Relevant & reliable.

ANNUAL REPORT 2015

In the future, as in the past 400 years, we continue to adapt to new realities, aim to maintain our relevance in society and aspire to be recognized as reliable by our stakeholders

Contents

History

Vopak's history dates back to **1616**

400 years of history

Historical overview

Royal Vopak is the world's leading independent tank storage provider for the oil and chemical industry. Our company can rely on 400 years of experience in storage and transshipment. The timeline gives a historical overview of developments and activities of Vopak and its main precursors: Blaauwhoedenveem, Pakhuismeesteren van de Thee (Tea Warehouse Keepers), Van Ommeren and Pakhoed.

Origin in the Golden Age

Vopak's earliest forerunner is the Blaauwhoedenveem in Amsterdam, dating back to the Golden Age of the Republic of the Seven United Netherlands. From the late 16th century on, the Republic developed into a dominant maritime nation and economic powerhouse. The Amsterdam port became the center of international trade. The large volumes of goods that were unloaded there had to be transported from the ships to the warehouses through the weigh house. This was the work of weigh carriers, such as Blaauwhoedenveem and Vriesseveem.

The storehouses continued to function in more or less the same way for two centuries. This continuity was largely due to strict regulations, imposed and enforced by the overarching weigh carriers' guild. The downside of this system was that it restricted the development of the storehouses. Just like other storehouses, Blaauwhoedenveem, one of the richest storehouses, tried unsuccessfully to wrest itself from the guild's straitjacket. Only when the guilds were abolished at the end of the 18th century, there emerged a freer market, which allowed the storehouses more room for growth.

400 years of history

1616

THE BLUE HATS

The story of Vopak began in the seventeenth century in the port of Amsterdam. In a guild letter dated 26 March 1616 storehouses were first mentioned, which is why this date is regarded as the date of the establishment of Blaauwhoedenveem, the earliest predecessor of Vopak. The activities of Vopak's oldest forerunner, Blaauwhoedenveem, took place in and around this weigh house in Amsterdam.

1818

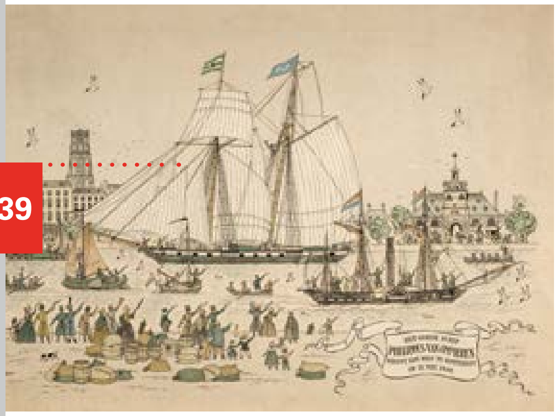
TEA WAREHOUSE KEEPERS

In 1818 Pakhuismeesteren van de Thee (Tea Warehouse Keepers) was established. This was a continuation of the warehouses of the bankrupt Dutch East India Company (VOC). Pakhuismeesteren began in Amsterdam and in Rotterdam at the same time and specialized in the storage, testing and auctioning of tea.

1839

VAN OMMEREN

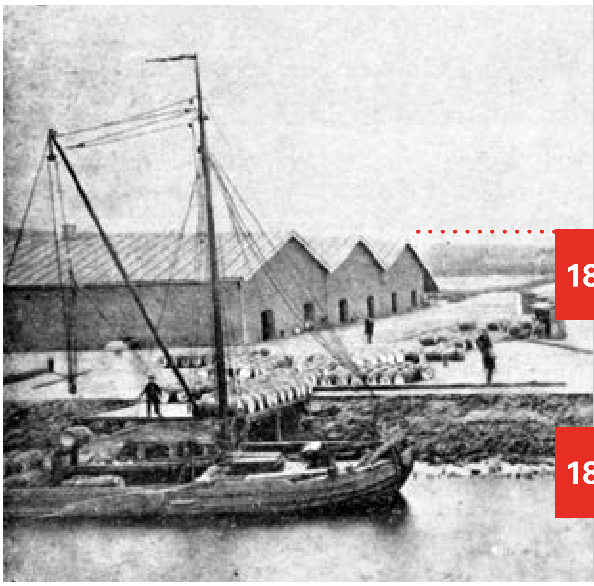
The company Phs. van Ommeren was established in Rotterdam. Philippus van Ommeren began as an independent shipping broker and forwarding agent.



