € 75 million due to lower impairment charges on goodwill and other intangible assets.

Net financial expense

Net financial expense decreased by € 24 million to € 25 million, primarily due to currency exchange gains on U.S. dollar liquid assets (€ 22 million) and adjustments to deferred payments with respect to acquisitions (€ 7 million).

The results for 2014 include exceptional and non recurring costs of € 9 million (2013: € 17 million). These costs primarily relate to the long term incentive plans of GrandVision in connection with the IPO, off set by one off gains due to the amendment of certain pension plans.

Administrative organization, risk management systems and financial reporting

The administrative procedures, the risk management and internal control systems associated with the Company's strategy and its implementation, the financial reporting and compliance are all designed to provide a reasonable degree of assurance that significant risk factors are identified, their development is monitored and, where appropriate, action is taken on a timely basis. (See also the paragraph Risks on page 10.) The Board of Supervisory Directors is regularly informed about these matters.

The companies in which HAL has interests differ in industry, size, culture, geographical diversity and stage of development. Each company is subject to specific risks relating to strategy, operations, finance and (fiscal) legislation. HAL has therefore chosen not to institute a centralized management approach and not to develop a central risk management system. Each investee company has its own financial structure and is responsible for evaluating and managing its own risks. The companies generally have a supervisory board of which the majority of members is not affiliated with HAL. This corporate governance structure allows the operating companies to fully concentrate on developments which are relevant to them and to assess which risks to accept and which risks to avoid. Accordingly, in addition to risks associated with HAL's strategy and its implementation as described above, there are specific risk factors associated with each individual investee company. It is the responsibility of each investee company to evaluate these risks. These risks are therefore not managed by HAL.

HAL has a management reporting system to monitor its performance, as well as that of the companies where its ownership exceeds 50%, on a monthly basis. This system comprises a set of tools including portfolio analysis, budgeting and the reporting of actual as well as projected results, balance sheet and cash flow information and operational performance indices. In addition, management of the majority owned companies provide internal letters of representation with respect to the half-year and year-end financial statements.

HAL's objective is, in the context of the inherent limitations of the decentralized management approach described above, that its internal and external financial reporting is complete, accurate, valid and timely. Financial reporting risk can be defined as any event that impedes HAL to achieve its financial reporting objectives. Although HAL is aware that no risk management and internal control system can provide absolute assurance that its objectives will be achieved or that errors, losses, fraud or the violation of laws and regulations, human errors and mistakes will be prevented, the Company aims to further improve its risk management and internal control systems. In this context the risk management and internal control systems with respect to financial reporting were again reviewed during 2014. For the most important financial processes (financial reporting and consolidation, information technology, treasury, taxation and entity level controls), risks were identified as well as the control measures designed to mitigate these risks. These controls were also tested in order to conclude on their operating effectiveness during the year. Several improvements to the risk management systems were implemented during 2014. The risk management review did not cover the key financial processes of HAL's investee companies for the reasons described above. The risk management and internal control systems, as well as plans for further improvements, were discussed with the Board of Supervisory Directors.

Although HAL's ownership interest in Koninklijke Vopak N.V. and Safilo Group S.p.A. is below 50%, IFRS requires these associates to be consolidated in the consolidated financial statements as of January 1, 2014 as HAL is deemed to have control, as defined in IFRS 10, over these two entities. Vopak and Safilo are both publicly traded companies. Whereas HAL has board representation and, accordingly, may be considered to have significant influence over these associates, in the past neither operational nor strategic control was exercised. Moreover, Vopak and Safilo are, for example, not part of the above mentioned management reporting system which monitors the performance of the consolidated companies on a monthly basis. In addition, in view of its minority interest, the Company has no formal instruction rights with respect to Vopak and Safilo. HAL will therefore continue to include the results of Vopak and Safilo in the segment "quoted minority interests". The Company has entered into Memoranda of Understanding with Vopak and Safilo with respect to confidentiality, the process of exchanging information and visitation rights to the audit committee meetings of Vopak and the Control and Risk Committee meetings of Safilo for an independent financial expert on behalf of HAL. This allows HAL, to comply with IFRS and prepare consolidated financial statements which include the (audited) financial statements of Vopak and Safilo. However, HAL does not have access to the financial books and records, contracts and related information of Vopak and Safilo in order to independently verify that these financial statements are complete, valid and accurate.

The Chairman of the Executive Board of the Company is a member of Supervisory Board of Koninklijke Vopak N.V. and the Board of Safilo Group S.p.A. Mr. J.N. van Wiechen, member of the Executive Board of the Company, is a member of the Supervisory Board of Koninklijke Boskalis Westminster N.V. The information obtained in these capacities cannot be used for the preparation of the consolidated financial statements of the Company in order to preserve confidentiality and to allow these quoted associates to operate independently from the Company. Accordingly, the risk management and internal control systems of HAL with respect to financial reporting risks are not designed and are not able to provide assurance that the information relating to quoted associates in the Company's consolidated financial statements does not contain material errors due to the inherent limitations described above. The

assessment that the Company's consolidated financial statements do not contain material errors attributable to the financial statements of Vopak and/or Safilo, is based on the external audit of these companies and the involvement of the independent financial expert referred to above. Vopak and Safilo both have included a description of their risks and risk management system in their respective annual reports. These risks are neither monitored nor managed by HAL.
In view of the fact that consolidating Vopak and Safilo significantly affects the financial statements of the Company, supplemental financial information is provided where, consistent with the past, Vopak and Safilo are accounted for on an unconsolidated basis using the equity method.

Accordingly, based on the above and taking into account the inherent limitations referred to above, we are of the opinion that the risk management and internal control systems with respect to financial reporting of HAL Holding N.V. provide reasonable assurance that the financial reporting does not contain material inaccuracies and that these systems operated properly during 2014 and we declare that, to the best of our knowledge:
1º. the financial statements give a true and fair view of the assets, liabilities, financial position and profit for the year of the consolidated entities taken as a whole;
2º. the report of the Executive Board gives a true and fair view of the situation as of the statement of financial position date and the developments during the year of the entities included in the financial statements taken as a whole, and
3º. this report includes a description of the principal risks HAL Holding N.V. is facing.

Executive Board HAL Holding N.V.

M.F. Groot (*Chairman*)
A.A. van 't Hof
J.N. van Wiechen

March 31, 2015

Financial Statements
HAL Trust

Consolidated Statement of Financial Position

As of December 31

In millions of euro	*Notes*	**2014**	2013*	January 1, 2013*
Assets				
Non-current assets:				
Property, plant and equipment	1	**4,943.4**	4,522.6	4,304.5
Investment properties	2	**1.4**	32.2	40.5
Intangible assets	3	**2,448.5**	2,256.6	2,364.1
Investments in associates and joint ventures	5	**2,267.2**	1,883.7	1,620.0
Other financial assets	6	**489.4**	561.8	415.4
Derivatives	7	**19.4**	12.9	2.6
Pension benefits	15	**64.8**	75.7	65.0
Deferred tax assets	18	**216.8**	174.3	187.2
Total non-current assets		**10,450.9**	9,519.8	8,999.3
Current assets:				
Other financial assets	6	**10.7**	12.9	19.0
Inventories	10	**636.4**	559.9	555.7
Receivables	9	**751.3**	657.3	712.1
Marketable securities and deposits	8	**141.1**	81.8	88.9
Derivatives	7	**10.6**	9.2	1.5
Other current assets	11	**426.1**	500.9	497.9
Cash and cash equivalents		**1,147.4**	736.2	827.9
Total current assets		**3,123.6**	2,558.2	2,703.0
Assets held for sale	12	**99.6**	25.9	257.9
Total assets		**13,674.1**	12,103.9	11,960.2
Equity and liabilities				
Share capital	13	**1.5**	1.4	1.4
Other reserves		**58.6**	91.7	91.7
Retained earnings		**5,003.3**	4,573.7	4,102.0
Equity attributable to the owners of parent		**5,063.4**	4,666.8	4,195.1
Non-controlling interest		**1,439.5**	1,406.2	1,353.5
Total equity		**6,502.9**	6,073.0	5,548.6
Non-current liabilities:				
Deferred tax liabilities	18	**431.4**	425.4	458.6
Pension benefits	15	**345.1**	173.8	233.5
Derivatives	7	**130.2**	158.5	122.9
Provisions	14	**74.2**	98.7	85.1
Long-term debt and other financial liabilities	17	**3,848.4**	3,143.1	3,306.2
Total non-current liabilities		**4,829.3**	3,999.5	4,206.3
Current liabilities:				
Provisions	14	**56.2**	46.4	54.6
Accrued expenses	16	**829.0**	714.5	703.4
Income tax payable		**116.9**	105.2	116.1
Accounts payable		**676.4**	644.4	647.4
Derivatives	7	**30.3**	28.1	34.1
Short-term debt and other financial liabilities	17	**633.1**	492.8	649.7
Total current liabilities		**2,341.9**	2,031.4	2,205.3
Total equity and liabilities		**13,674.1**	12,103.9	11,960.2

* Restated for IFRS 10 – see page 31

The notes on pages 52 to 110 form an integral part of the consolidated financial statements.

Consolidated Statement of Income

For the year ended December 31

In millions of euro	*Notes*	**2014**	2013*
Revenues	19	**7,006.6**	6,632.6
Income from marketable securities and deposits	20	**2.8**	15.5
Share of profit/(loss) of associates and joint ventures	21	**259.9**	273.8
Income from other financial assets	22	**9.1**	7.7
Income from real estate activities	23	**10.9**	12.2
Total income		**7,289.3**	6,941.8
Usage of raw materials, consumables and other inventory		**1,791.5**	1,714.7
Employee expenses	24	**2,053.3**	1,961.3
Depreciation and impairments of property, plant, equipment and investment properties	1, 2	**457.6**	460.6
Amortization and impairments of intangible assets	3	**111.8**	153.8
Other operating expenses	25	**1,787.6**	1,710.5
Total expenses		**6,201.8**	6,000.9
Operating profit		**1,087.5**	940.9
Financial expense		**(198.5)**	(195.4)
Other financial income	26	**75.1**	26.3
Profit before income tax		**964.1**	771.8
Income tax expense	27	**(196.7)**	(133.1)
Net profit		**767.4**	638.7
Attributable to:			
Owners of parent		**556.6**	431.3
Non-controlling interest		**210.8**	207.4
		767.4	638.7
Average number of outstanding Shares *(in thousands)*	28	**72,876**	70,545
Earnings per Share for profit attributable to the owners of parent during the year *(in euro)*			
- basic and diluted	28	**7.64**	5.92
Dividend per Share (in euro)		**5.05** **	4.10

* Restated for IFRS 10 – see page 31
** Proposed
The notes on pages 52 to 110 form an integral part of the consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended December 31

In millions of euro	**2014**	2013*
Net profit	**767.4**	638.7
Other comprehensive income:		
Items that will not be reclassified to statement of income		
Actuarial result on post-employment benefit obligations	**(225.0)**	63.4
Income tax	**57.1**	(17.4)
	(167.9)	46.0
Share of associates, net of tax	**(18.4)**	19.2
	(186.3)	65.2
Items that may be reclassified to statement of income		
Change in fair value of available-for-sale financial assets	**(138.3)**	124.0
Effective portion of hedging instruments	**(58.7)**	49.8
Income tax	**15.6**	(16.9)
Translation of foreign subsidiaries	**109.7**	(138.4)
Share of associates and joint ventures, net of tax	**64.3**	0.7
	(7.4)	19.2
Other comprehensive income for the year, net of tax**	**(193.7)**	84.4
Total comprehensive income for the year, net of tax	**573.7**	723.1
Total comprehensive income attributable to:		
- Owners of parent	**399.3**	528.8
- Non-controlling interest	**174.4**	194.3
	573.7	723.1

* Restated for IFRS 10 – see page 31
** Of which (€ 157.3 million) attributable to owners of parent (2013: € 97.5 million).

Taxes recognized in other comprehensive income are disclosed in note 27.

The notes on pages 52 to 110 form an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

	Attributable to owners of parent					
In millions of euro	Share capital	Retained earnings	Other reserves	Total	Non-controlling interest	**Total equity***
Balance on January 1, 2013	1.4	4,085.6	66.3	4,153.3	53.4	**4,206.7**
Restatement as a result of the implementation of IFRS 10, net of tax	-	67.8	(26.0)	41.8	1,300.1	**1,341.9**
Restated balance on January 1, 2013	1.4	4,153.4	40.3	4,195.1	1,353.5	**5,548.6**
Net profit for the year	-	431.3	-	431.3	207.4	**638.7**
Other comprehensive income for the year	-	46.1	51.4	97.5	(13.1)	**84.4**
Total comprehensive income for the year	-	477.4	51.4	528.8	194.3	**723.1**
Movements in treasury shares	-	1.2	-	1.2	-	**1.2**
Dividend paid	-	(59.0)	-	(59.0)	(148.7)	**(207.7)**
Share-based payment plans	-	1.1	-	1.1	-	**1.1**
Capital increase by minority shareholders	-	-	-	-	8.3	**8.3**
Other movements	-	(0.4)	-	(0.4)	(1.2)	**(1.6)**
Transactions with owners of the Company recognized directly in equity	-	(57.1)	-	(57.1)	(141.6)	**(198.7)**
Balance on December 31, 2013	1.4	4,573.7	91.7	4,666.8	1,406.2	**6,073.0**
Balance on January 1, 2014	1.4	4,573.7	91.7	4,666.8	1,406.2	**6,073.0**
Net profit for the year	-	556.6	-	556.6	210.8	**767.4**
Other comprehensive income for the year	-	(124.2)	(33.1)	(157.3)	(36.4)	**(193.7)**
Total comprehensive income for the year	-	432.4	(33.1)	399.3	174.4	**573.7**
Capital increase by minority shareholders	-	-	-	-	9.4	**9.4**
Effect purchase of non-controlling interest	-	(3.4)	-	(3.4)	(2.9)	**(6.3)**
IPO expenses (note 39)	-	(3.5)	-	(3.5)	-	**(3.5)**
Dividend paid	0.1	(17.5)	-	(17.4)	(148.2)	**(165.6)**
Share-based payment plans (note 30)	-	31.5	-	31.5	0.6	**32.1**
Movements in treasury shares	-	(9.9)	-	(9.9)	-	**(9.9)**
Transactions with owners of the Company recognized directly in equity	0.1	(2.8)	-	(2.7)	(141.1)	**(143.8)**
Balance on December 31, 2014	1.5	5,003.3	58.6	5,063.4	1,439.5	**6,502.9**

* Restated for IFRS 10 – see page 31

The notes on pages 52 to 110 form an integral part of the consolidated financial statements.

In millions of euro	Cumulative valuation reserve	Cash flow hedge reserve	Cumulative currency translation reserve	**Total other reserves***
Balance on January 1, 2013	58.9	(88.7)	96.1	**66.3**
Restatement as a result of the implementation of IFRS 10 (net of tax)	(26.0)	-	-	**(26.0)**
Restated balance on January 1, 2013	32.9	(88.7)	96.1	**40.3**
Change in fair value of financial assets available-for-sale	124.0	-	-	**124.0**
Translation of foreign subsidiaries including share of other comprehensive income of associates	-	-	(100.6)	**(100.6)**
Effective portion of hedging instruments including share of associates	-	28.0	-	**28.0**
Balance on December 31, 2013	156.9	(60.7)	(4.5)	**91.7**
Balance on January 1, 2014	156.9	(60.7)	(4.5)	**91.7**
Change in fair value of available-for-sale financial assets	(121.5)	-	-	**(121.5)**
Translation of foreign subsidiaries including share of other comprehensive income of associates and joint ventures	-	-	118.2	**118.2**
Effective portion of hedging instruments, including share of associates	-	(29.8)	-	**(29.8)**
Balance on December 31, 2014	35.4	(90.5)	113.7	**58.6**

* Restated for IFRS 10 – see page 31
The notes on pages 52 to 110 form an integral part of the consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended December 31

In millions of euro	*Notes*	**2014**	2013*
Cash flows from operating activities:			
Profit before taxes		**964.1**	771.8
Depreciation	1, 2	**457.6**	460.6
Amortization and impairments	3	**111.8**	153.8
Profit on sale of property, plant, equipment and investment properties		**(14.1)**	(16.1)
Profit on sale of other financial assets and marketable securities		**(3.1)**	(44.1)
Share of profit/(loss) of associates and joint ventures	5, 21	**(259.9)**	(251.7)
Net financial expense		**123.4**	169.1
Other movements in provisions and pension benefits		**(53.0)**	(8.9)
Dividend from associates and joint ventures	5	**100.5**	130.4
Changes in working capital	29	**8.3**	17.2
Cash generated from operations		**1,435.6**	1,382.1
Other financial income received		**12.2**	28.3
Finance costs paid, including effect of hedging		**(147.5)**	(169.2)
Income taxes paid		**(182.0)**	(161.9)
Net cash from operating activities		**1,118.3**	1,079.3
Cash flows from investing activities:			
Acquisition of associates and subsidiaries, net of cash acquired	4	**(335.5)**	(237.8)
Purchase of other intangibles	3	**(53.4)**	(47.8)
Purchase of property, plant, equipment and investment properties	1, 2	**(741.5)**	(845.6)
Divestiture of associates and subsidiaries		**10.0**	18.1
Proceeds from (acquisition of) other financial assets	6	**(7.8)**	(19.1)
Proceeds from sale of property, plant, equipment and investment properties		**56.1**	39.6
Proceeds from assets and liabilities held for sale		**-**	301.9
Proceeds from marketable securities and deposits, net		**(31.6)**	31.6
Settlement of derivatives (net investment hedges)		**(27.0)**	2.5
Net cash from investing activities		**(1,130.7)**	(756.6)
Cash flows from financing activities:			
Borrowing (repayment) of debt and other financial liabilities		**562.0**	(207.2)
Non-controlling interest transactions (mainly dividend paid)		**(124.3)**	(140.4)
Treasury shares		**(9.9)**	1.2
Dividend paid		**(17.5)**	(59.0)
Net cash from financing activities		**410.3**	(405.4)
Increase (decrease) in cash and cash equivalents		**397.9**	(82.7)
Cash and cash equivalents at beginning of year		**736.2**	827.9
Effects of exchange rate changes and reclassifications		**13.3**	(9.0)
Cash and cash equivalents retranslated at beginning of year		**749.5**	818.9
Net increase (decrease) in cash and cash equivalents		**397.9**	(82.7)
Cash and cash equivalents at end of year		**1,147.4**	736.2

* Restated for IFRS 10 – see page 31

The notes on pages 52 to 110 form an integral part of the consolidated financial statements.

Accounting Policies

General

The consolidated financial statements presented are those of HAL Trust ('the Trust'), a Bermuda trust formed in 1977, and its subsidiaries as well as the interests in associates and joint ventures. HAL Trust shares are listed and traded on Euronext in Amsterdam.

For the years presented, the Trust's only asset was all outstanding shares of HAL Holding N.V. ('the Company'), a Curaçao corporation. The principal accounting policies adopted by the Company in the preparation of its consolidated financial statements, which are unchanged compared to last year except as noted below, are as follows:

Basis of preparation

The consolidated financial statements were authorized for issue on March 31, 2015, and have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

Basis of measurement
The consolidated financial statements have been prepared under the historical cost convention unless otherwise stated in the accounting policies below.

Use of estimates and judgements
The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported assets and liabilities and the disclosure on contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting period. Actual results ultimately may differ from those estimates. Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected. Accordingly, it is reasonably possible that outcomes within the next financial year that are different from the assumptions could have an impact on the carrying amount of the asset or liability affected. Accounting policies that are critical to the financial statement presentation and that require complex estimates or significant judgment are described below.

Estimated impairment of non-current assets
The Company tests at least annually whether goodwill has suffered any impairment. Other non-current assets are tested for impairment when there are specific indicators for potential impairment. The recoverable amounts of cash-generating units are determined based on value-in-use and fair value less costs of disposal calculations. These calculations require the use of estimates. We refer more specifically to the note on intangible assets on page 53 for the impact of changes in assumptions.

Control over quoted minority interests
The application of IFRS 10, effective January 1, 2014, resulted in additional judgements by management and represents an additional source of estimation uncertainty, as set out below. Under IFRS 10, in certain circumstances, significant judgement is required to assess if the Company is deemed to have (de facto) control over entities where the Company's ownership interest does not exceed 50%. Although HAL's ownership interest in Koninklijke Vopak N.V. ('Vopak') and Safilo Group S.p.A. ('Safilo') is below 50%, IFRS requires these entities to be consolidated in the consolidated financial statements as of January 1, 2014, as HAL is deemed to have control, as defined in IFRS 10 and more specifically in example 4 of the application guidance in appendix B of this standard, over these two entities (see below). Vopak and Safilo are both publicly traded companies. Whereas HAL has board representation and, accordingly, may be considered to have significant influence over these entities, in the past neither operational nor strategic control was exercised. Moreover, Vopak and Safilo are, for example, not part of the Company's management reporting system which monitors the performance of the consolidated companies on a monthly basis. In addition, in view of its minority interest, the Company has no formal instruction rights with respect to Vopak and Safilo. The Company has set up a process to obtain information from Vopak and Safilo in order to prepare consolidated financial statements in accordance with IFRS. The Company does not, however, have access to the financial books and records, contracts and related information of Vopak and

Safilo in order to independently verify that these are complete, valid and accurate.

Property, plant and equipment
Property, plant and equipment of Vopak represents a substantial part of the total assets of the Company and the related depreciation forms a substantial part of the annual operating expenses. The useful life and residual value of these assets determined by the Board of Vopak based on its estimations and assumptions has a major impact on the measurement of property plant and equipment.

Intangible assets
When a company is acquired, a value is assigned to intangible assets such as trademarks and the customer database. The determination of the value at the time of acquisition and estimated useful life is subject to uncertainty. One of the calculations used to determine the value is the discounting of expected future results of existing customers at the time of the acquisition. Useful life is estimated using past experience and the useful life period as broadly accepted in the retail sector.

Taxes
Significant judgment is also required in determining the worldwide provision for income tax, as subsidiaries are subject to income taxes in numerous jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain. When subsidiaries incur operating losses, management needs to exercise judgment whether expected future profits substantiate the recognition of carry forward losses. In addition, liabilities are recognized for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Allowance for inventory obsolescence
The inventory of finished products which are obsolescent or slow moving are regularly subjected to specific assessment tests, which take into consideration past experience, historic results and the probability of sale under normal market conditions. If the need to reduce the value of the stock should arise following these analyses, the management proceeds with the appropriate write-downs.

Share-based compensation for GrandVision
GrandVision's long-term incentive plans are classified into a real share plan and a phantom plan. The measurement of the expenses relating to the real share plan and phantom plan is subject to the achievement of certain service conditions that can vary between 3-5 years following the date of grant, including an estimate for the number of shares expected to be vested. In prior years the GrandVision shares were not listed, therefore management estimated the grant date fair value for the measurement of the real shares based on a combination of a market approach and income approach. The measurement of the liability of the phantom plan was impacted during 2014 by the fair value of GrandVision and the probability of a successful listing.

New standards, interpretations and amendments adopted

The significant accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements as of and for the year ended December 31, 2013, except for the adoption of new standards and interpretations effective as of January 1, 2014. Certain (revised) standards and amendments required restatement of previous financial statements. These include IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interests in Other Entities*. Other new standards and amendments also apply for the first time in 2014. However, they did not significantly impact the consolidated financial statements. The nature and impact of the above standards is described below.

IFRS 10, *Consolidated Financial Statements*, is the new standard on consolidation. Under IFRS 10, subsidiaries are all entities over which the Company is deemed to be in a position to exercise control. The Company is deemed to control an entity when the Company is deemed to have power over an entity, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its (deemed) power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases. The group applied IFRS 10 retrospectively in accordance with the transition provisions of IFRS 10.

The adoption of IFRS 10 resulted in consolidation of Vopak, in which the Company owns 48.15% of the ordinary shares, and Safilo, in which the Company owns 41.69% of the outstanding shares. Previously, Vopak and Safilo were accounted for using the equity method. Under IFRS 10, ownership of less than 50% of the voting interest constitutes power if it is deemed to provide the practical ability to unilaterally direct an entity.
The Company's ownership interest in Vopak and Safilo is very high relative to other investors. A large number of other investors, who must act together, is required to outvote the Company. In accordance with the provisions of IFRS 10, based on the absolute size of the Company's shareholding and the relative size of the other shareholdings as well as the actual shareholders' presence during the shareholders' meetings, the Company is deemed to have the practical ability to unilaterally direct the activities of Vopak and Safilo (de facto control).
With respect to Vopak, de facto control is presumed to exist as from December 2003, when it became clear that the Company's percentage of voting rights would increase considerably due to a limitation of voting rights on preferred shares issued by Vopak which was required due to amendments in the Dutch Corporate Governance Code. December 31, 2003, was also the first practicable date due to the absence of IFRS financial statements before that date.
With respect to Safilo, de facto control is presumed to exist as from March 2012, when the Company's shareholding increased from 37% to 42%. Purchase price accounting adjustments were made as of the date de facto control is presumed to exist. These adjustments resulted, among others, in the elimination of goodwill in the statement of financial position of Safilo to an amount of € 581 million.
Vopak and Safilo will continue to be included in the segment quoted minority interests as both the management approach and the corporate governance with respect to these companies have not changed.
In addition, some interests in other entities, belonging to the optical retail segment, which used to be accounted for as joint ventures by means of proportional consolidation are fully consolidated as, under IFRS 10, the Company is deemed to have control over these subsidiaries. The Company now also consolidates a number of optical retail franchisees in the United Kingdom as under IFRS 10 the Company is deemed to have control over these franchisees. The Company has ownership interests of less than 50% in other entities (reference is made to the list of principal subsidiaries, consolidated minority interests and associates on page 84). Management has analysed whether these entities should be consolidated under IFRS 10. The ownership interest in Koninklijke Boskalis Westminster N.V. (34.5%) represents 81% of the book value per December 31, 2014, of the associates accounted for in accordance with the equity method. In view of the absolute size of the Company's ownership interest relative to other shareholders, the concentration of the other shareholdings, the actual shareholders' presence in the shareholders' meetings and the corporate governance structure of this entity (structure regime), it was concluded that the Company is not deemed to have (de facto) control over this entity.

IFRS 11, *Joint Arrangements*, requires investments in joint arrangements to be classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement. The application of IFRS 11 did not have a significant effect on the financial position and financial results of the Company.

The following tables show the effect (in millions) of implementing IFRS 10 and IFRS 11 on the statement of financial position, the statement of income, revenue and operating income of the optical retail segment and on the statement of cash flows.

Impact on Statement of Financial Position as of December 31, 2013

	Dec 31, 2013	Adoption of IFRS 10	Dec 31, 2013 (restated)
Property, plant and equipment	969.0	3,553.6	4,522.6
Intangible assets	1,862.0	394.6	2,256.6
Investment in associates and joint ventures	2,146.0	(262.3)	1,883.7
Other financial assets	520.2	41.6	561.8
Other non-current assets	184.0	111.1	295.1
Current assets	1,442.6	1,141.5	2,584.1
Total assets	7,123.8	4,980.1	12,103.9
Equity attributable to owners of parent	4,640.7	26.1	4,666.8
Non-controlling interest	49.5	1,356.7	1,406.2
Total equity	4,690.2	1,382.8	6,073.0
Non-current liabilities	1,322.0	2,677.5	3,999.5
Current liabilities	1,111.6	919.8	2,031.4
Total equity and liabilities	7,123.8	4,980.1	12,103.9

Impact on Statement of Income

	2013	Adoption of IFRS 10	2013 (restated)
Revenues	4,114.7	2,517.9	6,632.6
Share of profit / (loss) of associates and joint ventures	310.6	(36.8)	273.8
Other income	63.8	(28.4)	35.4
Total income	4,489.1	2,452.7	6,941.8
Operating profit	568.2	372.7	940.9
Net finance costs	(49.2)	(119.9)	(169.1)
Profit before income tax	519.0	252.8	771.8
Income tax	(46.2)	(86.9)	(133.1)
Net profit	472.8	165.9	638.7
Earnings per Share	6.70	(0.78)	5.92
Attributable to:			
Equity holders of parent	472.8	(41.5)	431.3
Non-controlling interests	-	207.4	207.4
	472.8	165.9	638.7

The decrease in net profit attributable to the owners of the parent of € 41.5 million in 2013 related for € 26 million to the reversal of the capital gain on the redemption of bonds issued by Safilo. There is a corresponding (positive) effect in other comprehensive income. The remainder of € 16 million primarily related to the effect of purchase price adjustments on Vopak. In 2014, these adjustments had a net effect of € 0.5 million.

Impact on Segment Optical Retail

	2013	Adoption of IFRS 10	2013 (restated)
Revenues	2,530.8	141.7	2,672.5
Operating income	270.5	23.3	293.8

There was no impact on the net income for owners of parent with respect to the segment optical retail. The change in operating income also includes a reclassification for € 5 million.

Impact on Statement of Cash Flows

	2013	Adoption of IFRS 10	2013 (restated)
Net cash from operating activities	451.4	627.9	1,079.3
Net cash from investing activities	(27.6)	(729.0)	(756.6)
Net cash from financing activities	(262.3)	(143.1)	(405.4)
Net increase / (decrease) in cash and cash equivalents	161.5	(244.2)	(82.7)

Impact on Statement of Financial Position as of January 1, 2013

	Jan. 1, 2013	Adoption of IFRS 10	Jan. 1, 2013 (restated)
Property, plant and equipment	908.1	3,396.4	4,304.5
Intangible assets	1,939.4	424.7	2,364.1
Investment in associates and joint ventures	1,841.0	(221.0)	1,620.0
Other financial assets	375.5	39.9	415.4
Other non-current assets	162.3	133.0	295.3
Current assets	1,667.9	1,293.0	2,960.9
Total assets	6,894.2	5,066.0	11,960.2
Equity attributable to owners of parent	4,153.3	41.8	4,195.1
Non-controlling interest	53.4	1,300.1	1,353.5
Total equity	4,206.7	1,341.9	5,548.6
Non-current liabilities	1,390.0	2,816.3	4,206.3
Current liabilities	1,297.5	907.8	2,205.3
Total equity and liabilities	6,894.2	5,066.0	11,960.2

Supplemental information

The effect of the application of IFRS 10 is significant, as set out above. Supplemental information has been included on pages 90 through 110 whereby Vopak and Safilo are accounted for on an unconsolidated basis using the equity method as applied in the years until 2014. The inclusion of this information is considered appropriate and useful as the control model of the Company with respect to Vopak and Safilo is materially different than the model with respect to the other consolidated entities, where the Company's ownership interest exceeds 50%, and the effect of the inclusion of Vopak and Safilo in the consolidation has a significant effect on the financial statements. This information also preserves comparability with prior year consolidated financial statements.

