



H.E.S. BEHEER N.V. TO RETROSPECTIVELY CORRECT ITS 2013 FINANCIAL STATEMENTS

INTRODUCTION

Europoort/Rotterdam – H.E.S. Beheer N.V. (the "**Company**") announced today that it will retrospectively correct its 2013 financial information in its subsequent financial statements. The accounting adjustment relates to the 2013 BTT acquisition and is a one off (non-recurring) adjustment and technical in its nature and has no effect on the economics or cash generation of the business, nor does this result in a change in distributable reserves or the stock dividend over the book year 2013.

The correction referred to below is required on the basis of the applicable accounting rules and should not impact the envisaged recommended public offer (the "**Offer**") by Hestya Energy B.V. ("**Hestya**") for HES at an offer price of EUR 43.64 per ordinary share in HES (the "**Offer Price**"). In this connection, Hestya confirmed to HES that the Offer Price was mainly driven by expected future cash flows and comparable transactions, rather than the accounting treatment for certain items. Kempen & Co Corporate Finance B.V. ("**Kempen & Co**") has been notified by HES that the 2013 financial statements of HES will retrospectively be corrected (as described in this press release). Kempen & Co has confirmed to HES that the content and the conclusion of the fairness opinion provided by Kempen & Co to HES on 15 May 2014 in connection with the Offer (the "**Fairness Opinion**") would not have been different if this information would have been available before the issue of the Fairness Opinion.

BACKGROUND

The Company is to retrospectively correct a material error identified in its 2013 financial statements in respect of the accounting treatment for the acquisition and the previously held equity interest in Botlek Tank Terminal ("**BTT**") on 19 April 2013.

The decision was taken on 8 July 2014 in the meeting of the Company's Board of Directors.

REASONS FOR AMENDMENTS

In the process of preparing Q1-IAS 34 interim reporting for the offering memorandum it was identified that the 2013 financial statements included a material error relating to the accounting for the previously held equity interest in BTT.

Prior to becoming a 100% shareholder on 19 April 2013, the Company owned 50% of the shares in its joint venture BTT. As part of the accounting of the acquisition, the Company should have revalued its 50% previously held equity interest to fair value. As a result of this remeasurement, the Company should have recognised a non-cash gain of € 10.8 million in the income statement at the acquisition date. This non-cash gain represents the difference between the fair value of the 50% previously held equity interest in BTT of € 21.7 million and its net carrying value on a proportionate basis as at the acquisition date, including the recycling of the cash flow hedge reserve of € 1.7 million (negative). As a consequence of this transaction the legal non-distributable reserves increase with € 12.5 million (net).

Please refer to the details of the gain further in this document. This document includes also the consequential changes in consolidated income statement, consolidated balance sheet and consolidated cash flow statement. Furthermore, the relevant disclosures are provided in relation to the BTT acquisition.

IMPACT ON 2013 FINANCIAL INFORMATION

The Company has assessed the impact of the above amendments on its 2013 financial statements. Had these amendments been reflected in the 2013 consolidated financial statements, the impact would have been as follows (Note: only elements which have changed compared to the 2013 financial statements are mentioned):

CONSOLIDATED INCOME STATEMENT

<i>In € Thousands</i>	2013 <i>As reported</i>	Restatement	2013 <i>As restated</i>
Gain on remeasurement of previously held equity interest	-	10,800	10,800
Net Profit*	24,300	10,800	35,100
Adjusted Net Profit	25,325	-	25,325
<i>In €</i>	2013 <i>As reported</i>	Restatement	2013 <i>As restated</i>
Net earnings per share	2.72	1.21	3.93
Diluted net earnings per share	2.69	1.19	3.88
Adjusted net earnings per share	2.83	-	2.83

* This refers to the result after tax excluding material items of an exceptional nature.