1862

FIRST CRUDE OIL CARGO

The very first crude oil cargo, which was introduced in Rotterdam, was stored by Vopak's precursor Pakhuismeesteren. The properties and hazards of this new product were not well known, since the first modern oil drilling had taken place in Canada and America only a few years earlier. That is why Pakhuismeesteren stored the barrels without further ado in the East India House, a 150-year-old warehouse on the busy Boompjeskade, in the city center.



1875

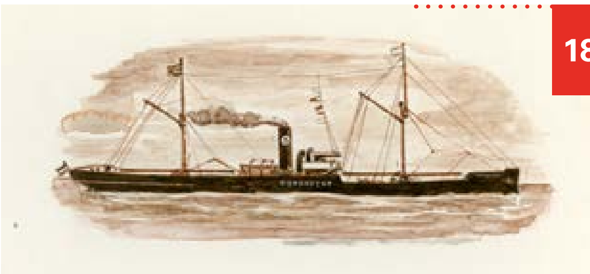
FIRST PETROLEUM STORAGE

Pakhuismeesteren commissioned its first dedicated petroleum storage outside the city center on Sluisjesdijk, Rotterdam.

1887

FIRST OIL TANKS CONSTRUCTED

Pakhuismeesteren Rotterdam built its first oil tank in Charlois, Rotterdam.



1891

VAN OMMEREN'S FIRST STEAMSHIP

Founding of the Maatschappij Stoomschip Dordrecht (Steamship Dordrecht Company Inc.), in which Philippus Van Ommeren placed one ship based on the English model, which was unique in the Netherlands. He sold the shares to relatives and acquaintances in Rotterdam, whom he paid dividends.

1910

VAN OMMEREN'S FIRST TANK STORAGE

Philippus van Ommeren entered into tank storage in 1910. His co-partner Hermanus de Jongh was not interested in this foreign activity, so Van Ommeren founded tank storage company Matex with private funds.

1913

CONSTRUCTION OF HUGE GRAIN SILO

Blaauwhoedenveem surprised major competitor Vriesseveem with the construction of the huge grain silo complex and warehouse, St. Job, in Rotterdam.

1917

MERGER BLAAUWHOEDENVEEM-VRIESSEVEEM

Blaauwhoedenveem-Vriesseveem created from a merger between Blaauwhoedenveem and Vriesseveem.

1919

UNITED STATES

From 1919, Blaauwhoedenveem-Vriesseveem operated a subsidiary in the United States, called Bluefries. Until 1940, Bluefries operated from New York City as a shipping agency and warehousing company.

1940 - 1945

SECOND WORLD WAR

Destruction of many of the company's port facilities in the Netherlands. Several colleagues from the Van Ommeren's shipping company sadly lost their lives.

1967

PAKHOED
Pakhuismeesteren and Blaauwhoed (which had recently changed its name to Blauwhoed) merged into Pakhoed. In the years prior to the merger, they both took over several companies.

1976

ACQUISITION IN THE UNITED STATES
Pakhoed took over Robertson Distribution Systems (RDS) and acquired the Galena Park and Deer Park terminals in Houston, US (picture Deer Park Houston).

1983

SINGAPORE
Van Ommeren opened the first independent oil terminal in Singapore.

1999

FUJAIRAH
Opening of the first independent oil terminal in Fujairah (United Arab Emirates).

1999

ROYAL VOPAK
Merger of Pakhoed and Van Ommeren into Vopak.

2002

DEMERGER OF UNIVAR
Vopak focuses on tank storage.

Vopak

2011

LNG
Opening our first LNG terminal in the network: Gate Terminal in Rotterdam.

2014

PENGERANG
New world-scale terminal commissioned in Malaysia.

2015

WORLD-WIDE NETWORK
Vopak operates a world-wide network of 74 terminals in 26 countries.

2016

VOPAK 400 YEARS

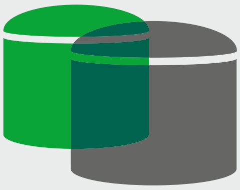
400 YEARS
Vopak celebrates its 400th anniversary.