IFRS 12, *Disclosures of Interests in Other Entities*, includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance sheet vehicles. Due to the nature of the activities of the Company, as well as due to the implementation of IFRS 10, which results in the consolidation of entities with significant non-controlling interests (Vopak and Safilo), the disclosures regarding interests in other entities increased significantly.

Interpretation IFRIC 21, *Levies,* provides guidance on when to recognize a liability for a levy imposed by a government. This interpretation and several other amendments apply for the first time in 2014, and do not materially impact the consolidated financial statements.

New standards not yet adopted by the Company

On May 28, 2014, the IASB published IFRS 15, *Revenue from Contracts with Customers*. This standard contains principles that an entity needs to apply to determine the measurement of revenue and timing of when revenue is recognized. The underlying principle is that an entity needs to recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. This new standard will be effective per January 1, 2017, and is not yet endorsed by the European Union. The Company is in the process of determining the effects of this new standard.

The company will start its impact assessment on IFRS 9, *Financial Instruments*, now that the complete standard has been published by the IASB.

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 Company.

Consolidation

Subsidiaries, which are those entities over which the Company is deemed to have control, are consolidated. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from the involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which effective control is transferred to the

Company and are no longer consolidated as from the date the effective control ceases. In certain circumstances, significant judgement is required to assess if the Company is deemed to have (de facto) control over entities where the Company's ownership interest does not exceed 50%.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Company. The cost of the acquisition is measured as the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of the exchange. Identifiable assets, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. Non-controlling interest in the acquiree is measured, on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. The excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired, is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and fair value of the previously held interest is less than the fair value of the net assets of the subsidiary acquired ('a bargain purchase'), the difference is directly recognized in the consolidated statement of income.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the Company's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date and the difference with the book value of the previously held equity interest is recognized in the consolidated statement of income.

Any contingent consideration to be transferred by the Company is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration are recognized in accordance with IAS 39 either in the consolidated statement of income or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Intercompany transactions, balances and unrealized results on transactions between group companies have been eliminated. The amounts reported by the subsidiaries are based on the Company's accounting policies. Non-controlling interests are disclosed separately.

Transactions with holders of non-controlling interests that do not result in a loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposal of non-controlling interests are also recorded in equity provided the Company retains a controlling interest in the entity involved.

When the Company ceases to have control, any retained interest in the entity is re-measured at its fair value at the date when control is lost, with the change in carrying amount recognized in the consolidated statement of income. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or other financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to the consolidated statement of income.

A list of the Company's principal subsidiaries is set out on page 84.

Foreign currencies

(a) Functional and presentation currency: items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in euro, which is the Company's functional and presentation currency.

(b) Transactions and balances: foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of income, except when deferred in equity as qualifying cash flow hedges. Any hedge ineffectiveness is recognized in the consolidated statement of income as it arises.

(c) Company's subsidiaries: the results and financial position of all the Company's subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

  (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position;

  (ii) income and expenses for each consolidated statement of income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transaction);

  (iii) all resulting exchange differences are recognized as a separate component of other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. When a foreign operation is sold, such exchange differences are reclassified from equity (as a reclassification adjustment) to the consolidated statement of income as part of the gain or loss on sale.

Exchange differences on intra-group monetary assets or liabilities which are not part of the net investment in foreign entities are recognized in the consolidated statement of income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Non-derivative financial assets

The Company classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. The Company does not have any financial assets held for trading. Investments are initially recognized at fair value plus transaction costs directly attributable to the acquisition. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortized cost using the effective interest method.
Purchases and sales of financial assets are recognized on the trade-date, the date on which the Company commits to purchase or sell the asset.
Changes in the fair value of investments classified as available-for-sale are recognized in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognized in other comprehensive income are included in the consolidated statement of income.
The Company determines the classification of its financial assets at initial recognition.

Loans and receivables:
These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

(a) those that the Company intends to sell immediately or in the near term, which shall be classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit or loss;

(b) those that the Company upon initial recognition designates as available-for-sale; or

(c) those for which the holder may not recover substantially all of its initial investment and which shall be classified as available-for-sale.

A provision for impairment of loans and receivables is established when there is objective evidence that the Company may not be able to collect all amounts due according to the original terms. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization and default or delinquency in payments are considered indicators that the loan/receivable may be impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Additions to and releases from the provision are recognized in the consolidated statement of income.

Available-for-sale financial assets:
These are those non-derivative financial assets that are designated as available-for-sale or are not classified as loans and receivables. All available-for-sale financial assets are measured at fair value based on quoted market prices in active markets.

Interest and dividend income are recognized under Income from marketable securities and deposits in the consolidated statement of income. The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities or fixed income securities, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists, the cumulative loss – measured as the difference between the acquisition cost and the current fair value – is reclassified from other comprehensive income and recognized in the consolidated statement of income. Impairment losses previously recognized in the consolidated statement of income on equity instruments are not reversed through the consolidated statement of income in subsequent reporting periods. Impairment losses, if any, are charged to the consolidated statement of income. On disposal, the difference between the net disposal proceeds and its cost (less any impairment losses) is charged or credited to the consolidated statement of income.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Derivative financial instruments

A derivative is a financial instrument or other contract with all three of the following characteristics:

(a) its value changes in response to the change in other variables such as a specified interest rate or a foreign exchange rate; and

(b) it requires no initial net investment or an initial net investment that is significantly smaller than the value of the underlying notional amount; and

(c) it is settled at a future date.

Derivatives are initially recognized at fair value (external valuation performed by financial institutions or other valuation techniques) on the date a derivative contract is entered into, and are subsequently re-measured at their fair value based on external valuations performed by financial institutions or other valuation techniques such as mathematical models (Black-Scholes). The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged. The Company designates certain derivatives as either: (1) hedges of highly probable forecast transactions (cash flow hedges); (2) hedges of net investment in foreign operations (net investment hedge) or (3) hedges of the fair value of recognized assets and liabilities or a firm commitment (fair value hedge). The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, whether the derivatives that are being used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

(a) Cash flow hedge: the highly effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the consolidated statement of income.

Amounts accumulated in equity are recycled in the consolidated statement of income in the periods when the hedged item affects income. However, when the projected transaction that is hedged results in the recognition of a non-financial asset (for example inventory) or a liability, the gains and losses previously deferred in shareholders' equity are transferred from equity and included in the initial measurement of the asset or liability.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the projected transaction is ultimately recognized in the consolidated statement of income. When a projected transaction is no longer expected to occur, the cumulative gain or loss that was reported in shareholders' equity is immediately transferred to the consolidated statement of income in financial expense.

(b) Net investment hedge: hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income; the gain or loss relating to the ineffective portion is recognized immediately in the consolidated statement of income.

Gains and losses accumulated in equity are included in the consolidated statement of income proportionally when the foreign operation is (completely or partially) disposed of.

(c) Fair value hedge: Vopak applies fair value hedge accounting for hedging fixed interest rate risk on loans drawn. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the consolidated statement of income as financial expense, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Company uses its judgement to select a variety of methods and makes assumptions that are mainly based on market conditions existing at each statement of financial position date.

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognized immediately in the consolidated statement of income as financial expense. This, more specifically, also applies to cash settlement options of convertible (equity-linked) debt. The conversion option represents an embedded derivative financial instrument which is recorded as a liability in the consolidated balance sheet.

The fair value of various derivative instruments used for hedging purposes is disclosed in the notes of these financial statements. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Property, plant and equipment

Land and buildings comprise mainly factories, warehouses, retail and wholesale outlets. Equipment and other includes machinery equipment, furniture and fixtures and tank storage terminals. All property, plant and equipment are shown at historical cost less accumulated depreciation and impairments. Historical cost includes expenditure that is directly attributable to the acquisition of the items (such as unrecoverable taxes and transport) and construction costs that can be allocated directly (such as hours of own employees and advisory fees). Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the consolidated statement of income during the financial period in which they are incurred. Interest during construction is capitalized. To the extent that dismantling obligation exist at the end of the useful life, these and any amendments thereto are included in the cost of the assets. Depreciation is calculated using the straight line method to write off the cost of each asset to their residual values over their estimated useful life as follows:

Buildings	10-50 years
Vessels	25 years
Tank storage terminals	10-40 years
Equipment and other	2-15 years

Useful lives and residual values are reviewed annually and, if required, amended.

Land is not depreciated because the residual value exceeds its carrying value.

Whenever the carrying amount of an asset is greater than its estimated recoverable amount it is subject to an impairment charge immediately so that the value of the asset does not exceed its recoverable amount.

The company recognizes in the consolidated statement of income any difference between the carrying amount and proceeds from disposing of property, plant and equipment.

Investment properties

All investment properties are shown at historical cost less accumulated depreciation and impairments. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the consolidated statement of income during the financial period in which they are incurred. Market valuations with respect to office properties are generally performed every three years by independent external valuation experts. Depreciation is calculated using the straight line method to write off the cost of each asset to their residual values over their estimated useful life as follows:

Buildings	39 years
Leasehold improvements	Over the life of the lease

Useful lives and residual values are reviewed annually and, if required, amended.

Land is not depreciated because the residual value exceeds its carrying value.

Whenever the carrying amount of an asset is greater than its estimated recoverable amount it is subject to an impairment charge immediately so that the value of the asset does not exceed its recoverable amount.

The company recognizes in the consolidated statement of income any difference between the carrying amount and proceeds from disposing of investment properties.

Intangible assets

Goodwill

Goodwill is measured at the excess of the aggregate of the consideration transferred with respect to a business combination, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date fair value amounts of the identifiable assets, liabilities and contingent liabilities.

Non-controlling interest is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. The selection of the measurement method is made on a transaction by transaction basis.

In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment.

Goodwill is not amortized but subject to an annual impairment test. It is carried at cost less accumulated impairments and historically accumulated amortization. If an impairment is recognized, it is not reversed in subsequent periods. Goodwill and fair value adjustments relating to the acquisition of a foreign company are recorded in the respective foreign currencies and are converted at the exchange rate at the end of the period.

Goodwill is allocated to groups of cash-generating units (CGU's) for the purpose of impairment testing. A CGU is in no event larger than the operating segment it belongs to.

Rights of use and key money

Rights of use and key money are considered identified intangible assets when they are separable and arise from contractual and legal rights. Rights of use and key money are initially recognized at fair value. Such intangible assets are generally assumed to have an indefinite life as rights of use can be renewed and resold. Therefore they are subject to an annual impairment test. Rights of use and key money in other situations are considered prepaid rent and recognized in the consolidated statement of income over the rental period.

Trademarks

The valuation of trademarks acquired in a business combination is based on the relief from royalty approach. Trademarks are initially recognized at fair value and are subsequently amortized over their useful life on a straight-line basis with no residual value.

Franchise contracts

The valuation of franchise contracts acquired in a business combination is based on the present value of estimated discounted future cash flows. Franchise contracts are initially recognized at fair value and are subsequently amortized on a straight line basis over their useful life.

Computer software

Acquired computer software licences are capitalized on the basis of the costs incurred to acquire and to bring to use the specific software. These costs are amortized over their estimated useful lives (3 to 5 years).

Costs associated with developing and maintaining computer software (costs that do not meet the recognition criteria for intangibles) are recognized as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Company, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognized as assets are amortized over their estimated useful lives (not exceeding 5 years).

Customer relationships

The valuation of customer relationships acquired in a business combination is based on the present value of estimated discounted future cash flows. Customer relationships are initially recognized at fair value and subsequently amortized on a straight line basis over their useful life.

Impairment of non-financial assets including investments in associates and joint ventures

Assets that have an indefinite useful life are not subject to amortization and are tested at least annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in the consolidated statement of income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Investments in associates and joint arrangements

Associates

Associates are all entities over which the Company has significant influence, generally presumed to exist at a shareholding of 20% or more of the voting rights, but no (de facto) control. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the Company's share of the profit or loss of the investee after the date of acquisition. The Company's investment in associates includes goodwill identified upon acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised on other comprehensive income is reclassified to the consolidated statement of income where appropriate.

The Company's share of post-acquisition result is recognised in the consolidated statement of income and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Significant unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Significant unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Dilution gains and losses arising in investments in associates are recognised in the income statement.

Joint arrangements

Joint arrangements are classified as either joint operations or joint ventures, depending on the contractual rights and obligations of each investor. All joint arrangements of the Company are considered joint ventures. Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Company's share of losses in a joint venture equals or exceeds its interest in the joint venture (which includes any long-term investments that, in substance, form part of the net investment in the joint venture), no further losses are recognized, unless the Company has incurred obligations or made payments on behalf of the joint venture.

Unrealized gains on transactions between the subsidiaries and its joint ventures are eliminated to the extent of the Company's interest in the respective joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been amended where necessary to ensure consistency with the policies adopted by the Company.

A list of the Company's principal associates and joint ventures is set out on page 84.

Receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization and default or delinquency in payments are considered indicators that the trade receivable may be impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Additions to and releases from the provision are recognized in the consolidated statement of income.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is generally determined using the weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads, but excludes interest expense. Net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Other current assets

Other current assets generally include prepayments relating to the following year and income relating to the current year.

Cash and cash equivalents

Cash and cash equivalents comprise bank balances which are available on demand and liquid investments with a maturity of three months or less. In the statement of financial position, bank overdrafts are included in short-term debt.

A cash pooling agreement in the Optical Retail segment is reported as a net amount as there is a legally enforceable right to offset and an intention to settle on a net basis the debit and credit cash positions in different countries and currencies.

Assets held for sale

Assets and liabilities are classified as held for sale if they are to be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the assets and liabilities must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and liabilities and its sale must be highly probable. Assets and liabilities that meet the criteria to be classified as held for sale are measured at the lower of carrying amount and fair value less costs of disposal and are not depreciated. When classifying non-current assets as held for sale, an estimate is made of their fair values (sales price and expected costs to sell). Depending on the nature of the non-current assets, the estimated fair value may be associated with uncertainty and potentially adjusted subsequently. Measurement of the fair value of non-current assets is categorized as level 3 in the fair value hierarchy as measurement is not based on observable market data.

Share capital

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are deducted from equity. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is also presented in equity.

Non-controlling interest in consolidated subsidiaries

Third-party interests in consolidated subsidiaries are recorded at their share in the net asset value of the respective subsidiary, calculated in accordance with the accounting policies as specified in these financial statements.

Provisions

Provisions are recognized if the Company and its subsidiaries have a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

Employee benefits

The Company has both defined benefit and defined contribution plans.

Defined benefit plans

Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The pension charges for defined benefit plans are based on actuarial calculations, specifically the projected unit credit method. Under this method, the cost of providing pensions is charged to the consolidated statement of income so as to spread the regular costs over the service lives of employees in accordance with the advice of qualified actuaries who carry out a full valuation of the plans every year. The pension obligation is measured as the present value of the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related liability. The plan assets are measured at fair value.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past service costs are recognized immediately in the consolidated statement of income.

Defined contribution plans

A defined contribution plan is a pension plan under which the Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

Termination benefits

Termination benefits are recognized as an expense when the Company and its subsidiaries are committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if an offer has been made of voluntary redundancy, it is probable that the offer will be accepted and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period they are discounted to their present value.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus plans if there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Participation by management of unquoted subsidiaries

Management of certain subsidiaries own non-controlling interests in the capital of these subsidiaries. With respect to certain subsidiaries, the Company has the conditional obligation to acquire these equity instruments for cash. Measurement of these liabilities is based on fair value, generally derived from a multiple of earnings before interest, tax and amortization less net debt. The change in the fair value of the amount payable in respect of this obligation is recognized as an expense with a corresponding increase in liabilities in accordance with the provisions of IAS 19. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognized as Employee expenses in the consolidated statement of income.

In certain circumstances, in the event of a listing of the respective subsidiary, the requirement for the Company to settle the liability in cash is eliminated. In such circumstances, if a listing becomes probable, the participation plan will be treated as an equity-settled share-based compensation plan in accordance with the provisions of IFRS 2 and the original fair value of the liability is reclassified into equity.

Share-based compensation

The Company and its subsidiaries operate a number of equity-settled and cash-settled share-based compensation plans. Under the plans these entities receive services from employees as consideration for respectively ordinary shares of the respective entity or for the cash equivalent to the value of the underlying ordinary shares of the respective entity.

For equity-settled share-based compensation plans, the fair value is determined at the date of grant and expensed in the consolidated statement of income with a corresponding adjustment directly in equity. For cash-settled share-based compensation plans, the fair value is determined at the date of the grant and is remeasured at each reporting date until the liability is settled.

Generally, the compensation cost is recognized on a straight-line basis over the vesting period. The amounts expensed are adjusted over the vesting period for changes in the estimate of number of shares and the equivalent in cash that will eventually vest. Adjustments are made at the end of each reporting period to reflect expected and actual forfeitures during the vesting period due to the failure to satisfy service conditions or non-market performance conditions (e.g. profitability growth targets or continued employment over a specified time period).

Other

Long-term remuneration settled in cash that depends on the development of the earnings per ordinary share of Vopak, during a period of three years, is allocated to these years based on latest estimates. The change in the fair value of the amount payable in respect of this obligation is recognized as an expense with a corresponding increase in liabilities. The liability is remeasured at each reporting date and at settlement date.

Non-derivative financial liabilities

Borrowings are recognized initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of income over the period of the borrowings using the effective interest method. Short-term debt is due within a maximum period of one year, unless the Company has an unconditional right to defer settlement until at least twelve months after statement of financial position date. Interest expense related to this debt is reported as Financial expense in the consolidated statement of income.

Convertible (equity-linked) borrowings which include a cash-settlement option are carried at amortised cost using an effective interest rate deemed appropriate for the risk profile of an equivalent financial instrument without the conversion component.

Fees paid with respect to loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn-down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Non-derivative financial liabilities include contingent considerations and obligations to acquire non-controlling interests. Both are recorded at fair value. The fair value of contingent considerations is calculated based on the expected payment amounts. Since the contingent consideration is of a long-term nature, it is discounted to present value. Remeasurements of contingent considerations are recorded as Financial income or expense in the consolidated statement of income. Obligations to acquire non-controlling interests are initially recorded based on the value of the equity instruments transferred and subsequently re-measured to fair value. These remeasurements are recorded as Employee expenses in the consolidated statement of income. The calculation of fair value is generally based on a multiple of EBITA less debt. Multiples applied are either contractually determined or, generally, in accordance with those applied in calculating estimated value of the subsidiaries and associates (page 88).

Determination of fair values

A number of the accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Property, plant and equipment
The fair value of property, plant and equipment recognized as a result of a business combination is the estimated amount that would be received to sell the asset in an orderly transaction between market participants at the measurement date. The fair value of items of plant, equipment, fixtures and fittings is based on the market approach and cost approach using quoted market prices for similar items when available and replacement cost when appropriate. Depreciated replacement cost estimates reflect adjustments for physical deterioration as well as functional and economic obsolescence.

Intangible assets
The fair value of trademarks acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the trademark being owned. The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows.

The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

Investment property
Valuations of the investment properties are generally performed every three years by independent external valuation experts and updated internally in the other years. The internal update is based on comparable properties and recent transactions. These valuations are based on the income capitalization, sales comparison and direct capitalization approach. The assumptions used are further detailed in the notes to the consolidated financial statements.

Valuations of development parcels are also performed every three years by independent valuation experts unless the amounts involved are not significant. In these cases the development parcels are valued internally based on comparable properties, purchase offers from third parties and recent transactions.

Inventories
The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

Equity and debt securities
The fair value of equity and debt securities (including instruments issued by quoted associates) is determined by reference to their quoted closing bid price at the reporting date, or if unquoted, determined using a valuation technique. Valuation techniques employed include market multiples and discounted cash flow analysis using expected future cash flows and a market-related discount rate.

Trade and other receivables
The fair value of trade and other receivables acquired in a business combination is estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Derivatives
The fair value of forward exchange contracts is based on their quoted price, if available. If a quoted price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. Fair values of derivatives reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the counterparty (or the respective subsidiary) when appropriate.

Non-derivative financial liabilities
Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market interest rate at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements.

Revenues

Revenues are recognized at fair value upon delivery of products or performance of services, net of sales taxes and discounts, in the accounting period in which they occur. If sold with a right of return, accumulated experience is used to estimate and provide for such returns at the time of sale. Intercompany revenues are eliminated.

(a) Sales of goods: sales of goods are recognized when products have been delivered to the customer, the customer has accepted the products and all significant risks and rewards of ownership of the goods are transferred and collectability of the related receivables is reasonably assured so that it is probable that the economic benefits associated with the transaction will flow to the Company. Retail sales are usually in cash or by credit card. The recorded revenue is the amount of the sale, including credit card fees payable for the transaction. Retail sales are only recognized when the sales process is complete. Any prepayments by customers are not considered as revenue but are accounted for as liabilities.
Revenue is only recognized when the costs associated with the transaction can be measured reliably.

(b) Sales of services: sales of services are recognized in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue is only recognized when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Company, the stage of completion of the transaction can be measured reliably as well as the costs associated with the transaction. With respect to debt collection activities, the stage of completion and the possibility to recover recharged expenses is determined per individual debt collection file. Tank rentals, including minimum guaranteed throughputs, are recognized on a straight-line basis over the contractual period. Revenues from excess throughputs and other services are recognized on completion of the services. If the revenue cannot be reliably measured, only the income up to the level of the expenses to be claimed will be recognized. Modifications of property, plant and equipment upfront paid by customers are accounted for as prepaid revenues and recognized in the statement of income over the contractual period on a straight-line basis.

(c) Franchise fee income: revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue can be measured reliably. Franchise fees are recognized on an accrual basis in accordance with the terms of the respective agreements.

Income from marketable securities and deposits

Income from marketable securities and deposits includes realized capital gains (losses), impairment losses, interest, dividends and management fees. Realized capital gains (losses) are calculated on an average cost basis. Interest is recorded using the effective interest rate method and on an accrual basis. Dividends are recorded when the right to receive payment is established.

Income from real estate activities

Income from real estate activities includes rental income less related operation costs (excluding depreciation). Income also includes realized results on the sale of real estate assets. Rental income is recorded on a straight line basis over the lease term.

Income taxes

The current income tax charge is calculated on the basis of the tax law enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretations. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.
Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax is recognized in the consolidated statement of income unless it relates to items recognized in the consolidated statement of comprehensive income or in the consolidated statement of changes in equity. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures and initial recognition and exemption on assets and liabilities acquired with no impact on accounting or tax profit, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilized.

Current and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amounts and that there is an intent to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

In determining the deferred tax liabilities, withholding tax and any other tax due for unremitted earnings of subsidiaries are only recognized if there is the intention to distribute these earnings in the foreseeable future.

Research and development

Research costs are charged to the consolidated statement of income in the year in which they are incurred. Costs incurred on development projects (i.e. internally developed software) are recognized as intangible assets when it is probable that the project will be a success considering its commercial and technical feasibility and costs can be measured reliably. Other development expenditures are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Related-party transactions

The related-party transactions concern the compensation of the members of the Executive Board and Board of Supervisory Directors and transactions with associates.

Segmentation

The Company's reportable segments are defined as follows:

- Optical retail
- Other unquoted
- Quoted minority interests
- Real estate
- Liquid portfolio

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources between segments and assessing the performance of the operating segments, has been identified as the Executive Board.

Optical retail relates to majority-owned retail companies as well as non-controlling interests in (non-quoted) retail companies that derive their revenues from the sale of optical retail products to consumers.

Other unquoted are majority-owned companies as well as non-controlling interests in companies that derive their revenues from various activities such as hearing aid, office furniture, personal protection equipment, construction products, shipping, orthopedic devices, media and other activities.

The quoted minority interests segment derives its income from its ownership in publicly traded entities.

The real estate activities relate to the development and rental of multi-family properties and office buildings.

The liquid portfolio consists of available-for-sale financial assets and cash equivalent instruments generating interests, dividends and capital gains.

These reportable segments were defined based on differences in products and services as well as differences in the nature of the respective assets.

Cash flow

The consolidated statement of cash flows has been prepared using the indirect method. Cash flows denominated in foreign currencies are translated at average exchange rates. The effect of exchange rates on cash and cash equivalents is presented separately.

Cash and cash equivalents represent unrestricted bank balances and liquid investments with a maturity of three months or less.

Interest paid and interest and dividends received are classified as operating cash flows. Dividends paid are classified as financing cash flows. Cash flows arising from income taxes are classified as operating cash flows.

Financial risk management

Principles of financial risk management:
The Company is exposed to credit risk, liquidity risk and market risk. Market risk is primarily related to movements in exchange rates, interest rates and the market value of investments in equity securities. Financial risk management activities are carried out both on a central level and on the level of individual subsidiaries and consolidated quoted minority interests. For managing these risks both derivative and non-derivative financial instruments are used. Derivatives are exclusively concluded for economic hedging of open positions and not for trading or other speculative purposes.

Credit risk

Credit risk is the risk that a counterparty is unable to comply with its contractual obligations relating to financial instruments, including committed credit facilities extended to the Company.

The maximum exposure to credit risk is the carrying value of the consolidated financial assets excluding equity securities, which can be specified by segment as follows:

	2014	2013
Optical retail	**348.4**	314.7
Other unquoted	**504.3**	491.0
Quoted minority interests	**877.7**	840.2
Real estate	**0.2**	2.5
Liquid portfolio	**632.4**	219.4
	2,363.0	1,867.8

These financial assets can be further specified as follows:

	2014	2013
Loans	**105.6**	67.0
Trade and other receivables	**751.3**	657.3
Marketable securities and deposits	**26.9**	-
Derivative financial instruments	**30.0**	22.1
Other financial assets	**86.6**	93.2
Other current assets	**215.2**	292.0
Cash and cash equivalents	**1,147.4**	736.2
	2,363.0	1,867.8

The Company is exposed to credit risk from its operating (the segments optical retail and other unquoted) and investing activities. Credit risk from operating activities arises from the possibility that customers may not be able to settle their obligations as agreed, which can affect both outstanding receivables and committed transactions. This risk is monitored and managed on the level of each subsidiary and on the level of the consolidated minority interests (Vopak and Safilo) and provisions for impairment are recorded when necessary. The Company is not exposed to any significant concentration of credit risk.

In addition, the Company is exposed to credit risk with respect to loans, other financial instruments and Cash and cash equivalents. With respect to the Liquid portfolio and Real Estate segments this risk is managed by the Company. The aim is to mitigate this risk by only concluding transactions with counterparties that have a strong credit rating. The credit risk with respect to the other segments is not managed by the Company.

At the end of 2014, Cash and cash equivalents amounted can be specified by segment as follows:

	2014	2013
Optical retail	**134.1**	112.5
Other unquoted	**137.0**	140.5
Quoted minority interests	**270.6**	261.3
Real estate	**0.2**	2.5
Liquid portfolio	**605.5**	219.4
	1,147.4	736.2

The Cash and cash equivalents in the Optical retail segment contains the net position for a cash pooling agreement. At December 31, 2014, the gross amount is € 65.2 million as assets and € 63.5 million as liabilities (December 31, 2013: € 440.0 million as assets and € 439.8 million as liabilities).

The Cash and cash equivalents relating to the Liquid portfolio and Real estate segments were held at banks with a long-term S&P credit rating varying from A to AA- and a short-term S&P credit rating varying from A-1 to A-1+. The weighted average short-term credit rating was A-1+.

Liquidity risk

Liquidity risk is the risk that the financial obligations associated with financial instruments cannot be met.

The risks with respect to the individual entities belonging to the Optical retail and Other unquoted and Quoted minority interests segments are managed by these entities. The Company has no ability to transfer cash (or other assets) from the entities belonging to the segment Quoted minority interests and which may be consolidated in these financial statements (i.e. Vopak and Safilo). Reference is made to the table on Cash and cash equivalents per segment in the Credit risk paragraph.

The approach to managing liquidity at the level of the Company is to ensure, as far as possible, that there will be sufficient liquidity to meet liabilities when due, both under normal and stressed conditions, without incurring unacceptable losses or risk damaging to the Company's reputation. The Company seeks to mitigate liquidity risk through its cash reserves held and committed credit facilities entered into at corporate level.

The next table categorizes the consolidated, undiscounted cash flows of non-derivative financial liabilities and derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The financial guarantees are contingent liabilities.

In millions of euro

Dec. 31, 2014	< 1 year	1-2 years	3-5 years	> 5 years
Redemption of interest-bearing loans	600.4	94.0	2,008.2	1,614.9
Other financial liabilities	32.7	115.8	15.5	-
Interest payments	124.0	120.0	317.5	359.8
Accounts payable	676.4	-	-	-
Other liabilities	52.1	5.9	2.0	2.5
Financial guarantees	156.5	3.2	5.7	3.2
Total undiscounted non-derivative financial liabilities	1,642.1	338.9	2,348.9	1,980.4
Gross-settled derivative instruments outflow	283.4	-	388.7	529.8
Gross-settled derivative instruments inflow	286.4	-	413.3	523.8
Total gross-settled derivative instruments outflow / (inflow)	(3.0)	-	(24.6)	6.0
Net-settled interest rate swaps	5.1	(1.3)	0.8	94.7
Total undiscounted derivative liabilities	2.1	(1.3)	(23.8)	100.7

In millions of euro				
Dec. 31, 2013	< 1 year	1-2 years	3-5 years	> 5 years
Redemption of interest-bearing loans	473.5	437.0	937.3	1,627.4
Other financial liabilities	19.3	17.5	123.8	0.1
Interest payments	113.0	108.7	247.2	390.7
Accounts payable	644.4	-	-	-
Other liabilities	43.5	0.7	2.0	2.6
Financial guarantees	170.6	12.9	10.7	9.4
Total undiscounted non-derivative financial liabilities	1,464.3	576.8	1,321.0	2,030.2
Gross-settled derivative instruments outflow	399.3	58.2	76.3	708.0
Gross-settled derivative instruments inflow	372.8	54.4	72.5	636.0
Total gross-settled derivative instruments outflow / (inflow)	26.5	3.8	3.8	72.0
Net-settled interest rate swaps	15.4	12.7	15.2	106.5
Total undiscounted derivative liabilities	41.9	16.5	19.0	178.5

The total bank debt as of December 31, 2014, amounted to € 4,317.5 million (2013: € 3,475.2 million). For 100% of the bank debt, the applicable covenants were complied with (2013: 100%). Refer to note 17 for details on applicable covenants.

At the end of 2014, the net debt position, consisting of short-term and long-term bank debt less Cash and cash equivalents and Marketable securities and deposits, amounted to € 3,029.0 million (2013: € 2,657.2 million). This net debt position represents a ratio of 2.2 (2013: 2.1) when compared to the operating result before depreciation, amortization and impairments, less income from marketable securities and share of profit of associates and joint ventures.

At the end of 2014, unused committed credit facilities were available to an amount of € 1,950.1 million (2013: € 2,326.9 million).