CONSOLIDATED BALANCE SHEET

<i>In € Thousands</i>	31 December 2013 <i>As reported</i>	Restatement	31 December 2013 <i>As restated</i>
Goodwill	15,574	12,500	28,074
Total assets	270,141	12,500	282,641
Statutory reserves, net	52,139	12,500	64,639
Equity attributable to shareholders	143,424	12,500	155,924
Total assets	270,141	12,500	282,641

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>In € Thousands</i>	31 December 2013 <i>As reported</i>	Restatement	31 December 2013 <i>As restated</i>
Statutory reserves, net	52,139	12,500	64,639
Equity	143,424	12,500	155,924

CONSOLIDATED CASH FLOW STATEMENT

<i>In € Thousands</i>	<i>2013 As reported</i>	<i>Restatement</i>	<i>2013 As restated</i>
Profit before taxes	26,591	10,800	37,391
Gain on remeasurement previously held equity interest	-	(10,800)	(10,800)
Net cash flow from operating activities	38,017	-	38,017
Acquisition of subsidiary, net of cash acquired	-	(20,176)	(20,176)
Investments in associates/disposals	2,351	(2,351)	-
Investments in Intangible Assets	(14,048)	14,019	(29)
Net cash flow from investing activities	(27,336)	(8,508)	(35,844)
Repayments of long-term liabilities	(20,427)	10,032	(10,395)
Net cash flow from financing activities	(14,120)	10,032	(4,088)
Net cash flow	(3,439)	1,524	(1,915)
Cash and cash equivalents BTT (50%)	1,524	(1,524)	-
Cash and cash equivalents as at 31 December	12,269	-	12,269

BTT ACQUISITION

In 2013, the Company acquired the remaining 50% of the issued share capital of BTT. The cash consideration amounted to €21.7 million, and the fair value of the previously held interest is the same, resulting in a total consideration amounting to € 43.4 million. As part of this transaction, the Company assumed outstanding borrowings with Noble Netherlands B.V. of € 10 million. The Company has not incurred any significant transaction costs for the acquisition.

The acquisition of a controlling stake in BTT is consistent with the aim of broadening the product range and spreading the risks. The goodwill of € 28 million arising from the acquisition is attributable to synergies expected from the acquisition. None of the goodwill is expected to be deductible for income tax purposes.

The following table summarises the consideration, the fair value of assets acquired and liabilities assumed at the acquisition date, the related cash flows and the summary of the gain identified.

Consideration as at 19 April 2013:

<i>In € Thousands</i>	
Cash	21,700
Fair value of 50% equity interest held in BTT	21,700
Total consideration transferred	43,400

Recognised amounts of identifiable assets acquired and liabilities assumed:

<i>In € Thousands</i>	
Property, Plant and Equipment	74,872
Investments in associates	61
Receivables	542
Other Assets	1,255
Cash and cash equivalents	3,048
Borrowings	(56,650)
Financial instruments	(3,497)
Other Liabilities	(4,305)
Net assets	15,326
Goodwill	28,074
Total	43,400

Note: the amounts identified represents the recognised assets and liabilities at 100%, previously proportionately consolidated.

Net cash outflow in cash flow statements:

<i>In € Thousands</i>	
Cash	21,700
Acquired cash (50%)	(1,524)
Net cash outflow	20,176

Gain on remeasurement of previously held equity interest:

<i>In € Thousands</i>	
Fair value of 50% equity interest	21,700
Less: Net book value of existing 50% interest (including previous goodwill)	(9,200)
Less: Recycling of cash flow hedge reserve	(1,700)
Gain in income statement	10,800

The Company recognised a non-cash gain of € 10.8 million as a result of remeasuring its 50% previously held equity interest in BTT at fair value before the acquisition (including the recycling of the related cash flow hedge). The gain will be identified as a separate line item in the consolidated income statement for 2013. The gain is considered an exceptional item and is excluded from the Adjusted Net profit.

The revenue included in the consolidated income statement since 19 April 2013 contributed by the BTT acquisition was € 5.7 million. BTT also contributed profit of € 1.0 million over the same period.

The BTT's additional revenue in the period from 1 January 2013 up until the acquisition date amounts to € 1.4 million and amounts to an insignificant attribution to profit.

Board of Directors of H.E.S. Beheer N.V.

For more information

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