At a glance

Royal Vopak is the world's leading independent tank storage company. We operate a global network of terminals located at strategic locations along major trade routes. With a history of 400 years and a focus on sustainability, we ensure safe, efficient and clean storage and handling of bulk liquid products and gases for our customers. By doing so, we enable the delivery of products that are vital to the economy and daily lives, ranging from oil, chemicals, gases and LNG to biofuels and vegoils. Vopak is listed on the Euronext Amsterdam stock exchange and headquartered in Rotterdam, the Netherlands.

Number of terminals

74

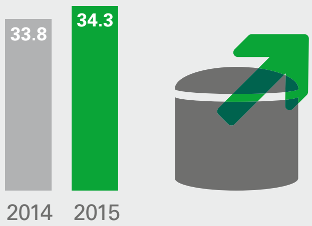


Number of countries

26

Storage capacity

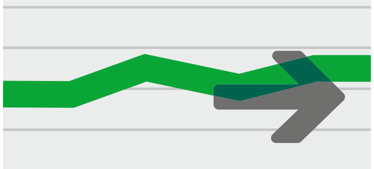
In million cbm at 31 December



Market capitalization

In EUR billions at 31 December

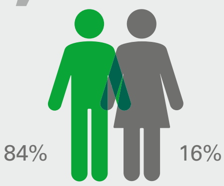
5.1



Number of employees

At 31 December

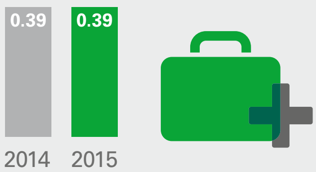
5,902



Total Injury Rate (TIR)

Per 200,000 hours worked own personnel and contractors

0.39



Revenues in EUR millions

1,386

Compared to 2014

+5%

EBITDA in EUR millions -excluding exceptional items-

812

Compared to 2014

+6%

Cash flows from operating (gross) in EUR millions

867

Compared to 2014

+10%

Key figures

	2015	2014
Sustainability data		
Total Injury Rate (TIR) per 200,000 hours worked own personnel and contractors	0.39	0.39
Lost Time Injury Rate (LTIR) per 200,000 hours worked own personnel and contractors	0.12	0.13
Process Safety Events Rate (PSER)	0.27	0.20
Results (in EUR millions)		
Revenues	1,386.0	1,322.5
Revenues -excluding exceptional items-	1,386.0	1,329.0
Group operating profit before depreciation and amortization (EBITDA)	805.2	707.7
Group operating profit before depreciation and amortization (EBITDA) -excluding exceptional items-	811.5	762.8
Group operating profit (EBIT)	549.2	468.5
Group operating profit (EBIT) -excluding exceptional items-	555.5	523.6
Net profit attributable to holders of ordinary shares	282.2	247.1
Net profit attributable to holders of ordinary shares -excluding exceptional items-	325.3	294.2
Cash flows from operating activities (gross)	867.2	786.6
Capital employed (in EUR millions)		
Total investments	581.1	705.6
Average gross capital employed	6,620.0	5,935.0
Average capital employed	4,066.7	3,593.5
Capital and financing (in EUR millions)		
Equity attributable to owners of parent	2,009.4	1,758.2
Net interest-bearing debt	2,295.6	2,266.3
Ratios (excluding exceptional items)		
EBITDA margin excluding result of joint ventures and associates	50.1%	49.9%
Cash Flow Return On Gross Assets (CFROGA)	10.4%	10.9%
Return On Capital Employed (ROCE)	13.7%	14.6%
Return On Equity (ROE)	17.3%	16.7%
Senior net debt : EBITDA	2.73	2.83
Interest cover (EBITDA : net finance costs)	7.7	8.9
Key figures per ordinary share (in EUR)		
(Diluted) earnings	2.21	1.94
(Diluted) earnings -excluding exceptional items-	2.55	2.31
(Proposed) dividend	1.00	0.90
Company data		
Number of employees end of period subsidiaries	3,639	3,860
Number of employees end of period joint ventures and associates	2,263	2,232
Storage capacity end of period subsidiaries (in million cbm)	20.1	21.7
Storage capacity end of period joint ventures and associates (in million cbm)	11.9	9.9
Storage capacity end of period operatorships (in million cbm)	2.3	2.2
Occupancy rate subsidiaries (average rented storage capacity in %)	92%	88%
Contracts > 3 years (in % of revenues)	48%	53%
Contracts > 1 year (in % of revenues)	76%	79%
Information on proportionate basis		
Group operating profit before depreciation and amortization (EBITDA) -excluding exceptional items-	904.1	823.6
Cash Flow Return On Gross Assets (CFROGA)	10.2%	10.3%
Occupancy rate subsidiaries, joint ventures and associates	92%	88%
Number of shares outstanding		
Basic weighted average	127,622,305	127,515,368
Weighted average including dilutive effect	127,761,760	127,576,173
Total including treasury shares end of period	127,835,430	127,835,430
Treasury shares end of period	290,000	210,000