Market risk

Currency risk

Foreign currency exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. The risks with respect to the individual entities belonging to the optical retail and other unquoted and quoted minority interests segments are managed by these entities.

The table below shows the net assets per currency, taking into account debt and hedging instruments denominated in foreign currency. The main currency exposures relate to investments in foreign operations, which the Company does not hedge.

	2014	2013
US dollar	**673.9**	579.2
Chinese renminbi	**405.9**	284.5
Hong-Kong dollar	**263.1**	225.1
UK pound sterling	**166.5**	183.2
Brazilian real	**160.9**	109.5
Swedish krona	**111.7**	131.6
Australian dollar	**92.5**	67.8
Canadian dollar	**75.5**	28.7
Mexican peso	**60.2**	59.7
Swiss franc	**56.0**	67.8
Chilean peso	**53.5**	57.2
Singapore dollar	**42.1**	107.7
Danish krone	**39.6**	25.6
Other currencies	**400.4**	366.0
	2,601.8	2,293.6

An average change in value of these currencies by 10% would have an effect on equity of € 260.2 million.

The market value of the currency derivative financial instruments at December 31, 2014, and December 31, 2013, per the consolidated financial statements is shown below.

In millions of euro

Dec. 31, 2014	Maturity	Assets	Liabilities	Notional amount
Fair value hedge	< 1 year	5.6	(7.8)	717.3
Subtotal		5.6	(7.8)	717.3
Cash flow hedge	< 1 year	0.8	(0.1)	43.3
Subtotal		0.8	(0.1)	43.3
Net investment hedge	< 1 year	0.4	(4.0)	301.7
Subtotal		0.4	(4.0)	301.7
Total derivative financial instruments		6.8	(11.9)	1,062.3

In millions of euro

Dec. 31, 2013	Maturity	Assets	Liabilities	Notional amount
Fair value hedge	< 1 year	6.5	(2.7)	483.5
Subtotal		6.5	(2.7)	483.5
Cash flow hedge	< 1 year	0.1	(0.2)	42.1
Subtotal		0.1	(0.2)	42.1
Net investment hedge	< 1 year	1.4	0.1	147.3
Subtotal		1.4	0.1	147.3
Total derivative financial instruments		8.0	(2.8)	672.9

In addition, one of the Company's consolidated minority interests holds cross-currency interest rate swaps to hedge fixed debt denominated primarily in US dollar. These interest rate swaps, with a notional amount of € 977 million (2013: € 1,010 million), are included in interest rate swaps.

Sensitivity of profit and equity to financial instruments, with respect to exchange rate changes

The value of debt and hedging instruments denominated in currencies other than the functional currency of the entities holding them are subject to exchange rate movements. This primarily relates to instruments denominated in Chinese renminbi, US dollar and Singapore dollar. The aggregate effect on net profit of a 10% change in exchange rates is not material. The aggregate effect on equity of a 10% depreciation of the foreign currencies against the euro is negative € 61.5 million. The aggregate effect on equity of a 10% appreciation of the foreign currencies against the euro is € 75.6 million.

Sensitivity of revenues and profit to the translation of the revenues and results of foreign operations, with respect to exchange rate changes

The result is impacted by translating the result of foreign currency operations.

The translation risk of converting the net result of foreign entities into euro mainly concerns the British pound, the Singapore dollar and the US dollar. The sensitivity to these currencies is as follows.

A 10 dollar cent change in the EUR/USD exchange rate would approximately have the following effect:

- Total revenue would differ by € 66.0 million (2013: € 62.2 million).
- Net profit would differ by € 8.0 million (2013: € 7.4 million).

A 10 pence change in the EUR/GBP exchange rate would approximately have the following effect:

- Total revenue would differ by € 47.0 million (2013: € 29.7 million).
- Net profit would differ by € 1.8 million (2013: € 1.2 million).

A 10 dollar cent change in the EUR/SGD exchange rate would approximately have the following effect:

- Total revenue would differ by € 15.4 million (2013: € 14.8 million).
- Net profit would differ by€ 5.3 million (2013 € 5.2 million).

Interest rate risk
The risks with respect to the individual entities belonging to the Optical retail and Other unquoted as well as Quoted minority interests segments are managed by these entities. There is no debt at other segments.

Fixed income investments which are part of the Liquid portfolio are subject to fair value interest rate risk. In view of the short average duration of this portfolio, this risk is limited.

As of December 31, 2014, taking into account interest rate swaps, 67% (2013: 81%) of the total interest-bearing loans of € 4,317.5 million (2013: € 3,475.2 million) was at fixed rates for an average period of 6.2 years. The weighted average interest rate was 3.1% (2013: 3.8%).

If variable interest rates in 2014 had decreased/ increased by 25%, the impact on the consolidated statement of income for the year would have been insignificant.

A decrease/increase of 25% in interest rates underlying the calculation of the valuation of interest rate swaps would have had a pre-tax positive/negative impact on equity of € 10.8 million.

Price risk
At the end of 2014, the Company had investments in equity securities (included in Marketable securities and deposits and Other financial assets) amounting to € 422.1 million (2013: € 497.3 million), based on quoted market prices at the statement of financial position date. These investments are classified as available-for-sale. If at December 31, 2014, equity markets had fallen 10% overall, the portfolio value could have decreased by 10%, which would have resulted in a negative impact of € 42.2 million (2013: € 49.7 million) in other reserves. A 10% increase would have had the equal but opposite effect. Potentially the whole or a part of the negative impact would have required recognition through the consolidated statement of income as an impairment charge.

(All amounts in millions of euro, unless otherwise stated)

1. Property, plant and equipment

Movements for 2013 and 2014 are as follows:

	Land & buildings	Vessels	Equip-ment	**Total**
Cost value	1,180.3	300.7	6,569.3	**8,050.3**
Accumulated depreciation	(504.8)	(60.3)	(3,180.7)	**(3,745.8)**
Book value on Dec. 31, 2012	675.5	240.4	3,388.6	**4,304.5**
Investments	90.6	127.7	624.9	**843.2**
Consolidation	1.3	-	1.4	**2.7**
Reclassification	(9.3)	-	(0.6)	**(9.9)**
Disposals	(12.5)	-	(8.9)	**(21.4)**
Depreciation	(69.3)	(20.9)	(368.5)	**(458.7)**
Exchange differences	(16.6)	(9.6)	(111.6)	**(137.8)**
Book value on Dec. 31, 2013	659.7	337.6	3,525.3	**4,522.6**
Cost value	1,189.0	419.5	6,824.5	**8,433.0**
Accumulated depreciation	(529.3)	(81.9)	(3,299.2)	**(3,910.4)**
Book value on Dec. 31, 2013	659.7	337.6	3,525.3	**4,522.6**
Investments	98.9	30.6	611.0	**740.5**
Consolidation	31.7	-	63.0	**94.7**
Reclassification	(31.0)	-	(75.2)	**(106.2)**
Disposals	(3.7)	(0.1)	(6.7)	**(10.5)**
Depreciation	(75.3)	(23.5)	(358.2)	**(457.0)**
Exchange differences	22.2	38.2	98.9	**159.3**
Book value on Dec. 31, 2014	702.5	382.8	3,858.1	**4,943.4**
Cost value	1,327.2	494.4	7,565.2	**9,386.8**
Accumulated depreciation	(624.7)	(111.6)	(3,707.1)	**(4,443.4)**
Book value on Dec. 31, 2014	702.5	382.8	3,858.1	**4,943.4**

Note 17 details information on pledges.

The reclassification of € 106.2 million relates for € 70.3 million to Assets held for sale of Vopak and for € 35.9 million to a reclassification to a finance lease receivable (included in other financial assets).

Equipment mainly consists of tank storage terminals at Vopak (carrying value at the end of 2014 of € 3,274.6 million).

Movements in tank storage terminals for 2014 were as follows:

	2014	2013
Balance on January 1	**2,977.0**	2,810.6
Acquisitions	**40.8**	-
Additions	**466.4**	475.5
Disposals	**(1.9)**	(4.7)
Reclassification to assets held for sale	**(38.5)**	(9.3)
Transfer to finance lease receivable	**(35.9)**	-
Reclassifications	**8.0**	6.3
Depreciation	**(203.2)**	(185.0)
Impairments	**(26.0)**	(14.3)
Exchange differences	**87.9**	(102.1)
Book value on Dec. 31	**3,274.6**	2,977.0

2. Investment properties

Investment properties are part of the Company's real estate activities.

Movements for 2013 and 2014 are as follows:

	2014	2013
Balance on January 1	**32.2**	40.5
Investments	**1.0**	2.4
Disposals	**(31.3)**	(7.2)
Depreciation	**(0.6)**	(1.9)
Exchange differences	**0.1**	(1.6)
Book value on Dec. 31	**1.4**	32.2

	2014	2013
Cost value	**1.5**	47.8
Accumulated depreciation	**(0.1)**	(15.6)
Book value on Dec. 31	**1.4**	32.2

In April 2014, the Company sold an office building in Seattle for € 43 million, realizing a pre-tax capital gain of € 10 million (see note 23).

Information on pledges is included in note 17.

3. Intangible assets

Intangible assets consist of:

	2014	2013
Goodwill	**1,608.3**	1,451.3
Other intangibles	**840.2**	805.3
	2,448.5	2,256.6

Movements for goodwill are as follows:

	2014	2013
Balance on January 1	**1,451.3**	1,498.3
Acquisitions	**176.7**	22.9
Purchase price accounting adjustments	**-**	(0.6)
Impairments	**(19.2)**	(44.2)
Exchange adjustments and other	**(0.5)**	(25.1)
Balance on December 31	**1,608.3**	1,451.3
Cost value	**2,231.0**	2,058.2
Previously written down	**(622.7)**	(606.9)
Book value on December 31	**1,608.3**	1,451.3

Specification of goodwill is as follows:

	2014	2013
Optical retail	**1,070.8**	919.8
Other unquoted	**423.6**	433.0
Vopak	**112.0**	96.6
Safilo	**1.9**	1.9
Total	**1,608.3**	1,451.3

Investments in associates and joint ventures includes goodwill for an amount of € 136.3 million (2013: € 121.1 million).

Impairment test
In this section a distinction is made between goodwill relating to Vopak and Safilo and goodwill relating to the Optical retail and Other unquoted segments.

Vopak and Safilo
Vopak and Safilo are both listed entities. The impairment test with respect to the goodwill relating to these two entities primarily consists of comparing the carrying value of the Company's ownership interest to the stock market value. At the end of 2014 the stock market value of the ownership interest in Vopak exceeded the carrying value by € 1,789 million and the stock market value of the ownership interest in Safilo exceeded the carrying value by € 49 million. These stock market values qualify as level 1 in the fair value hierarchy.

Optical retail and Other unquoted
Goodwill has been tested for impairment losses at a level that reflects the way the operations are managed and with which the goodwill would naturally be associated. Management reviews the business performance on an entity level and for the larger entities, GrandVision and AudioNova International B.V. ('AudioNova'), on a country level. Goodwill is also monitored on this level.

The recoverable amount of cash-generating units is generally determined based on value-in-use calculations. These calculations use cash flow projections covering a five-year period. Cash flows beyond this five-year period were extrapolated using an estimated growth rate of nil. With respect to certain cash-generating units, representing 9.6% of the goodwill (2013: 7.0%), if the economic reality of a specific cash-generating unit justified it and led to more realistic estimates, the recoverable amount was based on the cash-generating unit's fair value less costs of disposal, generally based on observable market multiples of revenues less appropriate discounts. Fair value calculations were mainly performed for optical retail operations in Italy, Argentina, Uruguay, Colombia, Mexico and Peru, as well as certain sunglass stores, using an average multiple of revenue of 1.1. This multiple is based on comparable quoted companies less a 70% discount. Using a revenue multiple of 0.9 would potentially result in an impairment of € 13.1 million. These fair value calculations qualify as level 3 calculations.

With respect to certain cash-generating units (representing 1.1% of the goodwill) the fair value was calculated based on observable market multiples of earnings before interest, tax and amortization less an appropriate discount. These fair value calculations qualify as level 3 calculations.

In the following tables a distinction is made between Optical retail Europe, Optical retail Latin America, AudioNova and other unquoted investments as within these groups assumptions are broadly comparable. Key assumptions used for value-in-use calculations are as follows:

Optical retail Europe	**2014**	2013
Weighted average increase in revenues	**3.7%**	3.6%
Weighted average gross margin	**74.2%**	75.0%
Weighted average after-tax discount rate	**10.2%**	10.6%

Optical retail Latin America	**2014**	2013
Weighted average increase in revenues	**9.5%**	9.1%
Weighted average gross margin	**69.2%**	66.7%
Weighted average after-tax discount rate	**12.2%**	14.8%

AudioNova	**2014**	2013
Weighted average increase in revenues	**2.5%**	4.5%
Weighted average gross margin	**79.7%**	77.4%
Weighted average after-tax discount rate	**9.3%**	9.7%

Other unquoted investments	**2014**	2013
Weighted average increase in revenues	**3.9%**	3.4%
Weighted average gross margin	**58.9%**	56.3%
Weighted average after-tax discount rate	**10.8%**	11.0%

Goodwill is comprised of the following: (excluding Vopak and Safilo)

	2014	2013
Optical retail Europe	**991.8**	860.4
Optical retail Latin America	**79.0**	58.8
Optical retail Other	**-**	0.6
	1,070.8	919.8
AudioNova	**274.1**	274.1
Other unquoted investments	**149.5**	158.9
	423.6	433.0
Total	**1,494.4**	1,352.8

Pre-tax discount rates were used. These rates were derived from the above after-tax discount rates.

The result of this process was that the carrying value of goodwill relating to two cash-generating units was impaired for a total of € 16.4 million, which is recorded under Amortization and impairments of intangible assets in the consolidated statement of income. This impairment charge is further detailed below. In addition, Vopak recorded goodwill impairments for an amount of € 2.9 million with respect to a cancelled development project in France.

	2014	2013
Optical retail	**3.5**	8.4
AudioNova	**-**	8.2
Other unquoted investments	**12.8**	27.6
Total	**16.3**	44.2

The impairment charge in the segment Other unquoted can be detailed as follows per subsidiary (cash-generating unit):

	2014	2013
InVesting B.V.	**-**	7.0
Koninklijke Ahrend N.V.	**-**	10.0
Orthopedie Investments Europe B.V.	**12.8**	
Mercurius Groep Holding B.V.	**-**	10.6
	12.8	27.6

The recoverable amounts for cash-generating units with impairment charges are as follows:

	2014	2013
Optical retail	**7.1**	58.2
AudioNova	**-**	15.2
InVesting B.V.	**-**	53.1
Koninklijke Ahrend N.V.	**-**	58.5
Orthopedie Investments Europe B.V.	**26.7**	-
Mercurius Groep Holding B.V.	**-**	21.1
Total	**33.8**	206.1

The impairment with respect to Optical retail relates to a sunglass retail chain in Mexico and is a result of lower than expected revenues compared to the expectations, mainly due to fierce competition. The impairment with respect to Orthopedie Investments Europe B.V. is a result of lower than expected revenues which was, among others, caused by regulatory changes with respect to the social security system in the Netherlands.

The recoverable amounts of the respective cash-generating units are either based on an estimate of fair value less cost of disposal or value-in-use. The recoverable amount with respect to Orthopedie Investments Europe B.V. was calculated based on a value-in-use calculation. The impairment represented approximately 50% of the goodwill.

The impairment with respect to the Mexican retail subsidiary represents 100% of the goodwill relating to this entity. The fair value of this entity was measured based on a revenue multiple of 0.6 calculated at the average of sales over the past three years. The multiple, which is lower than the multiple of 1.1 which is generally used, was considered reasonable in view of the relatively low margin on the company's revenues.

The valuation models include certain assumptions with respect to revenue growth. If the models included a 2% lower increase in revenues, and assuming an unchanged cost structure and unchanged capital expenditures, the calculations would result in a potential further impairment charge as follows:

	2014	2013
AudioNova	**0.6**	1.2
Other unquoted	**4.4**	1.5
	5.0	2.7

A 2% increase in the discount rate would potentially result in a further impairment charge as follows:

	2014	2013
AudioNova	**2.4**	3.0
Other unquoted investments	**8.9**	7.4
	11.3	10.4

If the cash flows beyond the five-year period were extrapolated using an estimated growth rate of 2%, the value-in-use of the cash-generating units that indicated a potential impairment in the above sensitivity analyses would increase as follows:

	2014	2013
AudioNova	**4.0**	3.6
Other unquoted investments	**13.0**	9.2
	17.0	12.8

If the models included a 2% lower gross margin, and assuming an unchanged cost structure and unchanged capital expenditures, the calculations would result in a potential further impairment charge as follows:

	2014	2013
AudioNova	**2.2**	2.1
Other unquoted investments	**10.7**	7.9
	12.9	10.0

Other intangibles

Movements for other intangibles are as follows:

	Rights of use & key money	Trade-marks	Other	**Total**
Book value on Jan. 1, 2013	211.2	405.9	248.7	**865.8**
Investments	7.7	0.6	39.5	**47.8**
Consolidation	-	2.3	8.7	**11.0**
Amortization and impairments	(2.1)	(42.9)	(64.6)	**(109.6)**
Exchange adjustments	(2.2)	(5.7)	(1.8)	**(9.7)**
Book value on Dec. 31, 2013	214.6	360.2	230.5	**805.3**
At Dec. 31, 2013				
Cost value	255.8	516.6	647.1	**1,419.5**
Accumulated amortization and impairments	(41.2)	(156.4)	(416.6)	**(614.2)**
Book value on Dec. 31, 2013	214.6	360.2	230.5	**805.3**
Investments	1.9	-	51.5	**53.4**
Consolidation	2.0	34.8	38.6	**75.4**
Reclassification	(4.5)	0.4	1.8	**(2.3)**
Amortization and impairments	(4.3)	(32.7)	(55.6)	**(92.6)**
Exchange adjustments	-	(1.0)	2.0	**1.0**
Book value on Dec. 31, 2014	209.7	361.7	268.8	**840.2**
At Dec. 31, 2014				
Cost value	255.2	550.8	738.7	**1,544.7**
Accumulated amortization and impairments	(45.5)	(189.1)	(469.9)	**(704.5)**
Book value on Dec. 31, 2014	209.7	361.7	268.8	**840.2**

The Other category consists of:

	2014	2013
Customer relationships	**139.8**	106.7
Software	**94.3**	81.9
Franchise contracts	**6.9**	6.7
Other	**27.8**	35.2
	268.8	230.5

Rights of use and key money primarily relate to optical retail stores in France. These assets are not amortized but are subject to an annual impairment test using cash-flow projections covering a five-year period, a pre-tax discount rate of 10-18% and a revenue growth rate of 2.4%. If the calculated value-in-use is less than the book value of the assets, external valuations were performed to arrive at a fair value less cost of disposal. The result of this process was that the rights of use and key money relating to optical retail stores were impaired for € 4.3 million (2013: € 1.3 million). This amount is included in the consolidated statement of income under amortization and impairment of intangible assets.

If the growth rate had been set at 0%, an additional impairment could have been required for an amount of € 4.1 million (2013: € 10.1 million).

Trademarks are valued using a 0.2% to 5% royalty rate and are amortized over 10-25 years on a straight line basis with no residual value. Franchise contracts are valued using a discount rate of 12.5% and amortized over 10-15 years on a straight line basis with no residual value. Customer relationships are valued using a discount rate of 9.8-13% and amortized over 8-20 years on a straight-line basis with no residual value.

The total amount of impairments recognized on other intangibles was € 7.6 million (2013: € 18.2 million).

4. Acquisitions

In 2014, GrandVision, one of the Company's subsidiaries, acquired optical retail chains in Colombia, Peru, Italy, the United Kingdom and Germany.

Details are as follows:

Cash paid	156.9
Future consideration	12.4
Fair value of net assets acquired	(11.1)
Goodwill	158.2

Details of the fair value of net assets acquired:

Property, plant and equipment	14.8
Trademarks	31.5
Customer relationship	29.6
Other intangible assets	5.3
Other non-current assets	4.5
Net working capital	(19.5)
Cash	12.6
Deferred tax liabilities	(16.7)
Other non-current liabilities	(5.8)
Short-term debt	(45.2)
Fair value of net assets acquired	11.1

Included in the above is an acquisition on December 23, 2014, of 100% of the shares in Angelo Randazzo S.r.l. Randazzo operates 101 optical retail stores under the name Optissimo and has 89 points of sale in supermarkets. The total consideration paid is € 89 million, an amount of € 3 million is expected to be paid in the first half year of 2015. Based on the initial purchase price allocation an amount of € 117 million is identified as goodwill and represents future synergies and future growth in profitability of the business. The fair value of the net assets acquired was negative € 24 million. The purchase price allocation has not yet been finalized.

The above acquisitions contributed € 43.4 million to the 2014 revenues and € (1.2) million to the operating income. Revenues for 2014 of these acquisitions amounted to € 191.4 million and operating income to € (2.0) million. Acquisition costs charged to the other operating expenses in the consolidated statement of income amounted to € 1.2 million.

The goodwill paid primarily relates to the acquisition of additional market share which will allow the realization of economies of scale, anticipated synergies, the work force and expected growth. The above allocation of the purchase price is preliminary.

On March 27, 2014, Vopak acquired 100% of the shares of Canadian Terminals Inc. (Canterm), a company with two distribution terminals for the storage and handling of refined products in Montreal and Quebec City (Canada) with a total storage capacity of 509,000 cbm. The acquisition was for a gross cash consideration of € 80 million. Direct costs relating to this acquisition were charged to the other operating expenses in the consolidated statement of income and amounted to € 0.3 million.

Details are as follows:

Cash paid	80.0
Fair value of net assets acquired	(65.0)
Goodwill	15.0

Details of the fair value of net assets acquired:

Property, plant and equipment	66.5
Customer relationships and permits	4.7
Net working capital	0.4
Cash	1.6
Deferred tax liabilities	(6.3)
Other long-term liabilities	(1.9)
Fair value of net assets acquired	65.0

The contribution of the above acquisition to the 2014 revenues and net income is not significant. This also applies if the acquisition would have been consolidated as from January 1, 2014.

The goodwill paid primarily relates to the location of the terminals, possible economies of scale from combining the acquired terminals with the current operations of Vopak in Canada and the skilled personnel present at these terminals.

Other acquisitions:

Cash paid	3.3
Fair value of non-controlling interest already owned	9.0
Fair value of net assets acquired	(8.8)
Goodwill	3.5

Total acquisitions:

Cash paid	240.2
Future consideration	12.4
Fair value of non-controlling interest already owned	9.0
Fair value of net assets acquired	(84.9)
Goodwill	176.7

Reconciliation to cash flow statement:

Cash paid for the above acquisitions	240.2
Cash acquired	(15.3)
Cash flow due to acquisition of subsidiaries, net of cash acquired	224.9
Acquisition of associates and joint ventures	110.6
Cash outflow due to acquisition of subsidiaries and associates, net of cash acquired	335.5

The remeasurements of the non-controlling interest already owned to a fair value of € 9.0 million, included in other acquisitions, resulted in a gain of € 3.0 million in the consolidated statement of income.

5. Investments in associates and joint ventures

The amounts recognized in the statement of financial position are as follows:

	2014	2013
Publicly traded	**1,122.7**	884.5
Other	**1,144.5**	999.2
Total	**2,267.2**	1,883.7

	2014	2013
Associates	**1,394.3**	1,083.0
Joint ventures	**872.9**	800.7
Total	**2,267.2**	1,883.7

Joint ventures mainly relate to Vopak.

The movement of investments accounted for using the equity method is as follows:

	2014	2013
Book value on Jan. 1	**1,883.7**	1,620.0
Investments	**110.6**	216.4
Disposals	**(10.0)**	(17.5)
Consolidation	**(9.0)**	(5.6)
Income	**259.9**	251.7
Dividends	**(100.5)**	(130.4)
Actuarial results on defined benefit plans	**(19.6)**	20.0
Share in change of fair value	**20.4**	0.1
Reclassification	**-**	(15.8)
Adjustment capital gain on sale of Dockwise Ltd. to Boskalis (note 21)	**-**	(11.3)
Exchange adjustments and effect of financial instruments	**131.7**	(43.9)
Book value on Dec. 31	**2,267.2**	1,883.7

On September 28, 2014, Vopak acquired a 30% equity interest in the associate Zhangzou Gulei Haiteng Jetty Investment Management Company Limited (China), with a deferred consideration of € 5.9 million. Vopak Terminal Haiteng comprises an industrial terminal, commissioned in 2013, consisting of 890,000 cbm storage capacity for petrochemical products. Long-term contracts have been signed for this industrial terminal to serve two petrochemical plants via pipelines. Furthermore, Vopak increased its equity interest in the joint venture Vopak Terminal Ningbo Co. Ltd. from 37.5% to 50%. Vopak's interest in Gate terminal B.V. increased from 47.5% at the end of 2013 to 47.63% due to a capital contribution in which not all shareholders participated.

In 2013, the Company made a € 108 million investment in Koninklijke Boskalis Westminster N.V. ('Boskalis') consisting of HAL's proportionate 33.9% share (January 2013) in a capital increase.

The reclassification of € 15.8 million in 2013 relates to a reclassification from Investments in associates to Marketable securities due to a conversion from a partnership interest in public equity securities and a reclassification at Vopak to Assets held for sale.

Investments in associates
The principal associate of the Company is Boskalis in which the Company has a 34.5 % (2013: 34.3%) ownership interest. Boskalis is incorporated in the Netherlands and is listed on Euronext Amsterdam. The company is a leading global service provider operating in the dredging, maritime infrastructure and maritime services sectors. The fair value of the Company's interest in Boskalis was € 1,929.0 million, based on the stock market value, (2013: € 1,583.1 million) and the carrying value € 1,122.7 million (2013: € 884.5 million).

The aggregate carrying value of the other associates was € 271.6 million (2013: € 198.5 million).

Summarized financial information for associates
Set out below is summarized financial information for Boskalis. This summary is based on publicly available information.

Summarized statement of financial position

	2014	2013
Current		
Cash and cash equivalents	**396.0**	330.4
Other current assets	**1,158.4**	1,333.8
Total current assets	**1,554.4**	1,664.2
Financial liabilities (excluding trade payables)	**94.1**	34.6
Other current liabilities (including trade payables)	**1,697.5**	1,661.9
Total current liabilities	**1,791.6**	1,696.5
Non-current		
Assets	**4,358.2**	3,657.0
Financial liabilities	**830.5**	1,009.5
Other liabilities	**130.7**	83.1
Total non-current liabilities	**961.2**	1,092.6
Non-controlling interest	**7.9**	6.9
Net assets	**3,151.9**	2,525.2

Summarized statement of comprehensive income

	2014	2013
Revenue	**3,166.9**	3,144.0
Depreciation and amortization	**(293.5)**	(293.8)
Interest income	**10.1**	4.5
Interest expense	**(46.1)**	(49.9)
Profit before tax	**616.4**	418.0
Profit after tax for owners of parent	**490.3**	365.7
Other comprehensive income	**201.2**	(13.1)
Total comprehensive income for owners of parents	**691.5**	352.6

Reconciliation of summarized financial information Boskalis:

	2014	2013
Net assets January 1	**2,525.2**	1,898.0
Profit for the period	**490.3**	365.7
Other comprehensive income	**201.2**	(13.1)
Transactions with owners	**(64.8)**	274.6
Net assets December 31	**3,151.9**	2,525.2
Interest in associate (34.5%)	**1,087.4**	865.5
Elimination part of gain relating to sale of Dockwise Ltd. (2013)	**(11.3)**	(11.3)
Goodwill	**46.6**	30.3
Carrying value	**1,122.7**	884.5

Investments in Joint Ventures
The share of the comprehensive income and net assets of the joint ventures was as follows:

	2014	2013
Share in net assets	**737.2**	685.0
Goodwill on acquisition	**63.5**	58.9
Carrying amount at January 1	**800.7**	743.9
Share in profit or loss	**85.1**	109.0
Impairment	**(16.1)**	-
Reversal of impairment	**3.8**	7.3
Other comprehensive income	**(23.5)**	24.3
Comprehensive income	**49.3**	140.6
Dividends received	**(86.7)**	(123.0)
Investments	**40.2**	73.5
Acquisitions	**2.3**	7.8
Divestments	**-**	(0.9)
Reclassification to assets held for sale	**-**	(7.3)
Exchange rate differences	**67.1**	(33.9)
Book value on December 31	**872.9**	800.7
Share in net assets	**805.5**	737.2
Goodwill on acquisition	**67.4**	63.5
Book value on December 31	**872.9**	800.7

We refer to page 87 with respect to summarized financial information on joint ventures.

Investments in associates include interests in five private equity partnerships for a total amount of € 69.6 million (2013: € 57.0 million).

6. Other financial assets

The specification is as follows:

	2014	2013
Available-for-sale investments in quoted securities	**307.9**	415.5
Loans to associates and joint ventures	**24.3**	18.5
Other loans	**81.3**	75.3
Other	**86.6**	65.4
	500.1	574.7
Current:	**10.7**	12.9
Non-current:	**489.4**	561.8
	500.1	574.7

Investments in quoted securities include:

	2014	2013
15.01% equity interest in SBM Offshore N.V.	**307.9**	415.5
	307.9	415.5

Reconciliation of proceeds from (investments in) other financial assets to the cash flow statement:

	2014	2013
SBM Offshore N.V. purchase of shares	**(35.9)**	(29.4)
Other	**28.1**	10.3
	(7.8)	(19.1)

The category Other includes long-term deposits and receivables.

7. Derivative financial instruments

The derivative financial instruments are classified as follows in the statement of financial position:

	2014	2013
Current assets	**10.6**	9.2
Non-current assets	**19.4**	12.9
	30.0	22.1

	2014	2013
Current liabilities	**30.3**	28.1
Non-current liabilities	**130.2**	158.5
	160.5	186.6

	2014	2013
Assets:		
Currency derivatives	**6.8**	8.0
Interest rate derivatives	**23.2**	14.1
	30.0	22.1

	2014	2013
Liabilities:		
Currency derivatives	**11.8**	2.8
Interest rate derivatives	**148.7**	183.8
	160.5	186.6

8. Marketable securities and deposits

Marketable securities consist of equity securities amounting to € 114.2 million (2013: € 81.8 million) and fixed income securities amounting to € 26.9 million (2013: € nil). Realized gains/(losses), impairment losses, interests, dividends and management fees are included in the line Income from marketable securities and deposits in the consolidated statement of income.

9. Receivables

	2014	2013
Trade receivables	**807.8**	713.4
Allowance for doubtful accounts	**(56.5)**	(56.1)
	751.3	657.3

The ageing analysis of the trade receivables that are past due but not impaired is as follows:

	2014	2013
Up to 3 months	**163.1**	134.0
Between 3 and 6 months	**25.6**	22.4
Between 6 and 9 months	**16.3**	10.6
Over 9 months	**19.9**	18.7
	224.9	185.7

Movements on the allowance for impairment of trade receivables are as follows:

	2014	2013
Book value on Jan. 1	**(56.1)**	(54.9)
Addition to allowance	**(14.1)**	(14.9)
Utilized during the year	**12.9**	11.7
Released	**0.8**	2.0
Book value on Dec. 31	**(56.5)**	(56.1)

The fair value of the receivables approximates their carrying value.

Information on pledges is included in note 17.

10. Inventories

The composition of the inventories is as follows:

	2014	2013
Raw materials	**142.6**	102.7
Work in progress	**30.4**	32.0
Finished goods	**615.5**	548.8
Write-down to net realizable value	**(152.1)**	(123.6)
	636.4	559.9

The cost of inventory recognized as expense amounts to € 1,733.9 million (2013: € 1,686.4 million). The total write-down of inventories recognized as expense amounts to € 57.6 million (2013: € 28.3 million).

Information on pledges is included in note 17.

11. Other current assets

The composition of the other current assets is as follows:

	2014	2013
Prepaid vendors	**106.8**	94.6
Value added tax	**41.1**	42.1
Debt collection activity	**20.9**	25.3
Income tax receivable	**63.0**	72.2
Other receivables	**194.3**	266.7
	426.1	500.9

12. Assets held for sale

The composition of the assets held for sale is as follows:

	2014	2013
Book value on January 1	**25.9**	257.7
Reclassification (mainly from Property, plant and equipment)	**77.5**	20.5
Disposals	**-**	(251.2)
Impairment	**(6.9)**	-
Exchange differences	**3.1**	(1.1)
Book value on Dec. 31	**99.6**	25.9

During 2014, Vopak reclassified the terminals of Wilmington, Galena Park and a plot of land in Perth Amboy (all in the United States) as assets held for sale following the assessment, in December 2014, to sell these assets. Meanwhile on February 27, 2015, Vopak announced that it had completed the sale of these assets. Furthermore, the assets held for sale include a plot of land in Yalova (Turkey), which was sold on January 14, 2015, at the carrying amount.

13. Share capital

The issued share capital at December 31, 2014, consists of 74,141,313 shares of which 109,776 are held as treasury stock by the Company.

Movements in the number of shares were as follows:

x 1,000	Issued shares	Treasury shares
January 1, 2013	69,462.9	76.0
Sale of treasury shares	-	(12.7)
Dividend paid in stock	2,156.3	3.0
December 31, 2013	71,619.2	66.3
January 1, 2014	71,619.2	66.3
Sale / transfer of treasury shares	-	(49.9)
Purchase of treasury shares	-	90.9
Dividend paid in stock	2,522.1	2.5
December 31, 2014	74,141.3	109.8

Outstanding shares	74,031.5
Par value (HAL Holding N.V.) *(in euro)*	0.02
Share capital *(in euro millions)*	1.5

The treasury shares above are HAL Trust Shares held by HAL Holding N.V. and are not expected to be cancelled. Each share has one voting right.

A 2013 related dividend of € 293.6 million (excluding dividend on treasury shares) or € 4.10 per Share was paid on June 19, 2014 (2013: € 270.9 million or € 3.90 per Share), of which € 17.5 million in cash and € 276.1 million in shares. Shareholders representing 93.4% of the issued Shares had their dividend distributed in stock. These shareholders received one new Share for 26.7 existing Shares. The calculation of the 2013 earnings per Share has been adjusted to take account of this stock dividend (in accordance with IAS 33.64).

This conversion ratio was determined based on the volume-weighted average share price of HAL Trust Shares traded on Euronext in Amsterdam during the period May 23, 2014, through June 12, 2014. Accordingly, 2,522,079 Shares were issued on June 19, 2014.

14. Provisions

Provisions are classified as follows:

	2014	2013
Current	**56.2**	46.4
Non-current	**74.2**	98.7
	130.4	145.1

The breakdown and movement in provisions is as follows:

	2014	2013
Balance on January 1	**145.1**	139.7
Addition to provision	**54.0**	59.7
Utilized during the year	**(70.2)**	(48.2)
Exchange differences	**1.5**	(6.1)
Balance on Dec. 31	**130.4**	145.1

Provisions consist of:

	2014	2013
Restructuring and legal	**7.3**	41.0
Employee related	**20.0**	10.8
Warranties	**25.4**	24.5
Regulatory	**18.6**	16.1
Other	**59.1**	52.7
	130.4	145.1

15. Pension benefits

The Company and its subsidiaries have established a number of pension and early retirement schemes, mainly in the Netherlands. The plans are based on final or average pay. The assets of the funded plans are held independently of the Company's and its subsidiaries' assets in separately administered funds. These schemes are valued by independent actuaries every year, using the 'projected unit credit' method.

The latest actuarial valuation was carried out as of December 31, 2014.

The amounts recognized in the statement of financial position for defined benefit plans are as follows:

The net pension asset/(liability) consists of:

Pension benefits assets	**64.8**	75.7
Pension benefits liabilities	**(345.1)**	(173.8)
	(280.3)	(98.1)

	2014	2013
Present value of funded obligations	**1,787.9**	1,499.2
Fair value of plan assets	**1,613.4**	1,478.5
Surplus/(deficit) of funded plans	**(174.5)**	(20.7)
Present value of unfunded obligations	**(98.6)**	(68.5)
Total defined benefit plans	**(273.1)**	(89.2)
Defined contribution plans	**(7.2)**	(8.9)
Net asset/(liability) in the statement of financial position	**(280.3)**	(98.1)

The movement in the provision for defined benefit plans is as follows:

	2014	2013
Balance on January 1	**(89.2)**	(159.6)
Pension charge defined benefit plans	**2.6**	(45.4)
Acquisitions/(disposals)	**(4.0)**	-
Contributions	**46.3**	51.5
Remeasurement effects	**(225.0)**	63.4
Exchange effect and other	**(3.8)**	0.9
Balance on December 31	**(273.1)**	(89.2)

In 2014, market volatility had a negative impact on the Company's defined benefit plans, which resulted in remeasurement losses of € 225.0 million, being recorded in other comprehensive income, net of tax. These remeasurements were mostly the result of lower discount rates, which were partly offset by higher than expected returns.

The pension benefits assets of € 64.8 million relates for € 27.2 million to the surplus of a pension plan which currently has no participants and for € 37.6 million to a surplus of a pension plan in the Netherlands. The statutory funded ratio of this fund as of December 31, 2014, is preliminary calculated at 183.6% which is well in excess of the statutory minimum funding requirement of 104.1%. The Company currently does not pay premium to this plan. The pension asset is calculated in accordance with IFRIC 14 as the lower of the surplus and the present value of the future service cost using assumptions (including the discount rate) consistent with those used to determine the defined benefit obligation taking into account, when applicable, minimum funding requirements.

The amounts recognized in the consolidated statement of income are as follows:

	2014	2013
Current service costs	**37.3**	43.1
Interest expense/(income)	**1.8**	3.7
Plan amendments, settlements and curtailments	**(43.9)**	(3.1)
Administrative costs	**2.2**	1.7
Total defined benefit costs	**(2.6)**	45.4
Other costs	**26.1**	25.1
Total, included in employee expenses	**23.5**	70.5

Plan amendments, settlements and curtailments relate for € 25.1 million to an amendment of a pension plan in the Netherlands whereby, due to changes in the pension law, vesting of pension benefits was significantly reduced, amongst others due to an introduction of a maximum salary over which pension benefits can be accrued. The remainder of plan amendments, settlements and curtailments principally related to amendments to pension plans whereby the plans were changed from a defined benefit to a defined contribution plan.

The plan amendment in 2013 related to an amendment of a pension plan in the Netherlands whereby the conditional indexation was changed from 100% of the wage inflation (active participants) and price inflation (inactive participants) to 70% in 2012 and 60% in 2013. Other costs mainly include cost related to industry-wide pension plans. These plans are classified as multi-employer defined benefit plans. The contributions to these plans are treated as defined contribution as it is not possible to collect the required information from the pension funds to account for it as a defined benefit plan.

Movements in the defined benefit obligations are as follows:

	2014	2013
Balance on January 1	**1,567.7**	1,598.6
Acquisitions/(disposals)	**(10.6)**	-
Service cost	**37.3**	43.1
Interest expense	**54.0**	51.2
Employee contributions	**7.0**	6.3
Experience adjustments	**1.6**	(15.7)
Change in financial assumptions	**425.5**	(44.6)
Change in demographic assumptions	**15.8**	2.4
Plan amendments, settlements and curtailments	**(162.4)**	(3.1)
Benefits paid	**(68.0)**	(66.1)
Exchange effect and other	**18.6**	(4.4)
Balance on Dec. 31	**1,886.5**	1,567.7

Movements in the plan assets are as follows:

	2014	2013
Balance on January 1	**1,478.5**	1,439.0
Interest income	**52.2**	47.5
Acquisitions/(disposals)	**(14.6)**	-
Employer contributions	**46.3**	51.5
Employee contributions	**7.0**	6.3
Plan amendments, settlements and curtailments	**(118.5)**	-
Return on plan assets (excluding amounts included in interest income)	**217.9**	5.5
Benefits paid	**(68.0)**	(66.1)
Exchange effect and other	**12.6**	(5.2)
Balance on Dec. 31	**1,613.4**	1,478.5

Benefits paid for unfunded plans amounted to € 2.7 million (2013: € 2.7 million). This amount is included in employer contributions.

The Company expects to contribute € 45.0 million to defined benefit plans in 2015.

The Dutch pension fund Stichting Pensioenfonds Vopak holds 58% of the total defined benefit obligation. Plan participants are insured against the consequences of old age, disability and death. The employer and employees (partly) pay contributions to the pension plan.

The pension fund has the legal structure of a foundation. The (actuarial) risks related to the pension plan consist of demographic risks (primarily life expectancy) and financial risks (primarily discount rate, future increases in salaries, and return on plan assets) and are regularly reviewed by the board of the trustees. The board of trustees is the most senior governing body of the pension fund and is composed of equal numbers of employer and employee representatives (including pensioners). Pension plans in the Netherlands are subject to the Financial Assessment Framework, which is part of the Pensions Act and sets out the minimum requirements for the financial position of a pension fund, such as the statutory minimum funded status. A pension fund's financial position is reflected largely by the funding ratio. This expresses the relationship between the fund's assets and the present value of the pensions to be paid in the future (pension liabilities). The minimum required funding level is 105%. In addition, a pension fund must hold sufficient buffers (equity) to be able to cope with financial setbacks. The greater the investment risks in the pension fund, the higher the buffer requirements. Taking into account these factors Stichting Pensioenfonds Vopak had a funded level of 118.3% at year-end 2013. The funding level at 31 December 2014 was preliminarily calculated at 117.9%. The fund's assets are valued at market value, the pension liabilities of the pension fund are calculated according to the requirements of the Financial Assessment Framework.

Pension funds are overseen by the regulator Authority for Financial Markets (AFM) and the Dutch Central Bank (DNB). An annual report including an actuarial review on the plan is prepared in accordance with legal requirements. Additional reports are prepared quarterly in accordance with IFRS requirements. If there is a funding shortfall (funding ratio less than 105%) or the pension fund holds insufficient buffers, the fund must submit a recovery plan to the DNB. At year-ends 2014 and 2013 there were no recovery plans required.

The expected maturity analysis of undiscounted pension benefits is as follows:

	2014	2013
less than 1 year	**57.1**	60.6
1-2 years	**57.6**	63.2
2-5 years	**167.9**	177.8
> 5 years	**3,284.3**	3,203.4
	3,566.9	3,505.0

The principal weighted average assumptions used were:

	2014	2013
Discount rate / return on assets	**2.29%**	3.53%
Inflation rate	**2.18%**	2.12%
Future salary increases	**3.15%**	3.14%

The latest available mortality tables were used.

The discount rates used in the determination of defined benefit obligations and pension charges are based on high quality corporate bonds (AA-rated) with a duration matching the duration of the pension liabilities.

Plan assets include the following:

As of December 31, 2014:

Equities	**487.4**	**30.3%**
Debt instruments	**867.2**	**53.7%**
Other	**258.8**	**16.0%**
	1,613.4	**100.0%**

As of December 31, 2013:

Equities	437.2	29.6%
Debt instruments	846.9	57.3%
Other	194.4	13.1%
	1,478.5	100.0%

Other assets represent short-term deposits, assets at insurance companies with respect to vested benefits, real estate and derivatives.

The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is as follows:

		Liabilities	
Risk assumptions	Change	Incr.	Decr.
Inflation	1.00%	298.2	(228.5)
Salary increase	0.25%	5.7	(6.6)
Discount rate	1.00%	(282.9)	357.9
Life expectancy	1 year	53.6	N/A

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. If plan assets underperform this yield, this will create a deficit.

A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

The majority of the plans' obligations are to provide benefits for the lifetime of the members, so increases in life expectancy will result in an increase in the plans' liabilities.

16. Accrued expenses

Accrued expenses consist of:

	2014	2013
Employee-related accruals	**230.0**	192.1
Customer prepayments	**89.0**	83.7
VAT and other tax liabilities	**61.8**	55.7
Deferred revenue	**113.1**	102.4
Debt collection activity	**21.5**	17.2
Other accrued expenses	**313.6**	263.4
	829.0	714.5

17. Debt and other financial liabilities

	2014	2013
Debt	**4,317.5**	3,475.2
Other financial liabilities	**164.0**	160.7
	4,481.5	3,635.9

	2014	2013
Long-term debt		
Mortgage loans	**254.8**	284.7
Other loans	**1,280.9**	944.9
Private placements	**2,181.4**	1,772.1
Total long-term debt	**3,717.1**	3,001.7
Other long-term financial liabilities	**131.3**	141.4
Total long-term debt and other long-term financial liabilities	**3,848.4**	3,143.1
Short-term debt		
Bank overdraft	**247.0**	161.7
Bank loans	**291.4**	104.4
Current portion of long-term debt	**62.0**	207.4
Total short-term debt	**600.4**	473.5
Other short-term financial liabilities	**32.7**	19.3
Total short-term debt and other short-term financial liabilities	**633.1**	492.8
Total debt and other financial liabilities	**4,481.5**	3,635.9

The summary of debt per currency is as follows:

	2014	2013
Euro	**2,052.8**	1,364.2
US dollar	**1,823.4**	1,571.6
Singapore dollar	**227.7**	330.7
Other currencies	**213.6**	208.7
	4,317.5	3,475.2

Mortgage loans are secured by mortgages and pledges on vessels, real estate, inventory and receivables with a corresponding carrying value of € 607.4 million. The other loans are secured to an amount of € 182.0 million by pledges on machinery and equipment, receivables, inventories and other current assets.

These are non-possessory pledges which means that, in case of default under the mortgage loan agreements, the lender will have the right to sell the vessels or real estate and receive the cash flows from the receivables.

Interest-bearing loans relate for € 2,448 million (55%) to Vopak. These interest-bearing loans mainly consist of unsecured Private placements in the US and Asian markets. The average remaining maturity at the end of 2014 was 8 years.

For 100% of the bank debt, the applicable covenants were complied with (2013: 100%). The table below provides details on certain company-specific covenants that applied in 2014.

	Debt	Required	Actual
GrandVision	960.0		
Maximum net debt : EBITDA		3.25	2.05
Minimum interest cover ratio		5.0	13.1
Vopak	2,336.0		
Maximum senior net debt : EBITDA		3.75	2.83
Minimum interest cover ratio		3.5 - 4.0	8.9
Other	1,021.5		
Total debt	4,317.5		

The fair value of the financial liabilities is included in the paragraph on fair value of financial assets and financial liabilities on page 79.

Included in other financial liabilities is the obligation to acquire equity instruments in certain subsidiaries from the management of these subsidiaries and liabilities related to share-based payment plans for an aggregate amount of € 50.6 million (2013: € 44.3 million). Reference is made to the note on share-based compensation. Also included are earn-out and deferred/contingent payments with respect to acquisitions for € 113.4 million (2013: € 116.4 million).

On May 15, 2014 Safilo completed the placement of an unsecured, unsubordinated equity-linked bond (‘the Bond’), maturing on May 22, 2019 with an aggregate principal amount of € 150 million. The Bond carries a coupon of 1.25% per annum. The Bond is convertible into ordinary shares of Safilo Group S.p.A. at a conversion price of € 21.8623 per share. At final maturity, the Bond will be redeemed at its principal amount unless previously redeemed, converted or purchased and cancelled. Safilo will have the option to redeem any outstanding Bonds at their principal amount (plus accrued but unpaid interest) on or after 6 June 2017 if the volume weighted average price of a share for a specified period is at least 130% of the conversion price in effect on each relevant dealing day. Safilo may also redeem the Bonds at any time at their principal amount (plus accrued but unpaid interest) if less than 15% of the Bonds originally issued remain outstanding. The Bond is carried at amortised cost using an effective interest rate deemed appropriate for an equivalent financial instrument without the conversion component and is included in long term debt. The conversion component represents an embedded derivative financial instrument which has been recorded as such under liabilities. As of December 31, 2014, the fair value of the option amounts to € 4.4 million. The fair value calculation qualifies as a level 2 calculation. The fair value changes of this instrument are recorded through the consolidated statement of income. Fair value changes in 2014 amounted to a gain of € 17.7 million. Changes in the share price of Safilo may result in significant changes in the fair value of the embedded financial instrument and the related amounts recorded in the consolidated statement of income.

18. Deferred taxes

The movement in deferred tax assets and liabilities during the period is as follows:

	Carry-forwards losses	PP&E	Intangibles	Inventories	Employee benefits	Other	offset assets & liabilities	**Total**
Assets	121.5	28.5	10.2	37.5	45.9	71.8	(128.2)	**187.2**
Liabilities	-	(303.8)	(221.0)	(5.0)	(11.3)	(45.8)	128.2	**(458.7)**
As of Jan. 1, 2013	121.5	(275.3)	(210.8)	32.5	34.6	26.0	-	**(271.5)**
Credited/(charged) to net income	15.8	(2.1)	19.3	7.5	(1.6)	8.5	-	**47.4**
Credited/(charged) to equity	(7.1)	-	-	-	(17.4)	(9.8)	-	**(34.3)**
Consolidation	(0.1)	0.8	(1.2)	-	-	(1.0)	-	**(1.5)**
Other movements	(1.2)	-	0.4	(0.8)	(0.2)	-	-	**(1.8)**
Reclassifications	0.4	1.2	(0.8)	0.3	0.4	(1.5)	-	**-**
Exchange differences	(1.3)	16.5	2.2	(2.2)	(0.2)	(4.4)	-	**10.6**
As of Dec. 31, 2013	128.0	(258.9)	(190.9)	37.3	15.6	17.8	-	**(251.1)**
Assets	128.0	32.8	9.6	41.0	29.1	67.4	(133.6)	**174.3**
Liabilities	-	(291.7)	(200.5)	(3.7)	(13.5)	(49.6)	133.6	**(425.4)**
As of Jan. 1, 2014	128.0	(258.9)	(190.9)	37.3	15.6	17.8	-	**(251.1)**
Credited/(charged) to net income	(11.7)	(1.9)	5.2	10.5	(4.1)	-	-	**(2.0)**
Credited/(charged) to equity	-	-	-	-	57.1	15.6	-	**72.7**
Consolidation	1.5	(6.6)	(17.4)	0.9	0.3	-	-	**(21.3)**
Other movements	(1.0)	0.6	(1.0)	-	(0.1)	-	-	**(1.5)**
Reclassifications	0.5	0.2	4.9	0.3	(0.8)	(5.0)	-	**0.1**
Exchange differences	(0.4)	(23.1)	0.6	3.2	1.1	7.1	-	**(11.5)**
As of Dec. 31, 2014	116.9	(289.7)	(198.6)	52.2	69.1	35.5	-	**(214.6)**
Assets	116.9	32.9	11.6	53.4	79.8	89.8	(167.6)	**216.8**
Liabilities	-	(322.6)	(210.2)	(1.2)	(10.7)	(54.3)	167.6	**(431.4)**
As of Dec. 31, 2014	116.9	(289.7)	(198.6)	52.2	69.1	35.5	-	**(214.6)**

In determining the deferred tax liabilities, withholding tax and any other tax due for unremitted earnings of subsidiaries were not recognized. These earnings are assumed to be permanently invested. Deferred tax liabilities, if applicable, will be recognized when there is the intention to distribute these earnings.

Reclassifications relate to adjustments of prior year offsetting within fiscal unities.

Deferred tax assets for tax losses are recognized when this is supported by projections of future taxable income.

Unused tax losses for which deferred tax assets have not fully been recognized are as follows:

Expiration date	**2014**	2013
2014	**-**	29.6
2015	**13.2**	22.1
2016	**16.7**	10.3
2017	**13.3**	10.0
2018	**14.4**	7.2
2019 and further years	**149.4**	145.7
No expiration date	**398.5**	360.4
	605.5	585.3

Unused tax credits for which deferred tax assets have not been fully recognized are not significant.

The aggregate of deferred tax relating to items that were credited to equity amounted to € 72.7 million (2013: € 34.3 million charged to equity).

Deferred tax assets for which the utilization is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences amount to € 216.8 million (2013: € 172.2 million).

Deferred tax assets of € 60.5 million (2013: € 71.1 million) relate to entities which suffered a loss in either the current or the preceding period. Their recognition is supported by projections of future taxable income.

19. Revenues

	2014	2013
Sale of goods	**5,322.2**	4,989.7
Services	**1,618.7**	1,579.5
Franchise fees	**65.7**	63.4
	7,006.6	6,632.6

20. Income from marketable securities and deposits

	2014	2013
Capital gains/(losses), including impairments	**3.1**	15.6
Interest income	**0.4**	-
Dividends	**0.9**	1.0
Management fees	**(1.6)**	(1.1)
	2.8	15.5

21. Share of profit/(loss) of associates and joint ventures

	2014	2013
Share in results	**259.9**	251.7
Capital gain on sale Dockwise Ltd. to Boskalis	**-**	22.1
	259.9	273.8

22. Income from other financial assets

	2014	2013
Interest income on loans and debt portfolio	**9.1**	7.7
	9.1	7.7

23. Income from real estate activities

	2014	2013
Capital gains	**10.0**	8.8
Rental income	**1.7**	5.8
Operating expenses	**(0.8)**	(2.4)
	10.9	12.2

The capital gains in 2014 resulted from the sale of an office building and in 2013 from the sale of three development parcels.

24. Employee expenses

	2014	2013
Wages and salaries	**1,472.2**	1,419.4
Social security costs	**285.7**	271.8
Pension costs	**23.5**	70.5
Other	**271.9**	199.6
	2,053.3	1,961.3

The average number of persons employed by the Company and its subsidiaries during 2014 was 46,921 (2013: 44,177) on a full time equivalent basis.

25. Other operating expenses

Other operating expenses include the following:

	2014	2013
Rent	**601.2**	563.2
Marketing and publicity	**346.9**	306.7
Royalty expenses	**99.1**	92.1
Other	**740.4**	748.5
	1,787.6	1,710.5

Research and development costs expensed amounted to € 16.8 million (2013: € 15.3 million).

26. Financial income and expense

Financial income and expense include:

	2014	2013
Financial expense	**198.5**	195.4
Other financial income	**75.1**	26.3
Net finance costs	**123.4**	169.1

Financial expense includes:

	2014	2013
Interest expense	**171.5**	167.5
Exchange differences, net of fair value changes of derivative financial instruments	**27.0**	27.9
	198.5	195.4

Other financial income includes:

	2014	2013
Interest income	**21.0**	18.2
Exchange differences	**29.4**	2.0
Fair value gains on Safilo equity-linked bond embedded derivative	**17.7**	-
Reversal of earn-out liabilities	**7.0**	6.1
	75.1	26.3

27. Income tax expense

Income taxes are calculated based on the tax rates in the countries where the Company and its subsidiaries have operations, taking into account tax-exempt income and tax losses carried-forward.

	2014	2013
Current income taxes	**194.7**	180.5
Deferred income taxes	**2.0**	(47.4)
	196.7	133.1

Income taxes differ from the theoretical amount that would arise using the domestic tax rates applicable to profits of taxable entities in the countries concerned, as follows:

	2014	2013
Profit before income tax	**964.1**	771.8
Less: after-tax share of profit of associates	**(259.9)**	(273.8)
Adjusted profit before income tax	**704.2**	498.0
Income tax expense	**196.7**	133.1
Effective tax rate (%)	**27.9**	26.7

	2014	
Composition:	Amount	%
Weighted average statutory tax rate	**190.2**	27.0
Goodwill impairment	**5.3**	0.8
Recognition of tax losses	**15.0**	2.1
Non-taxable income	**(49.7)**	(7.1)
Non-deductible expenses	**30.6**	4.3
Prior year movements	**3.9**	0.6
Other effects	**1.4**	0.2
Effective tax (rate)	**196.7**	27.9

	2013	
Composition:	Amount	%
Weighted average statutory tax rate	127.5	25.6
Goodwill impairment	11.3	2.3
Recognition of tax losses	4.7	0.9
Non-taxable income	(43.0)	(8.7)
Non-deductible expenses	39.6	8.0
Prior year movements	(3.9)	(0.8)
Other effects	(3.1)	(0.6)
Effective tax (rate)	133.1	26.7

Other effects include the effect of changes in tax rates and income tax on intra-group dividends.

Taxes recognized in other comprehensive income:

	2014	2013
On changes in the fair value of cash flow hedges	**15.6**	(16.9)
On changes in defined benefit obligations	**57.1**	(17.4)
	72.7	(34.3)

28. Earnings per share

Earnings per share for profit attributable to the owners of the parent are calculated by dividing the profit attributable to the owners of the parent by the time-weighted average number of outstanding shares. There was no dilutive effect.

The calculation of the time-weighted average number of outstanding shares is as follows:

x 1,000	**2014**	2013
Issued and outstanding shares at January 1	**71,553**	69,387
Purchase of treasury shares	**(30)**	-
Sale of treasury shares	**7**	8
Dividend paid in stock	**1,346**	1,150
Average number of outstanding Shares	**72,876**	70,545

The calculation of the 2013 earnings per share has been adjusted to take into account the stock dividend (in accordance with IAS 33.64).

29. Changes in working capital

Changes in working capital in the consolidated statement of cash flows exclude exchange differences and the effect of acquisitions.

	2014	2013
Accounts receivable	**(35.0)**	65.6
Inventories	**(44.8)**	(7.8)
Other current assets	**18.5**	(9.0)
Accounts payable	**(19.5)**	(39.7)
Accrued expenses	**89.1**	8.1
	8.3	17.2

30. Share-based compensation

Expenses related to share-based compensation consist of:

	2014	2013
HAL Holding N.V.		
Share Plan*	**1.0**	0.8
GrandVision		
Real Share Plan*	**2.7**	4.9
Phantom Plan**	**31.6**	3.7
Cash Plans**	**0.4**	(0.3)
Vopak		
LTSP 2010/2014*	**0.9**	(0.4)
LTSP 2010/2014**	**0.9**	(1.1)
SMP**	**0.1**	-
LTCP**	**1.0**	(0.1)
Safilo		
SOP 2010/2014*	**0.5**	0.7
Other unquoted subsidiaries		
Cash Plans**	**3.3**	0.3
Total	**42.4**	8.5

* Equity-settled
** Cash-settled

Corresponding increases in equity for share-based compensation plans amounted to:

	2014	2013
HAL Holding N.V.		
Share Plan	**1.0**	0.8
GrandVision		
Real Share Plan	**29.7**	-
Vopak		
LTSP 2010/2014	**0.9**	(0.4)
Safilo		
SOP 2010/2014	**0.5**	0.7
Total	**32.1**	1.1

Liabilities recognized in relation to cash-settled share-based compensation are comprised of:

	2014	2013
GrandVision		
Real Share Plan*	**-**	25.1
Phantom Plan	**36.5**	5.3
Cash Plans	**0.8**	3.3
Vopak		
LTSP 2010/2014	**1.0**	1.0
LTCP	**1.0**	1.2
Other unquoted subsidiaries		
Cash Plans	**11.3**	8.4
Total	**50.6**	44.3

*As from 2014 the Real Share Plan is accounted for as an equity-settled plan and does not result in a liability.

The current part of this liability of € 22.9 million (2013: € 18.7 million) is included under short-term debt and the non-current part of € 27.7 million (2013: € 25.6 million) under long-term debt.

HAL Holding N.V.

The HAL Supervisory Board has the power to grant Executive Board members shares HAL Trust. The fair value of the shares granted in 2014 was € 127.40 per share, based on the quotation of HAL Trust shares on Euronext Amsterdam at grant date. The granted shares can be summarized as follows:

shares x 1,000	2014	2013
Outstanding at Jan. 1	**50**	50
Granted	**39**	-
Outstanding at Dec. 31	**89**	50

The Supervisory Board resolved, on November 19, 2014, to grant each of Messrs. A.A. van ‘t Hof and J.N. van Wiechen, members of the Executive Board, a one-time allotment of 19,500 shares HAL Trust. The shares need to be returned to the Company if the respective Board member is not employed by the Company on or before November 19, 2019. The above shares are restricted for a ten-year period.

On May 18, 2011, the Supervisory Board resolved to grant Mr. M.F. Groot 50,000 shares HAL Trust, under the condition precedent that he is still employed with the Company on May 18, 2016. The shares acquired will then be restricted for a five-year period.

GrandVision

Real Share Plan
The Real Share Plan provides shares of GrandVision to the participants over a vesting term and requires the Company to make an offer for 50% of the shares after a certain period of time, typically four years, and another offer on the remaining 50% of the shares on the fifth-year anniversary of grant. However, this redemption option is canceled upon listing of GrandVision's shares. In the event a listing becomes probable, settlement in shares becomes probable and the plan becomes equity-settled. Vesting of awards granted under the Real Share Plan is based on a service condition that can vary between 3-5 years.

The Real Share Plan has historically been accounted for under IAS 19 and classified as a liability as the plan was settled in cash to be paid by the Company upon exercise of the awards. Upon a listing, the requirement for the Company to offer to settle the shares in cash is eliminated. With the listing probability threshold being met the Real Share Plan was classified as equity-settled, and the original granted fair value was reclassified to equity, as of September 30, 2014. GrandVision's shares were listed on Euronext Amsterdam on February 6, 2015. The impact of the reclassification is as follows:

	Liability	Equity
January 1, 2014	**25.1**	-
Expense	**7.7**	0.5
Settlement	**(1.0)**	-
Effect reclassification from IAS 19 to IFRS 2	**(31.8)**	29.2
December 31, 2014	**-**	29.7

Upon transition from IAS 19 to IFRS 2, the expense recognition under GrandVision's long-term incentive plans was adjusted to reflect the expense recognition that would have occurred if the arrangements had been accounted for under IFRS 2 from the respective grant dates. This resulted in an incremental income (reversal of expense) of € 2.5 million, driven by higher fair values using the internal measure versus the grant date fair value. This gain is recognized in income.

The shares granted under the Real Share Plan can be summarized as follows:

Shares x 1,000	**2014**
Outstanding at Jan. 1	**169**
Granted	**19**
Settled	**(7)**
Outstanding at Dec. 31	**181**

Out of the shares outstanding under the Real Share Plan at December 31, 2014, 76,319 were vested.

Phantom Plan
The Phantom Plan provides the participants with the right to receive cash based on the appreciation in the GrandVision share price between the date of grant and the vesting date. Participants are granted phantom shares as well as phantom options under the Phantom Plan. Phantom shares and options are cash-settled and contain a service condition of 3-5 years in addition to performance conditions based on certain GrandVision targets.

The estimate for the liability (and corresponding expense recognition) has been affected by the increase in the probability of the listing since the estimated fair value of GrandVision's shares is higher than the value of the shares determined based on the formula used before application of IFRS 2. As the probability of the listing increases, the estimate for the total fair value of the liability increases in proportion. This resulted in an incremental expense of € 21.0 million, which was recognized in the income statement. The estimate for the liability changed with the corresponding change in probability of an IPO occurring, with the changes being recognized during the periods in which the change in estimate occurred. Also, the liability will be increased and expense recognized as the vesting of phantom shares and options occurs over time. The impact of the reclassification is as follows:

	Liability
January 1, 2014	**5.3**
Expense	**10.9**
Settlement	**(0.7)**
Incremental expense for reclassification from IAS 19 to IFRS 2	**21.0**
December 31, 2014	**36.5**

Options granted have an exercise price between € 119.51 and € 205.15, a remaining lifetime between 0.4 and 4.4 years and a total fair value of € 28.2 million. The fair value of these options was estimated using the Black-Scholes model. The main market inputs used in the model were annual risk-free rates between (0.11)% and 0.01%, expected volatilities between 21.9% and 34.7%, a dividend yield of 1.5% and a share price of € 400 (a 20-to-1 stock split in 2015 resulted in the IPO price of € 20 per share). The expected volatility applied is based on the weighted average historical, annualized volatilities of a group of comparable, listed companies.

The outstanding options can be summarized as follows:

Options x 1,000	**2014**	**Average exercise price**
Outstanding at Jan. 1	**135**	**142.54**
Adjustment for performance conditions	**(3)**	**127.59**
Granted	**4**	**129.30**
Forfeited	**(18)**	**140.27**
Outstanding at Dec. 31	**118**	**142.87**

The outstanding shares can be summarized as follows:

Shares x 1,000	**2014**
Outstanding at Jan. 1	**48**
Adjustment for performance conditions	**(1)**
Granted	**35**
Forfeited	**(7)**
Outstanding at Dec. 31	**75**

Out of the phantom shares outstanding at December 31, 2014, 8,840 were vested. For the phantom options outstanding at December 31, 2014, exercise prices range from € 119.51 to € 205.15 with an average remaining contract life of 2.9 years. Out of the phantom options outstanding at the year-end 26,162 were exercisable.

Vopak

LTSP 2014

The LTSP 2014 rewards participants for the increase in Vopak's Earnings per Share (EPS) performance during the period from 2014 through 2016 at a pre-set target compared to the EPS performance of 2013. If a considerable, ambitious improvement in the EPS has been achieved during the said 3-year performance period, a long-term remuneration will be awarded that ranges from 0% to 120% per annum of Vopak's Chairman's average annual salary and from 0% to 90% per annum for other Vopak Board members. For key managers of Vopak these annual percentages are 0% to 60% or 0% to 45% of the average annual salary. After the end of the performance period, 50% of the incentive is settled in Vopak shares and 50% in cash.

The granted shares can be summarized as follows:

Shares x 1,000	**2014**
Outstanding at Jan. 1	**-**
Granted	**206**
Outstanding at Dec. 31	**206**

The fair values of the LTSP 2014 awards granted in 2014 (€ 40.64) have been determined based on Vopak's share price at the grant date, reduced with the expected discounted future dividends payable during the respective vesting periods since the participants are not entitled to receive dividends during the vesting period.

LTSP 2010

The Long Term Share Plan (LTSP) 2010 rewards participants for the increase in Vopak's EPS performance during the period from 2010 through 2013 at a pre-set target compared to the EPS performance of 2009. If a considerable, ambitious improvement in the EPS has been achieved during the said 4-year performance period, a long-term remuneration will be awarded that ranges from 0% to 100% per annum of Vopak's Chairman's average annual salary and from 0% to 82.5% per annum for other Vopak Board members. For key Vopak managers these annual percentages are 0% to 52.5% or 0% to 37.5% of the average annual salary. After the end of the performance period, 50% of the incentive is settled in Vopak shares and 50% in cash.

The shares granted under the LTSP 2010 can be summarized as follows:

Shares x 1,000	**2014**	2013
Outstanding at Jan. 1	**223**	223
Vested	**(223)**	-
Outstanding at Dec. 31	**-**	223

SMP

In 2007, 2008 and 2009, the participants of the Share Matching Plan (SMP) could purchase Vopak shares, which were placed in a portfolio. The shares in the portfolio are released after a five-year blocking period, notwithstanding participants' obligation to maintain the shares in a portfolio at the applicable target level. As consideration for investing and keeping the shares in a portfolio, the company conditionally awarded performance-related matching shares. The performance condition attached to the matching shares is linked to the EPS growth development during the five-year period. This pre-set performance condition is treated as a non-market vesting condition.

Depending on the performance during the vesting period the number of matching shares that can vest is between 0% and 200% of the number of own invested shares in the portfolio for the specific plan year.

The granted matching shares can be summarized as follows:

Shares x 1,000	**2014**	2013
Outstanding at Jan. 1	**47**	65
Vested	**(47)**	(18)
Outstanding at Dec. 31	**-**	47

LTCP

For Vopak senior managers who are not eligible to participate under the LTSP but who contribute significantly to the company's shareholder value, a three-year Cash Plan is granted. The Long-Term Cash Plan (LTCP) 2014-2016 provides for additional pay in the form of deferred compensation under the terms and conditions of the plan after a three year vesting period. The financial performance is measured by the EPS growth during the three year period, the incentive can rise from 0% to a maximum of 30% or 22.5% per annum of the average salary over the vesting period.

Safilo

SOP 2014

The Safilo 2014-2016 Stock Option Plan (SOP) has a total duration of ten years (from 2014 to 2024). The options granted to the beneficiaries may be exercised after a minimum of two years from the grant date.

The options attributed will vest when the following vesting conditions are met (1) continued employment at the options' vesting date and (2) the achievement of differentiated performance objectives for the relevant period of each tranche.

Pursuant to the authorization by Safilo's shareholders at the Extraordinary General Meeting at April 15, 2014, 305,000 options were granted with an exercise price of 15.05, an eight-year maturity and a fair value of € 2.67. The fair value of these options was estimated using the Black-Scholes model. The main market inputs used in the model were an annual risk-free rate of 1.04%, expected volatility of 30.00% and the share price at grant date of € 15.67. The expected volatility applied is based on the weighted average historical normalised, annualized volatilities of a group of comparable, listed companies.

The granted options can be summarized as follows:

Options x 1,000	**2014**	**Average exercise price**
Granted	**305**	**15.05**
Expired	**(10)**	**15.05**
Outstanding at Dec. 31	**295**	**15.05**

Exercise prices for options outstanding at the year-end is € 15.05 with a remaining contract life of 7.4 years.

SOP 2010
The 2010-2013 Safilo Stock Option Plan (SOP) has a total duration of nine years (from 2010 to 2019). The options granted to the beneficiaries may be exercised after a minimum of three years from the grant date (with the exception of the first tranche, which will benefit from a shorter vesting period). The other vesting conditions are similar to those under the new 2014-2016 plan.

The options granted under the 2010-2013 plan can be summarized as follows:

Options x 1,000	**2014**	**Average exercise price**	2013
Outstanding at Jan. 1	**1,105**	**8.88**	1,380
Granted	**-**	**-**	385
Forfeited	**(40)**	**7.01**	(55)
Exercised	**(335)**	**11.34**	(460)
Expired	**(20)**	**12.55**	(145)
Outstanding at Dec. 31	**710**	**8.10**	1,105

Exercise prices for options outstanding at the year-end range from € 8.05 to € 14.54, similar to previous year, with an average remaining contract life of 3.1 years (2013: 4.1 years). For options exercised during the year the weighted average share price at the date of exercise was € 11.34.

Among the options outstanding at the end of the period, 100,000 options are exercisable until May 31, 2016, and 50,000 options are exercisable until May 31, 2017. A total of 280,000 options became exercisable from the date of approval of the 2014 Safilo financial statements until the expiry of the exercise period on May 31, 2018.

Other unquoted subsidiaries *(excluding GrandVision)*

Management of certain subsidiaries own non-controlling interests in the capital of these subsidiaries. With respect to certain subsidiaries, the Company has the conditional obligation to acquire these equity instruments for cash. These obligations are generally included in management participation agreements which are similar in nature and include conditions such as vesting criteria, lock up arrangements, non-compete agreements and good leaver/bad leaver provisions.

These liabilities are initially recorded based on the value of the equity instruments transferred and subsequently remeasured to fair value. The calculation of fair value is generally based on a multiple of EBITA less net debt. Multiples applied are either contractually determined or, generally, in accordance with those applied in calculating estimated value of the subsidiaries and associates (page 88). The liabilities expire during the period 2015-2019. The short-term part of this liability of € 3.2 million (2013: € nil) is included under short-term debt and the long-term part of € 8.1 million (2013: € 8.4 million) under long-term debt.

31. Segmentation

The Company's reportable segments are:

- Optical retail
- Other unquoted
- Quoted minority interests
- Real estate
- Liquid portfolio

The segment Quoted minority interests relates to both the consolidated as the unconsolidated minority interests.

Operating income (for the purpose of this report defined as earnings before interest, exceptional and non-recurring items, taxes and amortization of intangible assets but including amortization of software) can be detailed as follows:

	2014	2013
Optical retail	**341.7**	293.8
Other unquoted	**135.8**	77.2
Quoted minority interests	**723.2**	727.0
Real estate	**9.9**	10.5
Liquid portfolio	**2.9**	15.5
	1,213.5	1,124.0
Reconciling items:		
- Amortization	**(111.8)**	(153.8)
- Other	**(14.2)**	(29.3)
Operating result as per consolidated statement of income	**1,087.5**	940.9
Financial expense, net	**(123.4)**	(169.1)
Profit before tax as per consolidated statement of income	**964.1**	771.8

The 'other' reconciling items represent mostly corporate overhead and exceptional and non-recurring items.

The composition of depreciation expense by segment is as follows:

	2014	2013
Optical retail	**98.3**	94.3
Other unquoted	**66.9**	69.3
Quoted minority interest	**291.4**	294.8
Real estate	**0.7**	1.9
Reconciling items	**0.3**	0.3
	457.6	460.6

The reconciling items represent corporate depreciation expense.

The composition of revenues by segment is as follows:

	2014	2013
Optical retail	**2,862.2**	2,672.5
Other unquoted	**1,684.3**	1,577.2
Quoted minority interest	**2,460.1**	2,382.9
	7,006.6	6,632.6

The composition of assets by segment is as follows:

	2014	2013
Optical retail	**2,666.7**	2,331.6
Other unquoted	**2,067.8**	1,992.7
Quoted minority interests	**8,084.9**	7,316.5
Real estate	**9.6**	47.8
Liquid portfolio	**746.5**	303.9
Reconciling items	**98.6**	111.4
	13,674.1	12,103.9

The reconciling items represent primarily deferred tax, loans and corporate pension assets.

The composition of investments in associates and joint ventures by segment is as follows:

	2014	2013
Optical retail	**35.0**	32.6
Other unquoted	**159.8**	146.7
Quoted minority interests	**2,072.4**	1,704.4
	2,267.2	1,883.7

The composition of capital expenditures by segment is as follows:

	2014	2013
Optical retail	**310.8**	138.4
Other unquoted	**85.9**	186.0
Quoted minority interest	**572.8**	589.3
Real estate	**1.2**	2.4
Reconciling items	**0.9**	0.2
	971.6	916.3

Capital expenditure consists of additions of property, plant and equipment, investment properties and intangible assets.

The composition of liabilities by segment is as follows:

	2014	2013
Optical retail	**1,822.6**	1,259.0
Other unquoted	**1,155.6**	1,171.4
Quoted minority interest	**4,172.7**	3,578.9
Real estate	**1.0**	12.8
Liquid portfolio	**0.9**	0.9
Reconciling items	**18.4**	7.9
	7,171.2	6,030.9

The composition of revenues by geographical area is as follows:

	2014	2013
Europe	**5,358.9**	5,099.3
North America	**773.9**	729.8
Other countries	**873.8**	803.5
	7,006.6	6,632.6

The composition of property, plant and equipment, investment properties, intangible assets and investment in associates by geographical area is as follows:

	2014	2013
Europe	**6,438.4**	5,799.9
North-America	**670.2**	593.1
Asia	**1,687.0**	1,478.4
Other countries	**864.9**	823.7
	9,660.5	8,695.1

32. Impairments

The following impairment losses, net of reversals, are recognized:

	2014	2013
Goodwill	**19.2**	44.2
Other intangibles	**7.6**	18.2
Property, plant and equipment	**29.5**	21.4
Investments in associates and joint ventures	**12.3**	(7.3)
Assets held for sale	**6.9**	-
	75.5	76.5

Impairments of investments in associates and joint ventures are net of reversals of € 3.8 million (2013: € 7.3 million).

Impairment losses by segment are as follows:

	2014	2013
Optical retail	**8.8**	9.8
Other unquoted	**14.0**	52.6
Quoted minority interest	**52.7**	14.1
	75.5	76.5

Impairment losses are included as follows in the consolidated statement of income:

	2014	2013
Amortization and impairments of intangible assets	**26.8**	62.4
Depreciation and impairment of property plant, equipment and investment properties	**29.5**	21.4
Share of profit/(loss) of associates and joint ventures	**12.3**	(7.3)
Other operating expenses	**6.9**	-
	75.5	76.5

33. Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

Dec. 31, 2014	Loans and receivables	Available-for-sale	Derivatives	Total
Assets				
Other financial assets	192.2	307.9	-	**500.1**
Marketable securities and deposits	-	141.1	-	**141.1**
Derivatives	-	-	30.0	**30.0**
Other current assets	215.2	-	-	**215.2**
Receivables	751.3	-	-	**751.3**
Cash	1,147.4	-	-	**1,147.4**
Total	2,306.1	449.0	30.0	**2,785.1**

Dec. 31, 2014	Liabilities	Derivatives	Total
Liabilities			
Long-term debt and other fin. liab.	3,848.4	-	**3,848.4**
Short-term debt and other fin. liab.	633.1	-	**633.1**
Derivatives	-	160.5	**160.5**
Accounts payable	676.4	-	**676.4**
Total	5,157.9	160.5	**5,318.4**

Dec. 31, 2013	Loans and receivables	Available-for-sale	Derivatives	Total
Assets				
Other financial assets	159.2	415.5	-	**574.7**
Marketable securities and deposits	-	81.8	-	**81.8**
Derivatives	-	-	22.1	**22.1**
Other current assets	292.0	-	-	**292.0**
Receivables	657.3	-	-	**657.3**
Cash	736.2	-	-	**736.2**
Total	1,844.7	497.3	22.1	**2,364.1**

Dec. 31, 2013	Liabilities	Derivatives	Total
Liabilities			
Long-term debt and other fin. liab.	3,143.1	-	**3,143.1**
Short-term debt and other fin. liab.	492.8	-	**492.8**
Derivatives	-	186.6	**186.6**
Accounts payable	644.4	-	**644.4**
Total	4,280.3	186.6	**4,466.9**

34. Fair value of financial assets and financial liabilities

The table below summarizes the fair value of financial assets and financial liabilities in comparison with their carrying amounts.

	Fair value **2014**	Carrying amount **2014**	Fair value 2013	Carrying amount 2013
Financial assets				
Other financial assets	**500.9**	**500.1**	575.0	574.7
Marketable securities and deposits	**141.1**	**141.1**	81.8	81.8
Derivatives	**30.0**	**30.0**	22.1	22.1
Other current assets	**215.2**	**215.2**	292.0	292.0
Receivables	**751.3**	**751.3**	657.3	657.3
Cash	**1,147.4**	**1,147.4**	736.2	736.2
Total	**2,785.9**	**2,785.1**	2,364.4	2,364.1

	Fair value **2014**	Carrying amount **2014**	Fair value 2013	Carrying amount 2013
Financial liabilities				
Long-term debt	**4,051.1**	**3,848.4**	3,226.4	3,143.1
Short-term debt	**633.1**	**633.1**	492.8	492.8
Accounts payable and derivatives	**836.9**	**836.9**	831.0	831.0
Total	**5,521.1**	**5,318.4**	4,550.2	4,466.9

The fair value of the financial assets has been primarily determined using market prices which qualify as level 1 in the fair value hierarchy. When these are not available, discounted cash flow techniques have been used to value these instruments. The fair value of the financial liabilities has been determined using only discounted cash flow techniques. The discounted cash flow techniques use market interest rates and exchange rates as input (level 2).

35. Summary by level of assets and liabilities measured at fair value

Dec. 31, 2014	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale financial assets				
- equity securities	378.0	44.1	-	422.1
- debt securities	26.9	-	-	26.9
Derivatives	-	30.0	-	30.0
Total	404.9	74.1	-	479.0

	Level 1	Level 2	Level 3	Total
Liabilities				
Derivatives	-	160.5	-	160.5
Other financial liabilities	-	-	114.9	114.9
Total	-	160.5	114.9	275.4

Dec. 31, 2013	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale financial assets				
- equity securities	459.7	37.6	-	497.3
Derivatives	-	22.1	-	22.1
Total	459.7	59.7	-	519.4

	Level 1	Level 2	Level 3	Total
Liabilities				
Derivatives	-	186.6	-	186.6
Other financial liabilities	-	-	149.0	149.0
Total	-	186.6	149.0	335.6

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Equity funds classified in level 2 are fair valued using the net asset value of the fund, as reported by the respective Fund's administrator as it represents the fair value of the assets held by the fund. For these funds, Management believes the Company could have redeemed its investment at the net asset value per share at the statement of financial position date.

In the case of financial instruments that are not traded in an active market such as certain derivatives, fair value is determined by using valuation techniques. These valuation techniques use observable market data where it is available. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There were no transfers between levels 1, 2 and 3 during the period. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the beginning of the period.

A reconciliation of level 3 financial instruments for the period is given below:

	2014	2013
At January 1	**149.0**	160.9
Gains in income	**0.2**	8.6
Additions	**4.5**	0.9
Disposals	**(38.8)**	(21.5)
At December 31	**114.9**	148.9

36. Capital risk management

The Company manages its capital to safeguard its ability to continue as a going concern and to provide an adequate return on its invested capital.

The capital structure per December 31 is summarized in the table below:

	2014	2013
Equity	**5,063.4**	4,666.8
Long-term bank debt	**3,717.1**	3,001.7
Short-term bank debt	**600.4**	473.5
Cash and deposits	**(1,147.4)**	(736.2)
Total capital employed	**8,233.5**	7,405.8

37. Related-party transactions

Short-term and post-employment benefits for the Executive Board are as follows:

	2014	2013
Former member of the Executive Board		
Short-term employee benefits	**1.0**	1.1
Post-employment benefits	**0.1**	0.2
	1.1	1.3
Current members of the Executive Board		
Short-term employee benefits	**2.8**	1.1
Post-employment benefits	**1.4**	0.2
Share-based compensation (see note 30)	**1.0**	0.8
	5.2	2.1
	6.3	3.4

The fixed 2014 remuneration for the Supervisory Directors of HAL Holding N.V. was € 0.4 million (2013: € 0.4 million) in total.

38. Capital and financial commitments, contingent liabilities

Capital commitments:

On December 31, 2014, the Company and its subsidiaries had capital commitments in respect of property, plant and equipment of € 225.6 million (2013: € 236.3 million which also included commitments for vessels under construction).

Financial commitments:

Leases of assets under which significant risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the consolidated statement of income on a straight-line basis over the period of the lease.

The future minimum lease payments under non-cancellable operating leases and other commitments are as follows:

	2014	2013
No later than 1 year	**384.3**	314.9
Later than 1 year and no later than 5 years	**907.5**	843.5
Later than 5 years	**775.3**	531.6
Total	**2,067.1**	1,690.0

Operating leases recognized in income amounted to € 482.1 million (2013: € 470.2 million).

At year end, Safilo had contracts with licensors for the production and sale of branded sunglasses and frames. These contracts include guarantees for a minimum amount of production as well as commitments for advertising. These licensing commitment can be summarized as follows:

	2014	2013
No later than 1 year	**160.5**	154.4
Later than 1 year and no later than 5 years	**536.6**	581.9
Later than 5 years	**85.8**	137.0
Total	**782.9**	873.3

Contingent liabilities:

The Company and its subsidiaries and controlled minority interests entered into various commitments to provide debt and equity financing. These commitments mainly relate to Vopak. In addition, guarantees and commitments were provided by Vopak on behalf of associates and joint ventures. The total estimated amount of these commitments not recognized in the statement of financial position comprises:

	2014	2013
Commitments to provide debt or equity funding	**295.4**	69.1
Guarantees and securities provided	**133.6**	148.9

The commitments to provide debt or equity funding mainly relate to Vopak's commitment with respect to the construction of an industrial terminal in Pengeran (Malaysia).
The amount of guarantees and securities provided can potentially be called within one year.

Environmental obligations Vopak
Vopak is exposed to risks regarding environmental obligations arising from past activities. For example, a number of sites have to be decontaminated before being handed back at the end of the contractual period. Under current legislation, environmental plans and any other measures to be adopted have to be agreed with local, regional and national authorities as appropriate. As soon as such plans are approved or other legal obligations arise, a provision is formed based on the most reliable estimate possible of future expenses. Vopak management is of the opinion that, based on information currently available, the provisions are adequate. However, given the degree of difficulty in making estimates, this does not guarantee that no additional costs will arise.

Claim related to Vopak LNG Terminal Altamira
On 15 October 2014, LNG Terminal Altamira, Mexico (Vopak (60%) and Enagas S.A. (40%)) received an official letter from the Comisión Nacional del Agua. This government agency assesses a substantial amount for presumed non-compliance with certain reporting requirements and alleged environmental contamination of seawater used as heating water for the regasification process during a defined period prior to the acquisition of the terminal by the current joint venture partners.
On 27 November 2014, an administrative recourse proceeding was filed before the General Legal Under Directorate of the National Water Commission against the resolution. Based on the technical design of the terminal, Vopak considers the allegation related to the environmental contamination of the heating water to be unfounded as the water is nowhere in the terminal in contact with LNG or other substances and therefore cannot be contaminated as supported by an independent expert's opinion about its own regasification process. Legal counsellors consider that at this stage of the proceeding, there is a high probability for success. This could be increased based on an eventual challenge before the Federal Tribunal of Fiscal and administrative Justice, since, besides the fact that additional defence arguments would be presented, an

independent body of the authority would be resolving the litigation proposed. Therefore, no provision for the claimed amount has been booked as of 31 December 2014 at the joint venture level.
Vopak and Enagas have notified the previous owners of the terminal under the share purchase agreement in relation to any liability that might be established. Vopak as shareholder of the joint venture is not liable for this claim.

GrandVision
In June 2009, the French competition authority ('Autorité de la concurrence') began investigations into certain optical suppliers and optical retailers active in the branded sunglasses and branded frames sector in France, including GrandVision. The authorities are investigating whether these parties have entered into vertical restraints in relation to the distribution of branded sunglasses and branded frames. Under French law, there is no formal date by which the French competition authorities are required to complete their investigation. As of the date of these consolidated financial statements, GrandVision has not been accused of having violated the laws in question. If it is ultimately determined that GrandVision has violated applicable laws, it may be subject to fines. As GrandVision has not been formally accused, it is unable to estimate the extent of such fine, if any. At this stage, no provision was made in the financial statements in relation to this matter. Safilo has been subject to the same enquiry in France. No provision has been made with respect to Safilo either.

39. Subsequent events

On January 12, 2015, Safilo executed a contract with Kering S.A. Main elements of this contract are:

- the Gucci license agreement will be terminated at the end of December 2016;
- the license agreements with respect to Bottega Veneta, Alexander McQueen and Saint Laurent will be terminated at the end of June 2015;
- a Strategic Product Partnership Agreement for the development and manufacturing of Gucci's "Made in Italy" products for a four-year period from January 2017 until December 2020;
- a compensation of € 90 million for Safilo, to be paid in three equal installments. The first was received in January 2015, the second will be received in December 2016 and the third in September 2018.

The above compensation has no impact on the statement of income in 2014 and 2015.

On 5 January 2015, Vopak announced that it had received confirmation from the Rotterdam District Court that no opposition had been filed against the cancellation of all outstanding financing preference shares.
The cancellation of all 41.4 million outstanding financing preference shares amounting to of € 44 million took effect on 1 January 2015. The Company owned 13.64% of these shares.

On January 22, 2015, Vopak announced that it had sold its land position in Turkey. This plot of land was already classified as Held for sale in prior reporting periods.

On February 10, 2015, Vopak announced that it had entered into a binding agreement to sell three wholly owned terminals and its plot of land in the United States. The terminals involved are: Vopak Terminal North Wilmington and Vopak Terminal South Wilmington, both located in the state of North Carolina, and Vopak Terminal Galena Park, located in the state of Texas. The plot of land is located in Perth Amboy in the state of New Jersey. This divestment was completed on February 27, 2015.

On February 6, 2015, GrandVision N.V. commenced trading on Euronext Amsterdam as a result of a secondary offering, by HAL, of 21.9% of the outstanding shares of the company. The offer price of € 20.00 per share corresponded to an equity value for GrandVision of € 5 billion and gross proceeds for HAL of € 1,116 million. At the end of 2014 the book value of HAL's 98.57% ownership interest in GrandVision was € 799 million. Post IPO, HAL's ownership interest in GrandVision was 76.72 %. No capital gain will be recognized in the income statement on this transaction, as, in accordance with IFRS, the result (approximately € 900 million) will be recorded through shareholders' equity. In 2014, expenses were incurred on this transaction for an after-tax amount of € 3.5 million. These expenses were recorded through shareholders' equity. GrandVision acquired 2.5 million own shares in the IPO for € 50 million.

List of Principal Subsidiaries, Controlled Minority Interests and Associates

as of December 31, 2014

Name	Country of incorporation	Nature of business	Ordinary shares % held	Preferred shares % held	Non-controlling interests % held
Subsidiaries					
HAL Holding N.V.	Curaçao	Holding company	100.0%	0.0%	0.0%
HAL International N.V.	Curaçao	Holding company	100.0%	0.0%	0.0%
HAL International Investments N.V.	Curaçao	Holding company	100.0%	0.0%	0.0%
HAL Investments N.V.	Curaçao	Holding company	100.0%	0.0%	0.0%
HAL Real Estate Investments Inc.	U.S.A.	Real estate	100.0%	0.0%	0.0%
HAL Investments B.V.	The Netherlands	Holding company	100.0%	0.0%	0.0%
Coral Shipping Holding B.V.	The Netherlands	Shipping	100.0%	0.0%	0.0%
FD Mediagroep B.V.	The Netherlands	Media	100.0%	100.0%	0.0%
Mercurius Groep Holding B.V.	The Netherlands	Communication	100.0%	100.0%	0.0%
Orthopedie Investments Europe B.V.	The Netherlands	Orthopaedic devices	100.0%	100.0%	0.0%
GrandVision N.V.	The Netherlands	Optical retail	98.6%	0.0%	1.4%
Broadview Holding B.V.	The Netherlands	Industrial	97.4%	0.0%	2.6%
Gispen Group B.V.	The Netherlands	Office furniture	96.0%	100.0%	4.0%
Koninklijke Ahrend N.V.	The Netherlands	Office furniture	96.0%	100.0%	4.0%
AudioNova International B.V.	The Netherlands	Hearing aids	95.0%	0.0%	5.0%
Sports Timing Holding B.V.	The Netherlands	Timing equipment	95.0%	100.0%	5.0%
InVesting B.V.	The Netherlands	Debts collection	81.4%	0.0%	18.6%
PontMeyer N.V.	The Netherlands	Building materials	75.4%	0.0%	24.6%
Flight Simulation Company B.V.	The Netherlands	Flight simulators	70.0%	100.0%	30.0%
Anthony Veder Group N.V.	Curaçao	Shipping	62.9%	0.0%	37.1%
Controlled minority interests					
Koninklijke Vopak N.V.	The Netherlands	Tank terminals	48.15%	13.64%	51.85%
Safilo Group S.p.A.	Italy	Optical products	41.69%	0.00%	58.31%

All the above entities are included in the consolidation. The proportion of the effective voting rights in the respective entity are virtually equal to the proportion of the ordinary shares held.

GEERS Hörakustik AG & Co. KG, a subsidiary of AudioNova International B.V., is included in the consolidated financial statements. It has fulfilled the requirements of Art. 264b German Commercial Code to be allowed to make use of the exemption not to publish their financial statements.

Non-consolidated minority interests

Publicly traded	
Koninklijke Boskalis Westminster N.V.	34.50%
SBM Offshore N.V.	15.01%
Other	
N.V. Nationale Borg-Maatschappij	46.68%
Atlas Services Group Holding B.V.	45.00%
Navis Capital Partners Ltd.	25.00%

Non-controlling interests

Non-controlling interests with respect to Koninklijke Vopak N.V. and Safilo Group S.p.A. can be detailed as follows:

	Vopak 2014	Vopak 2013	**Safilo 2014**	Safilo 2013	**Total 2014**	Total 2013
Profit allocated to the non-controlling interest during the reporting period	**(175.7)**	(192.4)	**(15.4)**	(0.6)	**(191.1)**	(193.0)
Accumulated non-controlling interest at the end of the reporting period	**1,054.6**	1,070.9	**296.1**	255.7	**1,350.7**	1,326.6

Summarized financial information on consolidated minority interests with material non-controlling interests

Set out below are the summarized financial information for each entity that has non-controlling interests that are material to the Company. These are the financial statements as reported by these entities and exclude purchase price accounting adjustments made by the Company.

	Vopak		Safilo	
Summarized balance sheet	**2014**	2013	**2014**	2013
Current				
Assets	**593.5**	561.5	**653.7**	594.2
Liabilities	**(730.3)**	(575.5)	**(377.1)**	(345.5)
	(136.8)	(14.0)	**276.6**	248.7
Non-current				
Assets	**4,814.9**	4,261.5	**944.2**	871.5
Liabilities	**(2,775.3)**	(2,320.0)	**(246.6)**	(274.1)
	2,039.6	1,941.5	**697.6**	597.4
Net assets	**1,902.8**	1,927.5	**974.2**	846.1
Summarized income statement				
Revenue	**1,322.5**	1,295.2	**1,178.7**	1,121.5
Profit before income tax	**378.7**	428.5	**64.9**	50.1
Income tax expense	**(83.1)**	(67.6)	**(25.4)**	(34.1)
Profit after income tax	**295.6**	360.9	**39.5**	16.0
Other comprehensive income	**(128.5)**	10.2	**86.1**	(33.1)
Total comprehensive income	**167.1**	371.1	**125.6**	(17.1)
Total comprehensive income allocated to non-controlling interests	**57.5**	31.7	**0.6**	0.4
Dividends paid to non-controlling interests	**36.0**	47.1	**-**	-
Summarized cash flows				
Cash generated from operations	**750.6**	713.2	**61.2**	115.7
Interest paid net	**(83.1)**	(101.9)	**(5.9)**	(11.9)
Income tax paid	**(51.8)**	(56.2)	**(28.4)**	(35.2)
Net cash from operating activities	**615.7**	555.1	**26.9**	68.6
Net cash from investing activities	**(694.0)**	(596.6)	**(39.3)**	(40.1)
Net cash from financing activities	**38.0**	(214.7)	**(22.7)**	(5.5)
Net cash (decrease)/increase	**(40.3)**	(256.2)	**(35.1)**	23.0
Cash and cash equivalents at beginning of year (incl. bank overdrafts)	**171.3**	435.7	**69.7**	45.6
Exchange gains/(losses) and other	**7.6**	(8.2)	**4.9**	1.1
Cash and cash equivalents at end of year (including bank overdrafts)	**138.6**	171.3	**39.5**	69.7

Summarized financial information on joint ventures

As of December 31, 2014

Summarized financial information on joint ventures
For the disclosure of the nature, extent and financial effects of joint ventures, Vopak makes a distinction between the activities in Europe, Middle East & Africa, LNG and Asia. The summarized financial information of the joint ventures of Vopak is as follows.

Summarized statement of financial position on a 100% basis

	Europe, Middle East and Africa		Asia		LNG		Other		Total	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
Non-current assets	**1,010.7**	936.4	**1,728.3**	1,381.3	**1,133.9**	1,110.6	**104.0**	156.3	**3,976.9**	3,584.6
Cash and cash equivalents	**94.9**	88.1	**150.9**	108.5	**70.2**	116.4	**42.1**	21.5	**358.1**	334.5
Other current assets	**66.8**	58.3	**64.0**	74.5	**25.0**	27.2	**10.9**	12.8	**166.7**	172.8
Total assets	**1,172.4**	1,082.8	**1,943.2**	1,564.3	**1,229.1**	1,254.2	**157.0**	190.6	**4,501.7**	4,091.9
Financial non-current liabilities	**184.7**	186.9	**767.1**	489.3	**763.9**	790.7	**85.7**	121.9	**1,801.4**	1,588.8
Other non-current liabilities	**121.1**	92.8	**37.5**	35.0	**252.9**	194.6	**22.1**	10.8	**433.6**	333.2
Financial current liabilities	**76.7**	51.6	**24.4**	43.9	**62.1**	100.2	**4.8**	2.1	**168.0**	197.8
Other current liabilities	**74.1**	73.5	**163.6**	190.6	**28.3**	32.5	**18.8**	20.0	**284.8**	316.6
Total liabilities	**456.6**	404.8	**992.6**	758.8	**1,107.2**	1,118.0	**131.4**	154.8	**2,687.8**	2,436.4
Net assets	**715.8**	678.0	**950.6**	805.5	**121.9**	136.2	**25.6**	35.8	**1,813.9**	1,655.5
Vopak's share of net assets	**283.1**	269.0	**442.1**	379.3	**68.6**	73.9	**11.7**	15.0	**805.5**	737.2
Goodwill on acquisition	**16.5**	15.9	**2.4**	3.0	**48.5**	44.6	**-**	-	**67.4**	63.5
Vopak's carrying amount of net assets	**299.6**	284.9	**444.5**	382.3	**117.1**	118.5	**11.7**	15.0	**872.9**	800.7

Summarized statement of total comprehensive income on a 100% basis

	Europe, Middle East and Africa		Asia		LNG		Other		Total	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
Revenues	**206.9**	272.1	**268.2**	238.2	**226.5**	228.7	**32.6**	38.2	**734.2**	777.2
Operating expenses	**(100.8)**	(114.7)	**(98.3)**	(59.5)	**(60.4)**	(61.7)	**(11.4)**	(14.9)	**(270.9)**	(250.8)
Depreciation, amortization and impairment	**(49.9)**	(47.5)	**(77.7)**	(22.7)	**(41.2)**	(40.8)	**0.2**	(7.7)	**(168.6)**	(118.7)
Operating profit (EBIT)	**56.2**	109.9	**92.2**	156.0	**124.9**	126.2	**21.4**	15.6	**294.7**	407.7
Net finance costs	**(6.0)**	(9.8)	**(10.0)**	(7.0)	**(46.1)**	(48.7)	**(6.3)**	(6.6)	**(68.4)**	(72.1)
Income tax	**(4.4)**	(12.9)	**(28.4)**	(31.6)	**(23.8)**	(21.3)	**(1.3)**	(1.8)	**(57.9)**	(67.6)
Net profit	**45.8**	87.2	**53.8**	117.4	**55.0**	56.2	**13.8**	7.2	**168.4**	268.0
Other comprehensive income	**0.3**	1.3	**(4.6)**	(1.4)	**(38.4)**	46.5	**(5.6)**	4.7	**(48.3)**	51.1
Total comprehensive income	**46.1**	88.5	**49.2**	116.0	**16.6**	102.7	**8.2**	11.9	**120.1**	319.1
Vopak's share of net profit	**17.9**	35.9	**20.5**	48.9	**28.1**	28.5	**6.3**	3.0	**72.8**	116.3
Vopak's share of other comprehensive income	**0.1**	0.5	**(2.3)**	(0.7)	**(18.5)**	22.1	**(2.8)**	2.4	**(23.5)**	24.3
Vopak's share of total comprehensive income	**18.0**	36.4	**18.2**	48.2	**9.6**	50.6	**3.5**	5.4	**49.3**	140.6

Information relating to estimated value of the Subsidiaries and Associates of HAL Holding N.V.

As of December 31, 2014

General

This section provides additional information about the investment portfolio of HAL Holding N.V. ('HAL'). This information relates to the consolidated subsidiaries, the investments in associates and the other investments.

For the purpose of this section, book value includes goodwill and loans to the investee companies. Amounts denominated in foreign currencies have been translated at year-end exchange rates.

We emphasize that, especially with respect to unquoted investments, estimated value is based upon a number of assumptions. Values as realized upon sale of an investment can be materially different from these estimates.

Portfolio valuation methodology

The valuation of HAL's portfolio for this section is arrived at using a systematic process. The aim is to value the portfolio as a whole on a prudent and consistent basis.

Quoted investments

Quoted investments are valued at the closing price on the statement of financial position date. In certain circumstances, for example in case of trading restrictions, an appropriate discount may be applied.

Unquoted common equity investments

Unquoted investments are valued subject to overriding requirements of prudence, according to one of the following basis:

- Cost (less any provisions required);
- Recent transactions in the investee company;
- Earnings multiple;
- Other.

Cost

New investments are generally valued at cost during the first 12 months or, if later, until the availability of the first set of audited financial statements post completion of the acquisition. However, provisions against cost will be made if the performance of the investment is significantly below the expectations on which the acquisition was based.

After this initial period, investments can also remain valued at cost in the following situations:

- If an investment is loss-making and therefore the use of an earnings multiple does not seem appropriate, an investment is valued at cost less a provision in case of a possible diminution of value.
- If comparable quoted companies are not primarily valued on an earnings basis, an investment is valued at cost including any adjustments deemed appropriate.

After the twelve-month period the investments are generally valued based on an earnings multiple. It is possible that the multiple applied is lower than the multiple paid at the time of the acquisition.

Recent transactions in the investee company

In case of a recent significant and at arm's length share transaction in an investee company, the share price involved in this transaction is used to value the investment.

Earnings multiple

Valuations using an earnings multiple are principally based on the following method:

The EBITA (Earnings Before Interest, Tax and Amortization) of the current year is used, adjusted for non-recurring items when appropriate. The estimated value of the common equity of the investee company is determined by multiplying the (adjusted) EBITA with a multiple and subtracting the net debt and preferred shares of the investee company. The following factors may, among other things, be considered when selecting multiples:

- the multiple paid at the time of the investment;
- the multiples HAL generally would be prepared to pay for comparable investments;
- multiples of a meaningful sample of comparable quoted companies. When referring to multiples of comparable companies, a discount of at least 25% is taken into account for limited marketability, unless there is a strong possibility of a short-term realization.

Unquoted other investments

Unquoted preferred shares and loans to investee companies are generally valued at cost unless the investee company has failed or is expected to fail its payment obligations within the next 12 months. In these circumstances, these assets are valued at the lower of cost and net realizable value.

Valuation investments

	Book value	Estimated value	Cost price
Quoted investments	2,532.7	5,176.2	735.3
Unquoted investments	1,668.0	5,979.1	122.1
	4,200.7	11,155.3	857.4
Unquoted investments			
Value based on a multiple of EBITA	560.9	635.2	182.4
Valued at other methods	1,107.1	5,343.9	(60.3)
	1,668.0	5,979.1	122.1

Estimated value less book value of the unquoted investments amounted to € 4,311 million at the end of 2014 (2013: € 703 million) respectively € 58.23 and € 9.82 per Share.

Cost price represents the original purchase price less dividends, interest received and return of capital. The EBITA multiples applied vary from 7 to 8. Realized multiples may be materially different.

Recent transactions were valued at cost.
With respect to the optical retail activities, the valuation was based on the offer price (€ 20 per share) of the GrandVision shares in the initial public offering on Euronext Amsterdam on February 6, 2015. This resulted in a valuation of € 5,016 million for the 98.57% ownership in GrandVision held by HAL at December 31, 2014 (book value € 799 million).

In previous years, the optical retail activities were valued by applying a multiple of 8 to EBITA.

At the end of 2013 this resulted in an estimated value of € 1,706 million (book value € 1,028 million).

Quoted investments

	Interest in common shares	Share price Dec. 31, 2014, in €	Market value in € million
Koninklijke Vopak N.V.			
- ordinary shares	48.15%	43.09	2,651.8
- preferred shares			6.4
Koninklijke Boskalis Westminster N.V.	34.50%	45.45	1,929.0
Safilo Group S.p.A.	41.69%	10.78	281.1
SBM Offshore N.V.	15.01%	9.78	307.9
Total market value quoted investments			5,176.2

No discount was applied to the above market prices.

Supplemental information

As of December 31, 2014

General

The consolidated financial statements of HAL Trust include the financial statements of Koninklijke Vopak N.V. ('Vopak') and Safilo Group S.p.A. ('Safilo'). This section provides supplemental information where Vopak and Safilo are accounted for on an unconsolidated basis using the equity method. This was the accounting treatment until the application of IFRS 10, effective January 1, 2014, which requires consolidation of these entities. In all other respects, the accounting policies applied are consistent with those on pages 28 through 51. The inclusion of this information is considered appropriate and useful as the control model with respect to the entities where the Company's ownership interest exceeds 50% is materially different from the model with respect to Vopak and Safilo. Moreover, the inclusion of Vopak and Safilo in the consolidation has a significant effect on the financial statements. The following supplemental information also preserves comparability with prior year consolidated financial statements.

The following pro forma consolidated statements are included as supplemental information:

- statement of financial position
- statement of income
- statement of comprehensive income
- statement of changes in equity
- statement of cash flows

The pro forma consolidated statement of financial position, income and comprehensive income include a bridge from the consolidated financial statements (including Vopak and Safilo) to these pro forma statements.

A number of notes has been added to the above statements in order to provide additional information on the effect of the inclusion of Vopak and Safilo in the consolidated financial statements. These notes are based on the notes to the consolidated financial statements on pages 52 through 83. Certain notes are summarized for practical purposes.

Pro forma consolidated statement of financial position

As of December 31

In millions of euro		**Consolidated 2014**	Effect Exclusion Vopak/Safilo	**Pro forma Consolidated 2014**	Pro forma Consolidated 2013
Assets					
Non-current assets:					
Property, plant and equipment	1	**4,943.4**	(3,858.7)	**1,084.7**	983.1
Investment properties		**1.4**	-	**1.4**	32.2
Intangible assets	2	**2,448.5**	(382.8)	**2,065.7**	1,885.3
Investments in associates and joint ventures	4	**2,267.2**	152.4	**2,419.6**	2,148.8
Other financial assets	5	**489.4**	(89.7)	**399.7**	516.6
Derivatives		**19.4**	(19.4)	**-**	-
Pension benefits	9	**64.8**	-	**64.8**	75.7
Deferred tax assets	12	**216.8**	(145.2)	**71.6**	76.9
Total non-current assets		**10,450.9**	(4,343.4)	**6,107.5**	5,718.6
Current assets:					
Other financial assets		**10.7**	(10.7)	**-**	-
Inventories	7	**636.4**	(226.4)	**410.0**	364.1
Receivables	6	**751.3**	(369.2)	**382.1**	339.8
Marketable securities and deposits		**141.1**	-	**141.1**	81.8
Derivatives		**10.6**	(9.7)	**0.9**	0.1
Other current assets		**426.1**	(222.6)	**203.5**	193.1
Cash and cash equivalents		**1,147.4**	(270.6)	**876.8**	474.9
Total current assets		**3,123.6**	(1,109.2)	**2,014.4**	1,453.8
Assets held for sale		**99.6**	(99.6)	**-**	-
Total assets		**13,674.1**	(5,552.2)	**8,121.9**	7,172.4
Equity and liabilities					
Share capital		**1.5**	-	**1.5**	1.4
Other reserves		**58.6**	-	**58.6**	91.7
Retained earnings		**5,003.3**	(28.9)	**4,974.4**	4,547.7
Equity attributable to the owners of parent		**5,063.4**	(28.9)	**5,034.5**	4,640.8
Non-controlling interest		**1,439.5**	(1,350.6)	**88.9**	79.6
Total equity		**6,502.9**	(1,379.5)	**5,123.4**	4,720.4
Non-current liabilities:					
Deferred tax liabilities	12	**431.4**	(298.4)	**133.0**	138.3
Pension benefits	9	**345.1**	(250.7)	**94.4**	72.6
Derivatives		**130.2**	(130.2)	**-**	-
Provisions	8	**74.2**	(49.4)	**24.8**	36.4
Long-term debt and other financial liabilities	11	**3,848.4**	(2,360.0)	**1,488.4**	1,079.1
Total non-current liabilities		**4,829.3**	(3,088.7)	**1,740.6**	1,326.4
Current liabilities:					
Provisions	8	**56.2**	(27.6)	**28.6**	27.5
Accrued expenses	10	**829.0**	(229.5)	**599.5**	501.2
Income tax payable		**116.9**	(89.7)	**27.2**	35.8
Accounts payable		**676.4**	(386.8)	**289.6**	254.4
Derivatives		**30.3**	(10.3)	**20.0**	18.4
Short-term debt and other financial liabilities	11	**633.1**	(340.1)	**293.0**	288.3
Total current liabilities		**2,341.9**	(1,084.0)	**1,257.9**	1,125.6
Total equity and liabilities		**13,674.1**	(5,552.2)	**8,121.9**	7,172.4

Supplemental information

Pro forma consolidated statement of income

For the year ended December 31

In millions of euro		**Consolidated 2014**	Effect Exclusion Vopak/Safilo	**Pro forma consolidated 2014**	Pro forma consolidated 2013
Revenues	13	**7,006.6**	(2,460.1)	**4,546.5**	4,249.7
Income from marketable securities and deposits		**2.8**	-	**2.8**	15.5
Share of profit/(loss) of associates and joint ventures	14	**259.9**	56.7	**316.6**	308.8
Income from other financial assets		**9.1**	-	**9.1**	36.1
Income from real estate activities		**10.9**	-	**10.9**	12.2
Total income		**7,289.3**	(2,403.4)	**4,885.9**	4,622.3
Usage of raw materials, consumables and other inventory		**1,791.5**	(365.1)	**1,426.4**	1,346.8
Employee expenses	15	**2,053.3**	(637.3)	**1,416.0**	1,357.2
Depreciation of property, plant, equipment and investment properties		**457.6**	(291.4)	**166.2**	165.8
Amortization and impairments of intangible assets	2	**111.8**	(36.6)	**75.2**	109.7
Other operating expenses	16	**1,787.6**	(684.5)	**1,103.1**	1,056.4
Total expenses		**6,201.8**	(2,014.9)	**4,186.9**	4,035.9
Operating profit		**1,087.5**	(388.5)	**699.0**	586.4
Financial expense		**(198.5)**	139.2	**(59.3)**	(60.6)
Other financial income		**75.1**	(40.9)	**34.2**	11.5
Profit before income tax		**964.1**	(290.2)	**673.9**	537.3
Income tax expense	17	**(196.7)**	98.9	**(97.8)**	(50.1)
Net profit		**767.4**	(191.3)	**576.1**	487.2
Attributable to:					
Owners of parent		**556.6**	(0.2)	**556.4**	472.8
Non-controlling interest		**210.8**	(191.1)	**19.7**	14.4
		767.4	(191.3)	**576.1**	487.2
Average number of outstanding Shares *(in thousands)*		**72,876**	-	**72,876**	70,545
Earnings per Share for profit attributable to the owners of parent during the year *(in euro)*					
- basic and diluted		**7.64**		**7.63**	6.49
Dividend per Share *(in euro)*		**5.05** *		**5.05** *	4.10

* proposed

Supplemental information

Pro forma consolidated statement of comprehensive income

For the year ended December 31

In millions of euro	**2014**	2013
Net profit	**576.1**	487.2
Other comprehensive income:		
Items that will not be reclassified to statement of income in subsequent periods		
Actuarial result on post-employment benefit obligations	**(67.6)**	12.9
Income tax	**17.1**	(3.6)
	(50.5)	9.3
Share of associates, net of tax	**(74.7)**	36.7
	(125.2)	46.0
Items that may be reclassified to statement of income in subsequent periods		
Change in fair value of available-for-sale financial assets	**(138.3)**	98.0
Effective portion of hedging instruments	**1.2**	9.5
Income tax	**-**	(2.2)
Translation of foreign subsidiaries	**13.7**	(45.7)
Share of associates, net of tax	**92.7**	(38.7)
	(30.7)	20.9
Other comprehensive income for the year, net of tax	**(155.9)**	66.9
Total comprehensive income for the year, net of tax	**420.2**	554.1
Total comprehensive income attributable to:		
- Owners of parent	**399.1**	544.3
- Non-controlling interest	**21.1**	9.8
	420.2	554.1
Other comprehensive income for the year	**(155.9)**	66.9
Non-controlling interest	**1.4**	(4.6)
Attributable to owners of parent	**(157.3)**	71.5

The reconciliation with the consolidated financial statements on page 24 is as follows:

Consolidated other comprehensive income attributable to owners of parent	**(157.3)**	97.5
Pro forma other comprehensive income attributable to owners of parent	**(157.3)**	71.5
Difference	**-**	26.0

The difference of € 26.0 million relates to the reversal of the capital gain on the sale of bonds issued by Safilo.

Supplemental information

Pro forma consolidated statement of change in equity

	Attributable to owners of parent					
In millions of euro	Share capital	Retained earnings	Other reserves	Total	Non-controlling interest	**Total equity**
Balance on January 1, 2013	1.4	4,085.6	66.3	4,153.3	53.4	**4,206.7**
Restatement as a result of the implementation of IFRS 10, net of tax	-	-	-	-	25.7	**25.7**
Restated balance on January 1, 2013	1.4	4,085.6	66.3	4,153.3	79.1	**4,232.4**
Net profit for the year	-	472.8	-	472.8	14.4	**487.2**
Other comprehensive income for the year	-	46.1	25.4	71.5	(4.6)	**66.9**
Total comprehensive income for the year	-	518.9	25.4	544.3	9.8	**554.1**
Movements in treasury shares	-	1.2	-	1.2	-	**1.2**
Dividend paid	-	(59.0)	-	(59.0)	(8.1)	**(67.1)**
Share-based payment plans *(note 18)*	-	0.8	-	0.8	-	**0.8**
Other movements	-	0.2	-	0.2	(1.2)	**(1.0)**
Transactions with owners of the Company recognized directly in equity	-	(56.8)	-	(56.8)	(9.3)	**(66.1)**
Balance on December 31, 2013	1.4	4,547.7	91.7	4,640.8	79.6	**4,720.4**
Balance on January 1, 2014	1.4	4,547.7	91.7	4,640.8	79.6	**4,720.4**
Net profit for the year	-	556.4	-	556.4	19.7	**576.1**
Other comprehensive income for the year	-	(124.2)	(33.1)	(157.3)	1.4	**(155.9)**
Total comprehensive income for the year	-	432.2	(33.1)	399.1	21.1	**420.2**
Effect purchase of non-controlling interest	-	(5.3)	-	(5.3)	(1.9)	**(7.2)**
Movements in treasury shares	-	(9.9)	-	(9.9)	-	**(9.9)**
Dividend paid	0.1	(17.5)	-	(17.4)	(9.9)	**(27.3)**
Share-based payment plans *(note 18)*	-	30.7	-	30.7	-	**30.7**
Other movements	-	(3.5)	-	(3.5)	-	**(3.5)**
Transactions with owners of the Company recognized directly in equity	0.1	(5.5)	-	(5.4)	(11.8)	**(17.2)**
Balance on December 31, 2014	1.5	4,974.4	58.6	5,034.5	88.9	**5,123.4**

The reconciliation with the equity as per the consolidated financial statements on page 25 is as follows:

Equity attributable to owners of parent per consolidated statement of financial position:	5,063.4
Equity attributable to owners of parent per pro forma consolidated statement of financial position:	5,034.5
Difference	28.9

The difference is due to purchase price accounting adjustments as the result of the retrospective application of IFRS 10 to Vopak and Safilo.

Supplemental information

Pro forma consolidated statement of cash flows

For the year ended December 31

In millions of euro		**2014**	2013
Cash flows from operating activities:			
Profit before taxes		**673.9**	537.3
Depreciation		**166.2**	165.8
Amortization and impairments	2	**75.2**	109.7
(Profit)/loss on sale of property, plant, equipment and investment properties		**(10.0)**	(9.0)
(Profit)/loss on sale of other financial assets and marketable securities		**(3.1)**	(63.7)
Share of (profit)/loss of associates and joint ventures	4, 14	**(316.6)**	(286.7)
Net financial expense		**25.1**	49.2
Other movements in provisions and pension benefits		**(51.7)**	1.2
Dividend from associates and joint ventures	4	**64.9**	62.5
Changes in working capital		**18.9**	19.0
Cash generated from operations		**642.8**	585.3
Other financial income received		**8.2**	8.2
Finance costs paid, including effect of hedging		**(54.5)**	(50.0)
Income taxes paid		**(101.7)**	(70.5)
Net cash from operating activities		**494.8**	473.0
Cash flows from investing activities:			
Acquisition of associates, joint ventures and subsidiaries, net of cash acquired	3	**(158.3)**	(143.5)
Purchases of other intangibles	2	**(29.4)**	(28.1)
Purchase of property, plant, equipment and investment properties		**(207.7)**	(276.0)
Divestiture of associates, joint ventures and subsidiaries	4	**14.5**	14.7
Proceeds from (acquisition of) other financial assets	5	**(24.8)**	46.5
Proceeds from sale of property, plant, equipment and investment properties		**48.0**	34.1
Proceeds from assets and liabilities held for sale		**-**	273.7
Proceeds from marketable securities and deposits, net		**(31.6)**	31.6
Net cash from investing activities		**(389.3)**	(47.0)
Cash flows from financing activities:			
Borrowing/(repayment) of debt and other financial liabilities		**332.9**	(199.8)
Non-controlling interest transactions		**(9.9)**	(8.1)
Movements in treasury shares		**(9.9)**	1.2
Dividend paid		**(17.5)**	(59.0)
Net cash from financing activities		**295.6**	(265.7)
Increase in cash and cash equivalents		**401.1**	160.3
Cash and cash equivalents at beginning of year		**474.9**	316.5
Effects of exchange rate changes		**0.8**	(1.9)
Cash and cash equivalents retranslated at beginning of year		**475.7**	314.6
Net increase/(decrease) in cash and cash equivalents		**401.1**	160.3
Cash and cash equivalents at end of year		**876.8**	474.9

Financial risks

The financial risk management of the Company is set out on page 47. On this page it is set out that financial risks are managed at the level of each individual subsidiary. It is also set out that the financial risks of Vopak and Safilo and the companies belonging to the optical retail and other unquoted segment are not managed by the Company but by these entities.

As the financial risks of Vopak and Safilo are, in aggregate, substantial, the tables below provide quantitative information with respect to the financial risks of the Company excluding the amounts relating to Vopak and Safilo.

Credit risk

The maximum exposure to credit risk can be specified by segment as follows:

	2014	2013
Optical retail	**348.4**	314.7
Other unquoted	**504.3**	491.0
Real estate	**0.2**	2.5
Liquid portfolio	**632.4**	219.4
	1,485.3	1,027.6
Amount including Vopak and Safilo:	**2,363.0**	1,867.8

These financial assets can be further specified as follows:

	2014	2013
Loans	**36.1**	40.6
Trade and other receivables	**382.1**	339.8
Available-for-sale financial assets	**26.9**	-
Derivative financial instruments	**0.9**	0.1
Other financial assets	**55.7**	64.1
Other current assets	**106.8**	108.1
Cash and cash equivalents	**876.8**	474.9
	1,485.3	1,027.6

At the end of 2014, Cash and cash equivalents can be specified by segment as follows:

	2014	2013
Optical retail	**134.1**	112.5
Other unquoted	**137.0**	140.5
Real estate	**0.2**	2.5
Liquid portfolio	**605.5**	219.4
	876.8	474.9
Amount including Vopak and Safilo:	**1,147.4**	736.2

Liquidity risk

The next table categorises the undiscounted cash flows of non-derivative financial liabilities and derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date, excluding the amounts relating to Vopak and Safilo. The financial guarantees and securities are contingent liabilities.

In millions of euro Dec. 31, 2014	< 1 year	1-2 years	3-5 years	> 5 years
Redemption of interest-bearing loans	260.3	93.7	1,127.6	137.9
Other financial liabilities	32.7	113.7	15.5	-
Interest payments	27.3	24.9	61.2	12.1
Accounts payable	289.6	-	-	-
Financial guarantees	8.5	3.2	5.7	3.2
Total undiscounted non-derivative financial liabilities	618.4	235.5	1,210.0	153.2
Amounts including Vopak and Safilo	1,642.1	338.9	2,348.9	1,980.4
Gross-settled derivative instruments outflow	170.5	-	-	-
Gross-settled derivative instruments inflow	168.1	-	-	-
Total gross-settled derivative instruments outflow/(inflow)	2.4	-	-	-
Net-settled interest rate swaps	8.5	3.4	4.1	1.2
Total undiscounted derivative liabilities	10.9	3.4	4.1	1.2
Amounts including Vopak and Safilo	2.1	(1.3)	(23.8)	100.7

In millions of euro Dec. 31, 2013	< 1 year	1-2 years	3-5 years	> 5 years
Redemption of interest-bearing loans	271.5	110.9	679.4	147.4
Other financial liabilities	16.8	17.5	123.8	0.1
Interest payments	22.7	26.0	21.9	10.1
Accounts payable	254.4	-	-	-
Financial guarantees	8.2	12.9	10.7	9.4
Total undiscounted non-derivative financial liabilities	573.6	167.3	835.8	167.0
Amounts including Vopak and Safilo	1,464.3	576.8	1,321.0	2,030.2
Gross-settled derivative instruments outflow	73.3	-	-	-
Gross-settled derivative instruments inflow	73.2	-	-	-
Total gross-settled derivative instruments outflow/(inflow)	0.1	-	-	-
Net-settled interest rate swaps	8.8	7.3	2.3	1.1
Total undiscounted derivative li-abilities	8.9	7.3	2.3	1.1
Amounts including Vopak and Safilo	41.9	16.5	19.0	178.5

The total bank debt, excluding the bank debt of Vopak and Safilo, as of December 31, 2014, amounted to € 1,619.5 million (2013: € 1,209.2 million). For 100% of the bank debt, the applicable covenants were complied with (2013: 100%).

At the end of 2014 the net debt position, consisting of short-term and long-term bank debt less cash and cash equivalents and marketable securities and deposits, excluding the amounts relating to Vopak and Safilo, amounted to € 601.6 million (2013: € 652.5 million). This net debt position represents a ratio of 1.0 (2013: 1.2) when compared to the operating result before depreciation and amortization and earnings from associates.
At the end of 2014, unused committed credit facilities were available to an amount of € 909.1 million (2013: € 957.9 million). These exclude the facilities of Vopak and Safilo.

Market risk

Currency risk

The table below shows the net assets per currency (taking into account debt and hedging instruments denominated in foreign currency), excluding the exposures of Vopak and Safilo.

	2014	2013
US dollar	**218.8**	190.0
UK pound sterling	**140.7**	141.8
Swedish krona	**67.6**	71.8
Mexican peso	**60.2**	59.7
Chilean peso	**53.5**	57.2
Brazilian real	**41.3**	39.6
Danish krone	**39.6**	25.6
Hungarian forint	**39.2**	41.7
Swiss franc	**30.9**	44.6
Norwegian krone	**29.6**	47.9
Other currencies	**242.5**	196.7
	963.9	916.6
Amounts including the exposure of Vopak and Safilo	**2,601.8**	2,293.6

An average change in value of these currencies by 10% would have an effect on the pro forma consolidated equity of € 96.4 million.

The market value of the currency derivative financial instruments at December 31, 2014, per the consolidated financial statements on page 61 is a net liability of € 5.0 million on a notional amount of € 1,062.3 million (2013: net asset € 5.2 million, notional amount € 672.9 million). These amounts are primarily comprised of derivatives of Vopak and Safilo. The amount excluding Vopak and Safilo is a net liability of € 1.5 on a notional amount of € 170.5 million (2013: net position € nil, notional amount € 73.2 million).

Interest rate risk

As of December 31, 2014, taking into account interest rate swaps, 48% (2013: 70%) of the total interest-bearing loans, excluding the bank debt of Vopak and Safilo, of € 1,619.5 (2013: € 1,209.2 million) was at fixed rates for an average period of 2.1 years. The weighted average interest rate was 1.8% (2013: 2.5%).

Supplemental information
Notes to the pro forma Consolidated Financial Statements

(All amounts in millions of euro, unless otherwise stated)

1. Property, plant and equipment

The amount of property, plant and equipment as per the consolidated financial statements (€ 4,943.4 million) is significantly affected by the consolidation of Vopak and Safilo and in particular the tank storage terminals of Vopak (€ 3,274.6 million at the end of 2014).
The table below provides information on property, plant and equipment excluding the assets of Vopak and Safilo.

	Land & buildings	Vessels	Equip-ment	**Total**
Cost value	667.5	300.7	1,376.6	**2,344.8**
Accumulated depreciation	(354.2)	(60.3)	(1,024.7)	**(1,439.2)**
Book value on Dec. 31, 2012	313.3	240.4	351.9	**905.6**
Investments	46.6	127.7	99.3	**273.6**
Consolidation	1.3	-	1.4	**2.7**
Disposals	(12.1)	-	(3.7)	**(15.8)**
Depreciation	(53.8)	(20.9)	(89.3)	**(164.0)**
Exchange differences	(5.1)	(9.5)	(4.4)	**(19.0)**
Book value on Dec. 31, 2013	290.2	337.7	355.2	**983.1**
Cost value	660.5	419.5	1,404.7	**2,484.7**
Accumulated depreciation	(370.3)	(81.8)	(1,049.5)	**(1,501.6)**
Book value on Dec. 31, 2013	290.2	337.7	355.2	**983.1**
Investments	69.3	30.6	106.8	**206.7**
Consolidation	13.7	-	14.5	**28.2**
Disposals	(2.9)	(0.1)	(3.6)	**(6.6)**
Depreciation	(53.0)	(23.5)	(89.1)	**(165.6)**
Exchange differences	(0.5)	38.2	1.2	**38.9**
Book value on Dec. 31, 2014	316.8	382.9	385.0	**1,084.7**
Cost value	760.7	494.5	1,566.4	**2,821.6**
Accumulated depreciation	(443.9)	(111.6)	(1,181.4)	**(1,736.9)**
Book value on Dec. 31, 2014	316.8	382.9	385.0	**1,084.7**

2. Intangible assets

The intangible assets are significantly affected by the consolidation of Vopak and Safilo. This section provides information on the intangible assets excluding those of Vopak and Safilo.

Intangible assets, excluding those of Vopak and Safilo, consist of:

	2014	2013
Goodwill	**1,494.4**	1,352.8
Other Intangibles	**571.3**	532.5
	2,065.7	1,885.3

Movements for goodwill are as follows:

	2014	2013
Balance on January 1	**1,352.8**	1,395.1
Acquisitions	**161.7**	22.9
Impairments	**(16.3)**	(44.2)
Exchange adjustments and other	**(3.8)**	(21.0)
Balance on December 31	**1,494.4**	1,352.8
Cost value	**2,095.8**	1,941.3
Amortization and impairments	**(601.4)**	(588.5)
Book value on December 31	**1,494.4**	1,352.8

Reference is made to page 53 for details on impairment testing.

Movements for other intangibles, excluding those of Vopak and Safilo, are as follows:

	Rights of use & key money	Trade-marks	Other	Total
Book value on Jan. 1, 2013	211.2	244.7	111.7	**567.6**
Investments	7.7	0.3	20.1	**28.1**
Consolidation	-	2.3	8.7	**11.0**
Amortization and impairments	(2.1)	(20.1)	(43.3)	**(65.5)**
Exchange adjustments	(2.2)	(5.7)	(0.8)	**(8.7)**
Book value on Dec. 31, 2013	214.6	221.5	96.4	**532.5**
At Dec. 31, 2013				
Cost value	255.8	340.3	278.8	**874.9**
Accumulated amortization and impairments	(41.2)	(118.8)	(182.4)	**(342.4)**
Book value on Dec. 31, 2013	214.6	221.5	96.4	**532.5**
Investments	1.9	(0.4)	27.9	**29.4**
Consolidation	2.0	34.8	33.9	**70.7**
Reclassification	(4.5)	0.4	1.9	**(2.2)**
Amortization and impairments	(4.3)	(22.0)	(32.6)	**(58.9)**
Exchange adjustments	-	(1.0)	0.8	**(0.2)**
Book value on Dec. 31, 2014	209.7	233.3	128.3	**571.3**
At Dec. 31, 2014				
Cost value	255.2	374.1	342.2	**971.5**
Accumulated amortization and impairments	(45.5)	(140.8)	(213.9)	**(400.2)**
Book value on Dec. 31, 2014	209.7	233.3	128.3	**571.3**

The Other category consists of:

	2014	2013
Customer relationships	**52.4**	24.6
Software	**55.0**	46.8
Franchise contracts	**6.9**	6.7
Other	**14.0**	18.3
	128.3	96.4

3. Acquisitions

Below a summary is included of the acquisitions during 2014, excluding the acquisitions made by Vopak and Safilo.

Total acquisitions:	
Cash paid	160.2
Future consideration	12.4
Fair value of non-controlling interest already owned	9.0
Net asset value acquired	(19.9)
Goodwill	161.7
Reconciliation to cash flow statement:	
Cash paid for the above acquisitions	160.2
Cash acquired	(13.7)
Cash flow due to acquisition of subsidiaries, net of cash acquired	146.5
Acquisition of joint ventures and associates	11.8
Cash outflow due to acquisition of subsidiaries, joint ventures and associates, net of cash acquired	158.3

4. Investments in associates and joint ventures

The amount of investments in associates and joint ventures in the consolidated financial statements is significantly affected by the consolidation of Vopak. Vopak has a significant amount of associates and joint ventures on its balance sheet (€ 942.2 million at the end of 2014).

This section provides information about the investments in associates and joint ventures excluding the assets of Vopak and Safilo.

The composition of the investments in associates is as follows:

	2014	2013
Publicly traded	**2,224.8**	1,969.5
Other	**194.8**	179.3
Total	**2,419.6**	2,148.8

Movements are as follows:

	2014	2013
Book value on Jan. 1	**2,148.8**	1,850.3
Consolidation	**(9.0)**	(5.6)
Investments	**11.8**	122.1
Disposals	**(14.5)**	(14.7)
Income	**316.6**	286.7
Dividends	**(64.9)**	(62.5)
Actuarial results on defined benefit plans	**(74.7)**	36.7
Share in change of fair value	**20.4**	0.1
Reclassification	**-**	(8.5)
Adjustment capital gain on sale of Dockwise Ltd. to Koninklijke Boskalis Westminster N.V.	**-**	(11.3)
Exchange adjustments and effect of financial instruments	**85.1**	(44.5)
Book value on Dec. 31	**2,419.6**	2,148.8

Investments relate to:

	2014	2013
Koninklijke Boskalis Westminster N.V.	**-**	108.4
Other	**11.8**	13.7
Total	**11.8**	122.1

The difference between the market value of the Company's share in its publicly traded associates and the book value is as follows:

	2014	2013
Market value	**4,868.3**	4,654.7
Book value	**(2,224.9)**	(1,969.5)
	2,643.4	2,685.2

5. Other financial assets

The amount of non-current other financial assets as per the consolidated financial statements (€ 489.4 million at the end of 2014) is significantly affected by the consolidation of Vopak and Safilo.

The table below provides information on other financial assets excluding the assets of Vopak and Safilo.

	2014	2013
Available-for-sale investments in quoted securities	**307.9**	415.5
Loans to associates	**2.7**	7.7
Other loans	**33.4**	29.4
Purchased debt portfolio	**11.7**	18.8
Other	**44.0**	45.2
	399.7	516.6

Investment in quoted securities includes:

	2014	2013
15.01% equity interest in SBM Offshore N.V.	**307.9**	415.5
	307.9	415.5

Reconciliation of proceeds from (investments in) other financial assets to the cash flow statement:

	2014	2013
SBM Offshore N.V. purchase of shares	**(35.9)**	(29.4)
9⅝% Senior Notes Safilo Group S.p.A.	**-**	68.3
Other	**11.1**	7.6
	(24.8)	46.5

The purchased debt portfolio is recorded using the effective interest rate method and relates to the long-term part of the bad debt portfolios purchased by InVesting B.V.

The category Other includes long-term deposits and receivables.

6. Receivables

The amount of receivables in the consolidated financial statements (€ 751.3 million at the end of 2014) is significantly affected by the consolidation of Vopak and Safilo.
This section provides information on the receivables, excluding those of Vopak and Safilo.

	2014	2013
Trade receivables	**401.5**	360.8
Allowance for doubtful accounts	**(19.4)**	(21.0)
	382.1	339.8

The ageing analysis of the trade receivables that are past due but not impaired is as follows:

	2014	2013
Up to 3 months	**93.2**	83.2
Between 3 and 6 months	**15.6**	8.2
Between 6 and 9 months	**5.1**	3.5
Over 9 months	**16.2**	13.6
	130.1	108.5

7. Inventories

The amount of inventories in the consolidated financial statements (€ 636.4 million at the end of 2014) is significantly affected by the consolidation of Vopak and Safilo. This section provides information on the inventories, excluding those of Vopak and Safilo.

The composition of the inventories is as follows:

	2014	2013
Raw materials	**38.4**	28.0
Work in progress	**21.8**	23.5
Finished goods	**392.2**	348.4
Write-down to net realizable value	**(42.4)**	(35.8)
	410.0	364.1

8. Provisions

The provisions (current and non-current) as per the consolidated financial statements amount to € 130.4 million. This amount is significantly affected by the consolidation of Vopak and Safilo.

This section provides information on provisions excluding the amounts relating to Vopak and Safilo.

The composition and movement of the provisions is as follows:

	2014	2013
Current	**28.6**	27.5
Non-current	**24.8**	36.4
	53.4	63.9

	2014	2013
Balance on January 1	**63.9**	66.4
Additions to provision	**21.9**	21.9
Utilized during the year	**(32.3)**	(23.7)
Exchange differences	**(0.1)**	(0.7)
Balance on Dec. 31	**53.4**	63.9

Provisions consist of:

	2014	2013
Restructuring and legal	**3.0**	11.9
Employee related	**14.2**	8.5
Warranties	**18.4**	17.7
Regulatory	**5.4**	5.7
Other	**12.4**	20.1
	53.4	63.9

9. Pension benefits

The pension obligations are significantly affected by the consolidation of Vopak and Safilo. The present value of the funded obligations and the fair value of the plan assets as per the consolidated financial statements are € 1,787.9 million, respectively € 1,613.4 whereas excluding Vopak and Safilo these amounts are significantly lower.

This section therefore provides additional information on the pension obligations, excluding those of Vopak and Safilo.

The amounts excluding Vopak and Safilo are as follows:

The net pension asset/(liability) consists of:

	2014	2013
Pension benefits assets	**64.8**	75.7
Pension benefits liabilities	**(94.4)**	(72.6)
	(29.6)	3.1

	2014	2013
Present value of funded obligations	**427.9**	445.0
Fair value of plan assets	**476.5**	497.9
Surplus/(deficit) of funded plans	**48.6**	52.9
Present value of unfunded obligations	**(78.2)**	(49.8)
Total defined benefit plans	**(29.6)**	3.1
Net asset/(liability) in the statement of financial position	**(29.6)**	3.1

The movement in the provision is as follows:

	2014	2013
Balance on January 1	**3.1**	(8.9)
Pension charge defined benefit plans	**30.1**	(12.4)
Acquisitions/(disposals)	**(4.0)**	-
Contributions	**9.0**	11.4
Remeasurement effects	**(67.6)**	12.9
Exchange effect and other	**(0.2)**	0.1
Balance on December 31	**(29.6)**	3.1

The amounts recognized in the pro forma consolidated statement of income are as follows:

	2014	2013
Current service costs	**12.2**	14.4
Interest expense/(income)	**0.4**	0.4
Plan amendments, settlements and curtailments	**(43.9)**	(3.1)
Administrative costs	**1.2**	0.7
Total defined benefit costs	**(30.1)**	12.4
Other costs	**16.2**	14.3
Total, included in employee expenses	**(13.9)**	26.7

Plan amendments, settlements and curtailments relate for € 25.1 million to an amendment of a pension plan in the Netherlands whereby, due to changes in the pension law, vesting of pension benefits was significantly reduced, amongst others due to an introduction of a maximum salary over which pension benefits can be accrued. The remainder of plan amendments, settlements and curtailments principally related to amendments to pension plans whereby the plans were changed from a defined benefit to a defined contribution plan.

The plan amendment in 2013 related to an amendment of a pension plan in the Netherlands whereby the conditional indexation was changed from 100% of the wage inflation (active participants) and price inflation (inactive participants) to 70% in 2012 and 60% in 2013.

Other costs mostly include cost related to industry-wide pension plans.

The principal, weighted-average assumptions used were:

	2014	2013
Discount rate / return on assets	**2.2%**	3.5%
Inflation rate	**2.1%**	2.1%
Future salary increases	**3.0%**	3.9%

The latest available mortality tables were used.

The discount rates used in the determination of defined benefit obligations and pension charges are based on high quality corporate bonds (AA-rated) with a duration matching the duration of the pension liabilities.

Plan assets include the following:

As of December 31, 2014:

Equities	**115.6**	**24.3%**
Debt instruments	**154.2**	**32.4%**
Other	**206.7**	**43.3%**
	476.5	**100.0%**

As of December 31, 2013:

Equities	147.7	29.7%
Debt instruments	205.3	41.2%
Other	144.9	29.1%
	497.9	100.0%

Other assets represent short-term deposits and assets at insurance companies with respect to vested benefits.

The sensitivity of the defined benefit obligation to changes in the principal, weighted-average assumptions is as follows:

		Liabilities	
Risk assumptions	Change	Incr.	Decr.
Inflation	1.00%	37.6	(27.9)
Salary increase	0.25%	3.9	(2.0)
Discount rate	1.00%	(60.7)	67.0
Life expectancy	1 year	7.5	N/A

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. If plan assets underperform this yield, this will create a deficit.

A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

The majority of the plans' obligations are to provide benefits for the lifetime of the members, so increases in life expectancy will result in an increase in the plans' liabilities.

10. Accrued expenses

Accrued expenses in the consolidated financial statements amount to € 829.0 at the end of 2014, which is significantly influenced by the consolidation of Vopak and Safilo. The accrued expenses excluding the amounts related to Vopak and Safilo consist of:

	2014	2013
Employee-related accruals	**180.8**	157.4
Customer prepayments	**89.0**	83.7
VAT and other tax liabilities	**61.8**	48.9
Deferred revenue	**52.5**	41.5
Debt collection activity	**21.5**	17.2
Other accrued expenses	**193.9**	152.5
	599.5	501.2

11. Debt and other financial liabilities

The amount of debt and other financial liabilities in the consolidated financial statements (€ 4,481.5 million) is significantly affected by the consolidation of Vopak and Safilo. The amount excluding Vopak and Safilo is significantly lower as set out below.

	2014	2013
Debt	**1,619.5**	1,209.2
Other financial liabilities	**161.9**	158.2
	1,781.4	1,367.4

	2014	2013
Long-term debt		
Mortgage loans	**254.8**	284.7
Other loans	**1,104.4**	653.0
Total long-term debt	**1,359.2**	937.7
Other long-term financial liabilities	**129.2**	141.4
Total long-term debt and other long-term financial liabilities	**1,488.4**	1,079.1
Short-term debt		
Bank overdraft	**126.9**	152.9
Bank loans	**73.3**	57.7
Current portion of long-term debt	**60.1**	60.9
Total short-term debt	**260.3**	271.5
Other short-term financial liabilities	**32.7**	16.8
Total short-term debt and other short-term financial liabilities	**293.0**	288.3
Total debt and other financial liabilities	**1,781.4**	1,367.4

The summary of debt per currency is as follows:

	2014	2013
Euro	**1,441.1**	1,023.2
US dollar	**178.4**	186.0
	1,619.5	1,209.2

12. Deferred taxes

The movement in deferred tax assets and liabilities during the period is as follows:

	Carry-forward losses	PP&E	Intangibles	Inventories	Employee benefits	Other	Offset assets & liabilities	**Total**
Assets	85.1	5.2	6.4	4.7	15.2	21.8	(81.6)	**56.8**
Liabilities	-	(50.0)	(140.9)	(9.5)	(11.0)	(21.2)	81.6	**(151.0)**
As of Jan. 1, 2013	85.1	(44.8)	(134.5)	(4.8)	4.2	0.6	-	**(94.2)**
Credit/(Charged) to net income	29.2	(0.1)	9.7	1.1	1.0	(0.2)	-	**40.7**
Credit/(Charged) to equity	-	-	-	-	(3.6)	(2.2)	-	**(5.8)**
Consolidation	(0.1)	-	(1.2)	-	-	(1.2)	-	**(2.5)**
Other movements	(0.9)	(0.1)	(0.2)	-	(0.2)	(0.1)	-	**(1.5)**
Reclassifications	1.8	1.2	(0.8)	0.3	0.4	(2.9)	-	**-**
Exchange differences	(1.2)	1.1	2.2	(0.1)	-	(0.1)	-	**1.9**
As of Dec. 31, 2013	113.9	(42.7)	(124.8)	(3.5)	1.8	(6.1)	-	**(61.4)**
Assets	113.9	4.4	7.0	5.3	14.3	18.6	(86.6)	**76.9**
Liabilities	-	(47.1)	(131.8)	(8.8)	(12.5)	(24.7)	86.6	**(138.3)**
As of Jan. 1, 2014	113.9	(42.7)	(124.8)	(3.5)	1.8	(6.1)	-	**(61.4)**
Credit/(Charged) to net income	(7.3)	6.8	(0.5)	0.1	(7.9)	10.0	-	**1.2**
Credit/(Charged) to equity	-	-	-	-	17.1	-	-	**17.1**
Consolidation	1.5	(1.2)	(17.4)	0.9	0.3	0.1	-	**(15.8)**
Other movements	(0.9)	0.6	-	-	-	(0.2)	-	**(0.5)**
Reclassifications	0.5	0.2	6.3	0.3	(0.9)	(6.3)	-	**0.1**
Exchange differences	(0.5)	(2.0)	0.8	-	-	(0.4)	-	**(2.1)**
As of Dec. 31, 2014	107.2	(38.3)	(135.6)	(2.2)	10.4	(2.9)	-	**(61.4)**
Assets	107.2	7.1	8.0	6.9	19.9	28.8	(106.3)	**71.6**
Liabilities	-	(45.4)	(143.6)	(9.1)	(9.5)	(31.7)	106.3	**(133.0)**
As of Dec. 31, 2014	107.2	(38.3)	(135.6)	(2.2)	10.4	(2.9)	-	**(61.4)**

Unused tax losses, excluding those of Vopak and Safilo, for which deferred tax assets have not been recognized are as follows:

Expiration date	**2014**	2013
2014	**-**	27.9
2015	**11.7**	18.6
2016	**12.7**	5.2
2017	**6.3**	6.7
2018	**11.4**	7.2
2019 and further years	**91.2**	100.2
No expiration date	**273.8**	215.4
	407.1	381.2
Amounts including Vopak and Safilo	**605.5**	585.3

13. Revenues

Revenues included in the consolidated financial statements amount to € 7.0 billion of which € 2.5 billion is related to Vopak and Safilo.

Revenues excluding Vopak and Safilo can be detailed as follows:

	2014	2013
Sale of goods	**4,211.0**	3,929.2
Services	**269.8**	257.1
Franchise fees	**65.7**	63.4
	4,546.5	4,249.7

14. Share of profit/ (loss) of associates and joint ventures

Share of profit/ (loss) of associates and joint ventures as per the consolidated financial statements is affected by the inclusion of the results Vopak and Safilo and, in particular, by the results of the joint ventures of Vopak.
The table below provides information on the results from associates excluding those of Vopak and Safilo.

	2014	2013
Share in results	**316.6**	286.7
Capital gain on sale Dockwise Ltd.	**-**	22.1
	316.6	308.8

15. Employee expenses

The table below provides information on the employee expenses excluding the employee expenses of Vopak and Safilo.

	2014	2013
Wages and salaries	**1,024.0**	994.2
Social security costs	**207.9**	195.6
Pension costs	**(13.9)**	26.7
Other	**198.0**	140.7
	1,416.0	1,357.2

The average number of persons employed by the Company and its subsidiaries, excluding Vopak and Safilo, during 2014 was 34,950 (2013: 31,902) on a full-time equivalent basis.

16. Other operating expenses

The table below provides information on the other operating expenses excluding the other operating expenses of Vopak and Safilo.

	2014	2013
Rent	**498.5**	464.2
Marketing and publicity	**192.9**	185.0
Other	**411.7**	407.2
	1,103.1	1,056.4

Research and development costs expensed, excluding Vopak and Safilo, during 2014 was € 3.1 million (2013: € 1.6 million).

17. Income tax expense

Income taxes in the consolidated financial statements, and in particular the analysis of the effective tax rate, are significantly affected by the consolidation of Vopak and Safilo.
The tax charge excluding the consolidation of Vopak and Safilo can be detailed as follows:

	2014	2013
Current income taxes	**99.0**	90.8
Deferred income taxes	**(1.2)**	(40.7)
	97.8	50.1

The table below provides an analysis of the effective tax rate excluding the consolidation of Vopak and Safilo.

	2014	2013
Profit before income tax	**673.9**	537.3
Less: after-tax share of profit of associates	**(316.6)**	(308.8)
Adjusted profit before income tax	**357.3**	228.5
Income tax expense	**97.8**	50.1
Effective tax rate	**27.4%**	21.9%

	2014	
Composition:	Amount	%
Weighted average statutory tax rate	**111.6**	31.2
Goodwill impairment	**5.3**	1.5
Recognition of tax losses	**12.5**	3.5
Non-taxable income	**(53.8)**	(15.1)
Non-deductible expenses	**21.3**	6.0
Prior year movements	**0.8**	0.2
Other effects including rate changes	**0.1**	0.1
Effective tax (rate)	**97.8**	27.4

	2013	
Composition:	Amount	%
Weighted average statutory tax rate	68.7	30.1
Goodwill impairment	11.3	4.9
Recognition of tax losses	2.8	1.2
Non-taxable income	(48.5)	(21.2)
Non-deductible expenses	16.6	7.3
Prior year movements	0.1	-
Other effects including rate changes	(0.9)	(0.4)
Effective tax (rate)	50.1	21.9

18. Share-based compensation

The amount of expenses, equity movements and liabilities related to share-based compensation in the consolidated financial statements (€ 42.4 million, € 32.1 million and € 50.6 million, respectively) is also affected by the consolidation of Vopak and Safilo. The amounts excluding Vopak and Safilo are lower as set out below.

Expenses related to share-based compensation consist of:

	2014	2013
HAL Holding N.V.		
Share Plan*	**1.0**	0.8
GrandVision		
Real Share Plan*	**2.7**	4.9
Phantom Plan**	**31.6**	3.7
Cash Plans**	**0.4**	(0.3)
Other unquoted subsidiaries		
Cash Plans**	**3.3**	0.3
Total	**39.0**	9.4

* Equity-settled
** Cash-settled

Corresponding increases in equity for share-based compensation plans amounted to:

	2014	2013
HAL Holding N.V.		
Share Plan	**1.0**	0.8
GrandVision		
Real Share Plan	**29.7**	-
Total	**30.7**	0.8

Liabilities recognized in relation to cash-settled share-based compensation are comprised of:

	2014	2013
GrandVision		
Real Share Plan*	**-**	25.1
Phantom Plan	**36.5**	5.3
Cash Plans	**0.8**	3.3
Other unquoted subsidiaries		
Cash Plans	**11.3**	8.4
Total	**48.6**	42.1

*As from 2014 the Real Share Plan is accounted for as an equity-settled plan and does not result in a liability.

The current part of this liability of € 22.9 million (2013: € 16.5 million) is included under short-term debt and the non-current part of € 25.7 million (2013: € 25.6 million) under long-term debt.

19. Segmentation

The consolidated financial statements are significantly affected by the consolidation of Vopak and Safilo. Accordingly, the segmented information on a basis whereby Vopak and Safilo are not consolidated is materially different.

This section provides segmented information excluding the effect of the consolidation of Vopak and Safilo.

Operating income by segment

	2014	2013
Optical retail	**341.7**	293.8
Other unquoted	**135.8**	77.2
Quoted minority interests	**298.2**	328.4
Real estate	**9.9**	10.5
Liquid portfolio	**2.9**	15.5
	788.5	725.4
Reconciling items:		
- Amortization	**(75.2)**	(109.7)
- Other	**(14.3)**	(29.3)
Operating result as per consolidated statement of income	**699.0**	586.4
Financial expense, net	**(25.1)**	(49.1)
Profit before tax as per consolidated statement of income	**673.9**	537.3

The composition of revenues by segment is as follows:

	2014	2013
Optical retail	**2,862.2**	2,672.5
Other unquoted	**1,684.3**	1,577.2
	4,546.5	4,249.7

The composition of assets by segment is as follows:

	2014	2013
Optical retail	**2,666.7**	2,331.6
Other unquoted	**2,067.8**	1,992.7
Quoted minority interests	**2,532.7**	2,385.0
Real estate	**9.6**	47.8
Liquid portfolio	**746.5**	303.9
Reconciling items	**98.6**	111.4
	8,121.9	7,172.4

The composition of investments in associates and joint ventures by segment is as follows:

	2014	2013
Optical retail	**35.0**	32.6
Other unquoted	**159.8**	146.7
Quoted minority interests	**2,224.8**	1,969.5
	2,419.6	2,148.8

The composition of capital expenditures by segment is as follows:

	2014	2013
Optical retail	**310.8**	138.4
Other unquoted	**85.9**	186.0
Real estate	**1.2**	2.4
Reconciling items	**0.9**	0.2
	398.8	327.0

Capital expenditure consists of additions of property, plant and equipment, investment properties and intangible assets.

The reconciling items represent corporate capital expenditure.

The composition of liabilities by segment is as follows:

	2014	2013
Optical retail	**1,822.6**	1,259.0
Other unquoted	**1,155.6**	1,171.4
Real estate	**1.0**	12.8
Liquid portfolio	**0.9**	0.9
Reconciling items	**18.4**	7.9
	2,998.5	2,452.0

The composition of revenues by geographical area is as follows:

	2014	2013
Europe	**4,209.1**	3,969.9
North-America	**30.2**	33.1
Other countries	**307.2**	246.7
	4,546.5	4,249.7

The composition of property, plant and equipment, investment properties, intangible assets and investment in associates by geographical area is as follows:

	2014	2013
Europe	**5,290.0**	4,746.7
North-America	**2.3**	33.9
Other countries	**279.1**	268.8
	5,571.4	5,049.4

20. Capital risk management

The capital structure as per the consolidated financial statements is significantly affected by the consolidation of Vopak and Safilo. The table below summarizes the capital structure excluding the consolidation of Vopak and Safilo.

	2014	2013
Equity	**5,034.5**	4,640.8
Long-term bank debt	**1,359.2**	937.7
Short-term bank debt	**260.3**	271.5
Cash and deposits	**(876.8)**	(474.9)
Total capital employed	**5,777.2**	5,375.1

Financial commitments

21. Capital commitments

The capital commitments in respect of buildings or vessels under construction, excluding those of Vopak and Safilo, amounted to € 1.1 million (2013: € 23.4 million).

22. Financial commitments

The future minimum lease payments under non-cancellable operating leases and other commitments, excluding those of Vopak and Safilo, are as follows:

	2014	2013
No later than 1 year	**302.1**	239.5
Later than 1 year and no later than 5 years	**643.6**	610.9
Later than 5 years	**176.8**	160.8
Total	**1,122.5**	1,011.2

Financial Statements
HAL Trust

As of December 31

Statement of Financial Position
HAL Trust

In millions of euro	**2014**	2013
Assets		
74,141,313 shares in HAL Holding N.V., at historical cost	**69.3**	69.3
Trust Property	**69.3**	69.3

Statement of Income
HAL Trust

In millions of euro	**2014**	2013
Dividend received from HAL Holding N.V.	**293.6**	270.9
Net income	**293.6**	270.9

Notes to the statutory financial statements *(in millions of euro)*

The shares in HAL Holding N.V. are accounted for at historical cost. As of December 31, 2014, HAL Trust owned 74,141,313 shares of HAL Holding N.V. (2013: 71,619,234).

Trust property
The movement for 2014 for the Trust property is as follows:

Balance on January 1, 2014	**69.3**
Dividend received from HAL Holding N.V. (in cash and in shares)	**293.6**
Distributed to unit holders (in cash and in shares)	**(293.6)**
Balance on December 31, 2014	**69.3**

Cash flow statement

In millions of euro	**2014**	2013
Cash dividend received from HAL Holding N.V.	**17.5**	59.0
Cash distributed to unit holders	**(17.5)**	(59.0)
Net change	**-**	-

Distribution of Dividends

It is proposed to the Shareholders' Meeting of HAL Trust to instruct the Trustee to vote, at the General Meeting of Shareholders of HAL Holding N.V., in favour of the proposals to approve the Financial Statements for 2014 and to pay a dividend of € 5.05 per Share outstanding.

It is proposed to direct the Trustee:

- to issue by way of stock dividend distribution to each HAL Trust Shareholder: such number of Shares as shall be based on the Conversion ratio and the number of Shares held by such HAL Trust Shareholder (refer to the explanatory notes to the agenda items 2 and 4 of the Notice to Trust Shareholders);

- unless a HAL Trust Shareholder shall have requested (by no later than June 11, 2015, 3:00 p.m. CET) that the dividend payment to him be made in cash, in which case the Trustee shall pay such HAL Trust Shareholder the cash dividend of € 5.05 per HAL Trust Share.

and

- to convey to HAL Holding N.V. prior to June 18, 2015, for how many HAL Holding N.V. shares the dividend should be paid in cash (on the basis of the number of HAL Trust Shares for which the HAL Trust Shareholders have requested payment of the HAL Trust dividend in cash), and for what amount cash payments are to be made to the Trustee representing the value of fractions of HAL Trust Shares (if any) to which the respective HAL Trust Shareholders will be entitled on the basis of the Conversion ratio, it being understood that the remainder of the HAL Holding N.V. dividend shall be paid in the form of stock dividend.

Shareholders holding their shares through Euroclear Nederland will be paid via affiliated banks and security brokers. To the other Shareholders payment of the dividend due is made directly, in accordance with the conditions agreed upon with these Shareholders.

The text of Article VII, Section 7.1 of the Trust Deed reads:

Profits of the Trust. The profits of the Trust in respect of a Financial Year as they appear in the profit and loss account of the Trust as approved by an Ordinary Resolution as provided in Section 14.3 shall be applied as follows:

(A) FIRST: out of the profits such dividend as may be determined by Ordinary Resolution shall be distributed to the Trust Shareholders in proportion to the number of Units represented by the Shares held by such Trust Shareholders;

(B) SECOND: the remaining part of the profits, if any, shall be retained as Trust Property.

Independent Auditor's report

To the Trustee of HAL Trust

Report on the financial statements

We have audited the accompanying consolidated financial statements of HAL Trust and its subsidiaries (the "group"), which comprise the consolidated statement of financial position as at December 31, 2014, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information, and the accompanying stand-alone statutory financial statements of HAL Trust which comprise the statement of financial position as at December 31, 2014 and the statement of income for the year then ended, and notes. The consolidated financial statements and stand-alone statutory financial statements are included on pages 21 to 111 (collectively referred to as the financial statements).

Executive Board's responsibility

The Executive Board of HAL Holding N.V. is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executive Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the group and HAL Trust as at December 31, 2014 and of the financial performance and cash flows of the group and the financial performance of HAL Trust for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Bermuda, March 31, 2015

PricewaterhouseCoopers Ltd.

Chartered Professional Accountants

Five-Year Summary
Consolidated Statement of Financial Position*

In millions of euro	**2014**	2013	2012	2011	2010
Assets					
Non-current assets:					
Property, plant and equipment	**1,084.7**	983.1	908.1	828.7	747.7
Investment properties	**1.4**	32.2	40.5	79.9	96.0
Intangible assets	**2,065.7**	1,885.3	1,939.4	1,862.5	1,825.8
Investments in associates and joint ventures	**2,419.6**	2,148.8	1,841.0	1,725.9	1,527.0
Other financial assets	**399.7**	516.6	375.5	225.2	278.6
Deferred tax assets	**71.6**	76.9	56.8	53.0	46.0
Pension benefits	**64.8**	75.7	65.0	50.2	69.9
Total non-current assets	**6,107.5**	5,718.6	5,226.3	4,825.4	4,591.0
Current assets:					
Assets held for sale	**-**	-	230.7	-	-
Other financial assets	**0.9**	0.1	69.6	-	-
Inventories	**410.0**	364.1	353.9	355.4	371.7
Receivables	**382.1**	339.8	374.6	399.3	333.4
Marketable securities and deposits	**141.1**	81.8	88.9	97.2	212.7
Other current assets	**203.5**	193.1	239.0	209.2	194.8
Cash and cash equivalents	**876.8**	474.9	311.2	644.7	144.7
Total current assets	**2,014.4**	1,453.8	1,667.9	1,705.8	1,257.3
Total assets	**8,121.9**	7,172.4	6,894.2	6,531.2	5,848.3
Equity and liabilities					
Equity	**5,034.5**	4,640.8	4,153.3	3,912.9	3,595.1
Non-controlling interest in consolidated subsidiaries	**88.9**	79.6	53.4	51.6	30.1
Non-current liabilities:					
Deferred tax liabilities	**133.0**	138.3	151.0	139.8	132.4
Provisions	**119.2**	109.0	106.5	82.1	85.1
Long-term debt and other financial liabilities	**1,488.4**	1,079.1	1,132.5	1,150.8	657.1
Total non-current liabilities	**1,740.6**	1,326.4	1,390.0	1,372.7	874.6
Current liabilities:					
Provisions	**28.6**	27.5	33.8	31.2	25.5
Accrued expenses	**599.5**	501.2	531.6	490.7	456.4
Income tax payable	**27.2**	35.8	40.2	31.7	26.7
Accounts payable	**289.6**	254.4	261.1	290.5	264.7
Short-term debt and other financial liabilities	**313.0**	306.7	430.8	349.9	575.2
Total current liabilities	**1,257.9**	1,125.6	1,297.5	1,194.0	1,348.5
Total equity and liabilities	**8,121.9**	7,172.4	6,894.2	6,531.2	5,848.3
Equity per Share *(in euro)*	**68.00**	64.86	59.86	58.16	54.98

** Pro forma*

Five-Year Summary
Consolidated Statement of Income*

In millions of euro	**2014**	2013	2012	2011	2010
Revenues	**4,546.5**	4,249.7	4,048.9	3,996.3	3,768.9
Income from marketable securities and deposits	**2.8**	15.5	5.8	1.0	25.5
Share of profit of associates and joint ventures	**316.6**	308.8	266.8	295.9	283.4
Income from other financial assets	**9.1**	36.1	13.3	28.2	4.4
Income from real estate activities	**10.9**	12.2	38.6	53.3	14.6
Total income	**4,885.9**	4,622.3	4,373.4	4,374.7	4,096.8
Usage of raw materials, consumables and other inventory	**1,426.4**	1,346.8	1,304.8	1,359.0	1,337.4
Employee expenses	**1,416.0**	1,357.2	1,258.4	1,206.9	1,097.5
Depreciation of property, plant, equipment and investment properties	**166.2**	165.8	155.2	143.0	134.2
Amortization and impairments of intangible assets	**75.2**	109.7	70.3	63.5	73.8
Other operating expenses	**1,103.1**	1,056.4	1,039.6	981.4	907.3
Total expenses	**4,186.9**	4,035.9	3,828.3	3,753.8	3,550.2
Operating profit	**699.0**	586.4	545.1	620.9	546.6
Financial income/(expense)	**(25.1)**	(49.1)	(50.1)	(59.2)	(55.9)
Profit before taxes	**673.9**	537.3	495.0	561.7	490.7
Income tax expense	**(97.8)**	(50.1)	(86.5)	(66.8)	(62.6)
Profit before non-controlling interest in results of consolidated subsidiaries	**576.1**	487.2	408.5	494.9	428.1
Non-controlling interest in results of consolidated subsidiaries	**(19.7)**	(14.4)	0.8	(1.9)	4.0
Net income	**556.4**	472.8	409.3	493.0	432.1
Net income per share *(in euro)*	**7.63**	6.49	5.80	7.21	6.51
Dividend per share *(in euro)*	**5.05****	4.10	3.90	3.40	3.75

* Pro forma
** Proposed

Financial Statements
HAL Holding N.V.

Statement of Financial Position
HAL Holding N.V.

In millions of euro	**2014**	2013
Assets		
Fixed assets:		
Non-current assets	**4,649.7**	4,495.5
Current assets:		
Deposits	**416.9**	174.8
Other current assets	**1.1**	1.5
	5,067.7	4,671.8
Equity and liabilities		
Equity	**5,063.4**	4,666.8
Current liabilities:		
Accrued expenses	**4.3**	5.0
Total current liabilities	**4.3**	5.0
	5,067.7	4,671.8

Statement of Income
HAL Holding N.V.

In millions of euro	**2014**	2013
Income from financial assets	**570.9**	440.3
General and administrative expenses	**(8.4)**	(7.5)
Total	**562.5**	432.8
Financial expense	**(5.9)**	(1.5)
Net income	**556.6**	431.3

Notes to the company financial statements HAL Holding N.V. *(in millions of euro)*

For details concerning the accounting principles in respect of the statement of financial position and statement of income, reference is made to the consolidated financial statements of HAL Trust except for investments in subsidiaries which are carried at net asset values.

Financial assets

Movements for 2014 are as follows:

Balance on January 1, 2014	**4,495.5**
Income	**570.9**
Increase/(decrease) in loans, net	**(259.4)**
Exchange adjustments, valuation differences and equity adjustments	**(157.3)**
Balance on December 31, 2014	**4,649.7**

Equity

The movement for 2014 of Shareholders' equity is included on pages 25 and 26.

On December 31, 2014 and 2013, 74,141,313 and 71,619,234 Shares respectively were outstanding, with a nominal value of € 0.02 each, and all were held by HAL Trust.

The Company may purchase HAL Trust Shares, when deemed appropriate, up to a maximum of 10% per year of the number of Shares outstanding at the beginning of the year. In 2014, 10,916 Shares were sold for € 1.1 million and 90,921 shares were purchased for € 11 million.

A 2013 dividend of € 293.6 million (excluding dividend on treasury Shares) or € 4.10 per Share was distributed on June 19, 2014 (2013: € 270.9 million or € 3.90 per share), of which € 17.5 million in cash and € 276.1 million in stock. The conversion ratio of 1:26.7 resulted in 2,522,079 new HAL Trust shares being issued.

The Company owned 109,776 HAL Trust Shares as of December 31, 2014. These Shares are to hedge the obligation to allot – under certain conditions – 50,000 Shares HAL Trust to a member of the Executive Board and may also be used in the context of a share participation plan for management (not being members of the Executive Board).

The Supervisory Board resolved, on November 19, 2014, to grant each of Messrs. A.A. van 't Hof and J.N. van Wiechen, members of the Executive Board, a one-time allotment of 19,500 shares HAL Trust. The shares need to be returned to the Company if the respective Board member is not employed by the Company on or before November 19, 2019. The above shares are restricted for a ten-year period.

Supervisory Directors
The 2014 fixed remuneration for the Supervisory Directors of HAL Holding N.V. was € 0.4 million in total (2013: € 0.4 million).

Distribution of Profits

The profit to be decided upon by the General Meeting of Shareholders of HAL Holding N.V. for 2014 is as follows:

In millions of euro		**2014**
According to the Statutory Statement of Income, the net income is:	€	556.6
Available for distribution to Shareholders	€	556.6
Proposed distribution:		
In accordance with Article 31 (1), 0.03 euro for each of the 74,141,313 Shares:	€	2.2
Available to the General Meeting of Shareholders in accordance with Article 31 (2):	€	554.4
Retained in accordance with Article 30	€	(182.2)
Available for distribution	€	374.4
After approval of the dividend proposal of € 5.05 per Share by the General Meeting of Shareholders of HAL Holding N.V., the dividend shall be distributed to HAL Trust for 74,141,313 Shares at € 5.05 per Share:	€	374.4

The above references to Articles refer to the Articles of Association of the Company.

The dividend shall be payable in Shares in the share capital of the Company, except and to the extent that prior to June 18, 2015, the Trustee on behalf of HAL Trust expressly requests that payment to the Trustee be made in cash. The conversion ratio for the dividend in Shares will be determined on June 11, 2015, after the close of business of Euronext in Amsterdam.

HAL Trust Organization

A Trust, which is quite common in Anglo-American law, is a property managed in accordance with a trust deed by a Trustee on behalf of the beneficial owners.

The Trust has the following three components:

The Meeting of Shareholders of HAL Trust

Except for the powers of the Trust Committee described below, control of the Trust rests with the Meeting of Trust Shareholders.

The Meeting of Trust Shareholders approves the annual accounts and decides on the distribution of profits.

Execution of the decisions of the Meeting of Trust Shareholders is the task of the Trustee. The Trustee therefore votes at the General Meeting of Shareholders of HAL Holding N.V. in accordance with the outcome of the vote taken at the Meeting of Shareholders of HAL Trust.

The Annual Meeting of Trust Shareholders takes place in Rotterdam. The members of the Board of Supervisory Directors and the Executive Board of HAL Holding N.V. shall be present at the meeting in order to explain policies pursued.

The Trustee

The function of Trustee is exercised by HAL Trustee Limited, Hamilton, Bermuda.

The Board consist of Messrs. D.C. Meerburg, *Chairman*, C. MacIntyre, A.R. Anderson, M.P.M. de Raad and H. van Everdingen, *members*.

The Trustee is the legal owner of the assets of the Trust, which consist of Shares in HAL Holding N.V., Curaçao.

The powers of the Trustee are limited to execution of the decisions of the Meeting of Trust Shareholders of HAL Trust and of the Trust Committee.

The Trustee votes at the General Meeting of Shareholders of HAL Holding N.V. in accordance with the instructions of the Meeting of Shareholders of HAL Trust.

The Trust Committee

The Trust Committee is HAL Trust Committee Limited, Hamilton, Bermuda.

The Board of HAL Trust Committee Limited consists of Messrs. P.J. Kalff, Chairman, C. MacIntyre, A.R. Anderson, T. Hagen and M. van der Vorm, members.

This Board is appointed by the Stichting HAL Trust Commissie, shareholder of HAL Trust Committee Limited. The Board of the Stichting is appointed by the shareholders of HAL Trust and consists of Messrs. P.J. Kalff, T. Hagen and M. van der Vorm.

The Trust Committee is empowered to regroup the assets of the enterprise if, in special circumstances such as international political complications, it considers it necessary to do so in the interest of the shareholders and/or the enterprise. The objective of such regrouping is to replace HAL Holding N.V. with a company situated in another jurisdiction. To achieve this, HAL Holding N.V. may transfer its assets to that new company in exchange for a repurchase of shares. The Trust Committee also has the power to appoint another Trustee, if necessary. Finally, the Trust Committee has some duties of an administrative nature.

Description Corporate Governance HAL Holding N.V.

A Curaçao public company

HAL Holding N.V. is a public company with its corporate seat in Curaçao. The Corporate Governance of HAL Holding N.V. is subject to the law of Curaçao as well as the articles of association and regulations adopted in accordance with such law. HAL Holding N.V. reports its financial position in accordance with International Financial Reporting Standards as adopted by the European Union.

HAL Holding N.V. is a holding company and parent company of a number of subsidiaries.

Share capital

HAL Holding N.V. has a share capital that is divided in shares with a nominal value of € 0.02 each. All shares have the same rights. Each share carries the right to exercise one vote in the General Meeting of Shareholders. All shares are in registered form.

HAL Trust

All shares in the capital of HAL Holding N.V. are held by HAL Trust on behalf of the Trust Shareholders. For each share in the capital of HAL Holding N.V. one Trust Share has been issued by HAL Trust. All Trust Shares have the same rights. Each Trust Share carries the right to exercise one vote in the meeting of Trust Shareholders. All distributions made by HAL Holding N.V. in respect of its shares are distributed by HAL Trust to the Trust Shareholders.

HAL Trust is a trust under Bermuda law and is subject to a trust deed, the text whereof has most recently been changed on May 18, 2011. The function of Trustee is exercised by HAL Trustee Limited. In addition, the trust deed grants certain powers to HAL Trust Committee Limited. For further information on HAL Trustee Ltd. and HAL Trust Committee Limited, see page 120. The Trust Shares are listed and traded on Euronext in Amsterdam.

Meetings of Trust Shareholders

In accordance with the provisions of the trust deed each year a meeting of Trust Shareholders is held in Rotterdam prior to the General Meeting of Shareholders of HAL Holding N.V. The meeting of Trust Shareholders has, inter alia, the power to direct the Trustee as to the exercise by the Trustee of its voting rights in the General Meeting of Shareholders of HAL Holding N.V. This means that the Trust Shareholders have de facto control in the General Meeting of Shareholders of HAL Holding N.V.

Neither the articles of association of HAL Holding N.V. nor the trust deed contain any protective provisions which limit the control of the Trust Shareholders. All resolutions of the General Meeting of Shareholders of HAL Holding N.V. require a simple majority of the votes cast. The same holds for the decision taking process in the meeting of Trust Shareholders.

Rights of Trust Shareholders

Each Trust Shareholder has the right to attend the meetings of Trust Shareholders, either in person or by written proxy, to speak at such meetings and to exercise his voting rights. In addition, Trust Shareholders who together represent at least 10% of all outstanding Trust Shares are entitled to request the Trustee to convene a meeting of Trust Shareholders.

Powers General Meeting of Shareholders

In accordance with the articles of association of HAL Holding N.V. the General Meeting of Shareholders of HAL Holding N.V. and therefore indirectly the meeting of Trust Shareholders, has the following powers:

1. appointment and dismissal of the members of the Executive Board and the Supervisory Board;
2. approval of the financial statements;
3. granting discharge to the members of the Executive Board and the Supervisory Board;
4. amendment of the articles of association, provided such amendment is proposed by the Executive Board and has been approved by the Supervisory Board;
5. remuneration of supervisory directors;
6. appointment of the external auditor;
7. decisions about the distribution of profits following payment of the primary dividend on shares, as set out in the articles of association, and after the taking of certain

reserves by the Executive Board subject to the approval of the Supervisory Board;
8. all other powers which the articles of association do not grant to another corporate body.

Executive Board

The Executive Board of HAL Holding N.V. is responsible for the management of the Company, which means, among other things, that it is responsible for achieving the company's objectives, strategy and policy. The Executive Board is accountable to the Supervisory Board and to the General Meeting of Shareholders. In discharging its role, the Executive Board is guided by the interests of the Company and its business, taking into consideration the relevant interests of all those involved in the Company.

The Executive Board is responsible for complying with all relevant legislation and regulations, for managing the risks associated with the Company's activities and for the financing of the Company.

The number of members of the Executive Board is determined by the Supervisory Board. At present the Executive Board consists of three members. All members have been appointed by the General Meeting of Shareholders for an indefinite period of time. They can be dismissed by the General Meeting of Shareholders. In addition they can be suspended by the Supervisory Board.

With the approval of the Supervisory Board the Executive Board has adopted regulations which, inter alia, provide for additional rules in respect of the decision taking process within the Executive Board, the reporting to the Supervisory Board, the treatment of possible conflicts of interest and the fulfilment by members of the Executive Board of additional offices.

The Supervisory Board determines the remuneration of each member of the Executive Board. The remuneration consists of a fixed part and a variable part, the size whereof is determined by the Supervisory Board who also decides on additional benefits. The members of the Executive Board do not participate in any option scheme and do not receive any personal loans or guarantees from the Company.

Supervisory Board

The Supervisory Board is responsible for the supervision of the policies of the Executive Board and the general affairs of the Company and its business. It also assists the Executive Board by providing advice. In discharging its role the Supervisory Board is guided by the interests of the Company and its business and shall take into account the relevant interests of all those involved in the Company. The Supervisory Board is responsible for the quality of its own performance.

The Supervisory Board consists of at least five members. The Supervisory Board can determine that the Board consists of more members. At present the Board has six members which have been appointed by the General Meeting of Shareholders for an indefinite period of time. Each year at least one supervisory director resigns in accordance with a retirement schedule set by the Board. A supervisory director resigning in accordance with the retirement schedule is eligible for re-appointment.

The Supervisory Board has chosen a chairman and a vice chairman from among its members.

All tasks and duties of the Supervisory Board are exercised on a collegiate and full-board basis. The Supervisory Board has adopted regulations which, inter alia, provide for rules in respect of the providing of information by the Executive Board, the matters that in any case must be addressed each year, the manner of meeting and decision taking by the Board, the treatment of potential conflicts of interest, the individual investments by supervisory directors and the criteria which may possibly jeopardize the independent exercise of the position of supervisory director.

The Supervisory Board has prepared a profile for its composition. Each member is capable of assessing the broad outline of the overall policy. Together the supervisory directors have sufficient expertise to carry out the tasks of the Supervisory Board taken as a whole.

The General Meeting of Shareholders determines the remuneration of the members of the Supervisory Board.

Supply of information/logistics General Meeting of Shareholders

The Executive Board and the Supervisory Board provide the General Meeting of Shareholders, and the meeting of Trust Shareholders, with all relevant information that they require for the exercise of their powers, unless this would be contrary to an overriding interest of the Company.

The Executive Board and the Supervisory Board will provide all shareholders and other parties in the financial markets who find themselves in an equal position with equal and simultaneous information about matters that may influence the price of the Trust Shares.

Any possible contacts between the Executive Board on the one hand and the press and financial analysts on the other will be carefully handled and structured, and the Company shall not engage in any acts that compromise the independence of analysts in relation to the Company and vice versa.

Financial reporting

The Executive Board is responsible for the quality and completeness of publicly disclosed financial reports. The Supervisory Board sees to it that the Executive Board fulfils this responsibility.

The annual accounts of HAL Holding N.V. are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In addition HAL Holding N.V. publishes interim reports in accordance with the relevant provisions of the law and the listing requirements of Euronext in Amsterdam. All financial information is also published on the web site www.halholding.com. The annual accounts are signed by the members of the Executive Board and the Supervisory Board. The Supervisory Board discusses the annual accounts with the external auditor prior to signing of the accounts by the supervisory directors.

Reference is made to the Report of the Supervisory Board (page 7) and the report of the Executive Board (page 9). These reports explain the implications and the measures that have been taken as a consequence of the application of IFRS 10 which requires the Company to consolidate the financial statements of Koninklijke Vopak N.V. (‘Vopak’) and Safilo Group S.p.A. (‘Safilo’) effective January 1, 2014. As explained in these reports, the Company has entered into Memoranda of Understanding with Vopak and Safilo with respect to confidentiality, the process of exchanging information and attendance rights to the Audit Committee meetings of Vopak and the Control and Risk Committee meetings of Safilo of an independent financial expert appointed by the Company. This independent financial expert reports to the Company if there are any matters which should be brought to the attention of the Company prior to the signing of the financial statements.

The assessment that the Company’s financial statements do not contain material errors attributable to the financial statements of Vopak and/or Safilo is based on the external audit of these companies and the involvement of the independent financial expert referred to above. The Executive Board and the Supervisory Board felt that it was necessary to take the measures outlined above, in order to provide additional comfort to the Executive Board when discharging itself of its responsibility for financial statements of the Company and to the Supervisory Board when discharging itself of its responsibilities to supervise the Executive Board and to review and sign the annual financial statements.

The General Meeting of Shareholders appoints the external auditor. Following receipt by the Board of Supervisory Directors of advice from the Executive Board, the Supervisory Board prepares a nomination for the appointment of the external auditor. HAL Holding N.V. has no internal audit function.

Material remuneration for instructions to the external auditor other than for auditing activities requires the approval of the Supervisory Board in respect of which the Board will consult with the Executive Board.

The external auditor is represented at the meetings of Trust Shareholders.

Information in respect of members of the Board of Supervisory Directors

S.E. Eisma (66) is a Dutch citizen. Mr. Eisma was appointed member/secretary of the Board of Supervisory Directors of HAL Holding N.V. in 1993. In 2006 he was appointed Chairman. His current term is from 2011-2016. Mr. Eisma retired from De Brauw Blackstone Westbroek N.V. in April 2010. Mr. Eisma is a member of the Supervisory Board of Robeco Groep N.V. and member of the board of Stichting Pensioenfonds HAL. He is also Chairman of the Supervisory Council of the University of the Arts, The Hague and the Supervisory Council of the VEB (Vereniging van Effectenbezitters).

M. van der Vorm (56) is a Dutch citizen. Mr. van der Vorm was appointed member/ vice-chairman of the Board of Supervisory Directors of HAL Holding N.V. effective October 1, 2014. His current term is from 2014-2020. Mr. van der Vorm was Chairman of the Executive Board of HAL Holding N.V. from 1993-2014.

T. Hagen (72) is a Norwegian citizen. In 1985 he was appointed member of the Board of Supervisory Directors of HAL Holding N.V. His current term is from 2010-2015. Mr. Hagen is Chairman of the Board of MISA Investments Ltd. and Viking Cruises Ltd.

M.P.M. de Raad (70) is a Dutch citizen. In 2006 he was appointed member of the Board of Supervisory Directors of HAL Holding N.V. His current term is from 2013-2018. Mr. de Raad was Chief Executive Officer of SHV Makro N.V. and member of the Executive Board of SHV Holdings N.V., Metro AG (Germany) and Royal Ahold N.V. Mr. de Raad is currently member of the Supervisory Boards of Metro AG (Germany), Metro Cash & Carry Russia N.V., Vollenhoven Olie Groep B.V. and Tias Business School.

L.J. Hijmans van den Bergh (51) is a Dutch citizen. In 2013 he was appointed member of the Board of Supervisory Directors of HAL Holding N.V. His current term is from 2014-2019. From December 1, 2009 until March 1, 2015, Mr. Hijmans van den Bergh was Chief Corporate Governance Counsel of Royal Ahold. He also served on Royal Ahold's Management Board. Prior to joining Royal Ahold, Mr. Hijmans van den Bergh was a partner of De Brauw Blackstone Westbroek N.V. Mr. Hijmans van den Bergh is a member of the Supervisory Councils of Air Traffic Control the Netherlands and the Netherlands Cancer Institute/Antoni van Leeuwenhoek Hospital, deputy chairman of the Royal Concertgebouw Orchestra and a member of the advisory board of the Champs on Stage Foundation.

G.J. Wijers (64) is a Dutch citizen. In 2014 he was appointed member of the Board of Supervisory Directors of HAL Holding N.V. His current term is from 2014-2017. He is a former minister of Economic affairs and former CEO of Akzo Nobel N.V. He is Chairman of the Supervisory Boards of Heineken N.V. and AFC Ajax N.V., non-executive deputy chairman of Royal Dutch Shell Plc. and non-executive director of GlaxoSmithKline Plc.

It will be proposed to appoint Mr. C.O. van der Vorm as a member of the Supervisory Board.

C.O. van der Vorm (44) is a Dutch citizen. He is based in London and serves as a managing director of Southberg Holdings Ltd., which is active in agricultural operations in several countries in South America and Eastern Europe.

HAL Trust

established in Bermuda

Notice to Trust Shareholders

We hereby invite you to attend the meeting of Trust Shareholders of HAL Trust, which will be held on Monday, May 18, 2015, at 11:00 a.m. in the Rotterdamse Schouwburg, Schouwburgplein 25, Rotterdam. The agenda of the meeting is as follows:

1. Opening
2. Instructions for the Trustee to vote at the General Meeting of Shareholders of HAL Holding N.V., to be held on Tuesday, May 26, 2015, with regard to the following items on the agenda:
   a) Report of the Executive Board of HAL Holding N.V.
   b) Report of the Supervisory Board of HAL Holding N.V.
   c) Approval of the financial statements of HAL Holding N.V.
   d) Dividend payment against the profits of 2014 in the amount of € 5.05 per Share as published in the Annual Report 2014, which dividend shall be payable in shares in the share capital of HAL Holding N.V., except and to the extent that
      (i) prior to June 18, 2015, the Trustee expressly requests that payment to the Trustee be made in cash; and
      (ii) cash payments will be made to the Trustee representing the value of fractions of HAL Trust Shares (if any) to which the respective HAL Trust Shareholders will be entitled on the basis of the Conversion ratio,

      and, with the approval of the Supervisory Board, to direct and authorize the Executive Board to effectuate such share issue and cash payments
   e) Election Supervisory Director. It is proposed to elect Mr. C.O. van der Vorm
   f) Discharge of the members of the Executive Board in respect of their duties of management during the financial year 2014
   g) Discharge of the members of the Supervisory Board in respect of their duties of supervision during the financial year 2014
   h) Amendment Articles of Association HAL Holding N.V.
3. Approval of the financial statements of HAL Trust
4. (i) Proposal to distribute a dividend against the profits of 2014 of € 5.05 per HAL Trust Share, subject to (ii) below:
   (ii) to direct the Trustee:
      a. to issue by way of stock dividend distribution to each HAL Trust Shareholder such number of HAL Trust Shares as shall be based on the Conversion ratio and the number of HAL Trust Shares held by such HAL Trust Shareholder;
      b. unless a HAL Trust Shareholder shall have requested (by not later than June 11, 2015, 3:00 p.m. CET) that the dividend payment to him be made in cash, in which case the Trustee shall pay such HAL Trust Shareholder the cash dividend of € 5.05 per HAL Trust Share;
         and
      c. to convey to HAL Holding N.V. prior to June 18, 2015 for how many HAL Holding N.V. shares the dividend should be paid in cash (on the basis of the number of HAL Trust Shares for which the HAL Trust Shareholders have requested payment of the HAL Trust dividend in cash), and for what amount cash payments are to be made to the Trustee representing the value of fractions of HAL Trust Shares (if any) to which the respective HAL Trust Shareholders will be entitled on the basis of the Conversion ratio, it being understood that the remainder of the HAL Holding N.V. dividend shall be paid in the form of stock dividend.
5. Report of the Trust Committee
6. Other business
7. Closing

Notes on agenda items 2.d, 2e, 2.h and 4 follow hereafter.

Shareholders who wish to attend the meeting must notify this not later than May 11, 2015, through their bank or intermediary, to ABN AMRO Bank N.V.; at the office of Conyers, Dill & Pearman, Clarendon House, 2 Church Street, Hamilton, Bermuda; or at the office of HAL Holding N.V., 5 Avenue des Citronniers, MC 98000 Monaco, and must receive a written confirmation of their entitlement to HAL Trust Shares, which confirmation will at the same time serve as a permit providing admission to the meeting. Attention is drawn to the fact that Shareholders who will not be able to attend the meeting but wish to be represented at the meeting must provide a written proxy. For the sake of good order it is pointed out that proxy holders will only be admitted to the meeting against surrender of the confirmation of entitlement referred to above together with a duly signed proxy statement.

This notice is enclosed with the 2014 Annual Report which is presented to you in accordance with Section 14.4 of the trust deed of HAL Trust.

HAL Trustee Ltd.
Hamilton, Bermuda, April 4, 2015

Explanatory notes to agenda items 2.d and 4

It is proposed to distribute a dividend of € 5.05 per HAL Trust Share against the profits of 2014 and that this dividend will be paid in HAL Trust Shares unless a Shareholder expressly requests payment in cash. The Conversion ratio for the dividend in HAL Trust Shares will be determined on the basis of the volume weighted average share price during the period May 22, 2015, through June 11, 2015, representing 15 trading days (the 'Conversion ratio'), and will be announced on June 11, 2015, after the close of business of Euronext in Amsterdam. The value of the stock dividend, at the above volume weighted average share price, will be virtually the same as the value of the cash dividend. Any fraction of a Share will be settled in cash. The newly issued Shares will carry dividend rights for 2015 and subsequent years.

Dividend rights will not be traded on Euronext in Amsterdam.

The time-table is as follows:

2015	
May 20	Ex-dividend date
May 21	Dividend record date
May 22 through June 11 (3:00 p.m. CET)	Election period cash/stock (stock being default)
June 11 (after close of trading)	Determination and publication Conversion ratio
June 18	Delivery of Shares and payment of cash dividend

Shareholders who wish to receive a cash distribution must notify within the election period ABN AMRO Bank N.V. accordingly via the bank or agent where their Shares are held in custody. The distribution of dividend in Shares is free of charge for Shareholders.

Explanatory notes to agenda item 2.e

In accordance with the rotation schedule, Mr.T. Hagen will resign this year. He is not available for a new term. It is proposed to elect Mr. C.O. van der Vorm to the Supervisory Board in order to fill the vacancy caused by the resignation of Mr. T. Hagen. Information on Mr. van der Vorm is included on page 124.

Explanatory notes to agenda item 2.h

The proposed changes to the articles of association of HAL Holding N.V. include:

(a) the increase of the maximum number of issued shares as mentioned in article 5, paragraph 1, from 75 to 80 million shares;
(b) introduction in the articles of association of a vice-chairman of the Supervisory Board;
(c) clarification of the possibility that the Supervisory Board may adopt regulations for the Executive Board.

The resolution to amend the articles of association of HAL Holding N.V. includes the authorization of each lawyer practicing with STvB Advocaten (Curaçao) N.V. to cause the notarial deed required for the amendment of the articles of association to be executed.
The full text of the proposed amendment is available at the offices of HAL Holding N.V., ABN AMRO Bank N.V., Gustav Mahlerlaan 10, 1000 EA Amsterdam and at www.halholding.com.