Letter from the Chairman

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

Ability to be open-minded towards changes that are **relevant** to us all

Proud of what we have accomplished

At the time of publishing this Annual Report, Vopak will be celebrating its 400 year anniversary. I take my hat off with deep gratitude to all those involved from the early days in Amsterdam in 1616 and to those globally involved today that have contributed, and are still contributing to the success of this company.

During this year's annual general managers meeting, the stage was set to connect the past and present with the future of the company. It was inspiring to hear all the great stories and ideas, which enhanced my appreciation for the uniqueness of our organization. We have established a vast and diverse network of customers, partners and colleagues. Besides, I am immensely proud of our ability to be open-minded towards changes in society that are relevant to us all. Vopak will continue to strengthen its network of talented, innovative and forward-looking people that will be vital to make a success of our long-term strategy.

Sustainability

Vopak's prime responsibility remains the safe, clean and efficient handling of liquids and gases. We are considerate of the fact that these liquids might endanger people and the environment if stored inappropriately. Hence, our relentless efforts to improve the safety, reliability and efficiency of our operations has again been at the forefront of our thinking. I was deeply saddened to hear about the fatal accident at our joint venture terminal in Japan. We lost a valued colleague in our Vopak network. Safety is our first and foremost priority, and after each work day we are all entitled to return safely to our homes and families.

We made good progress with the optimization of our terminal portfolio. Our network continued to improve through the divestment program together with the commissioning of new terminals in 2015

Business environment

The business environment in which we operate is continuously changing. Markets are becoming more complex. Customers are more vulnerable to economic and geopolitical events. In close cooperation with our customers, we further developed our understanding of the key dimensions of Vopak's business environment.

In terms of economic growth, we observed a gradual pickup in advanced economies and a slowdown in emerging markets and developing countries. In North America, the underlying drivers for acceleration in consumption and investment remained intact. Further, the economic recovery in Europe has developed positively, with a robust improvement in domestic demand. However, there have also been some uncertain economic and business developments, such as China's uncertain growth perspective, increased economic sensitivity to lower commodity prices and the heightened geopolitical tensions in certain regions.

We continued to closely follow ongoing discussions around CO_2 emission reductions, the use of renewable energy and, more recently, the outcome of the Paris Climate Conference 'COP21'. Our dialogue with both external and internal stakeholders on how we can facilitate the energy transition and make a positive contribution, will never seize to exist. Also, there has been an ongoing change in perception with regard to compliance and safety, which has resulted in more pressure to ensure better industrial safety standards and protection of the environment.

Execution of our strategy

I am pleased with the good progress made with the optimization of our terminal portfolio in 2015. Through the divestment program, together with the commissioning of new terminals and capacity expansions at existing terminals, we have further strengthened our global network and improved our competitive service offering. Although it has not always been easy to depart from valued colleagues, these decisions were based on sound business rationales in order to better position the company's portfolio.

Performance in 2015

We achieved our financial targets for 2015. We are confident about the future earnings potential of the company and propose to increase the dividend per ordinary share with 11%. Global imbalances, long-term contracts and effective supply chain positioning continue to be the main drivers behind the strong demand for our infrastructure services.
The lower oil price environment contributed to the higher occupancy rate in the Netherlands and EMEA and increased market interest for our newly commissioned oil terminals in Asia. Overall demand for chemicals remains healthy, supported by increase in GDP, population growth and rising wealth levels.

2016 and beyond

We will continue to focus on operating a leading company in our industry that is dedicated to even further improve the safety and health of our employees, as well as the quality of the environment in which we operate and the communities connected to Vopak. In 2016, Vopak will continue with the execution of our strategic priorities, which will strengthen Vopak's competitive position, making it easier to adapt to changing circumstances in order to seize opportunities and to continue our focus on sustainable long-term value creation.

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

Profile, mission and strategy

400 years of experience

We strive to be the **partner of choice** for all our stakeholders

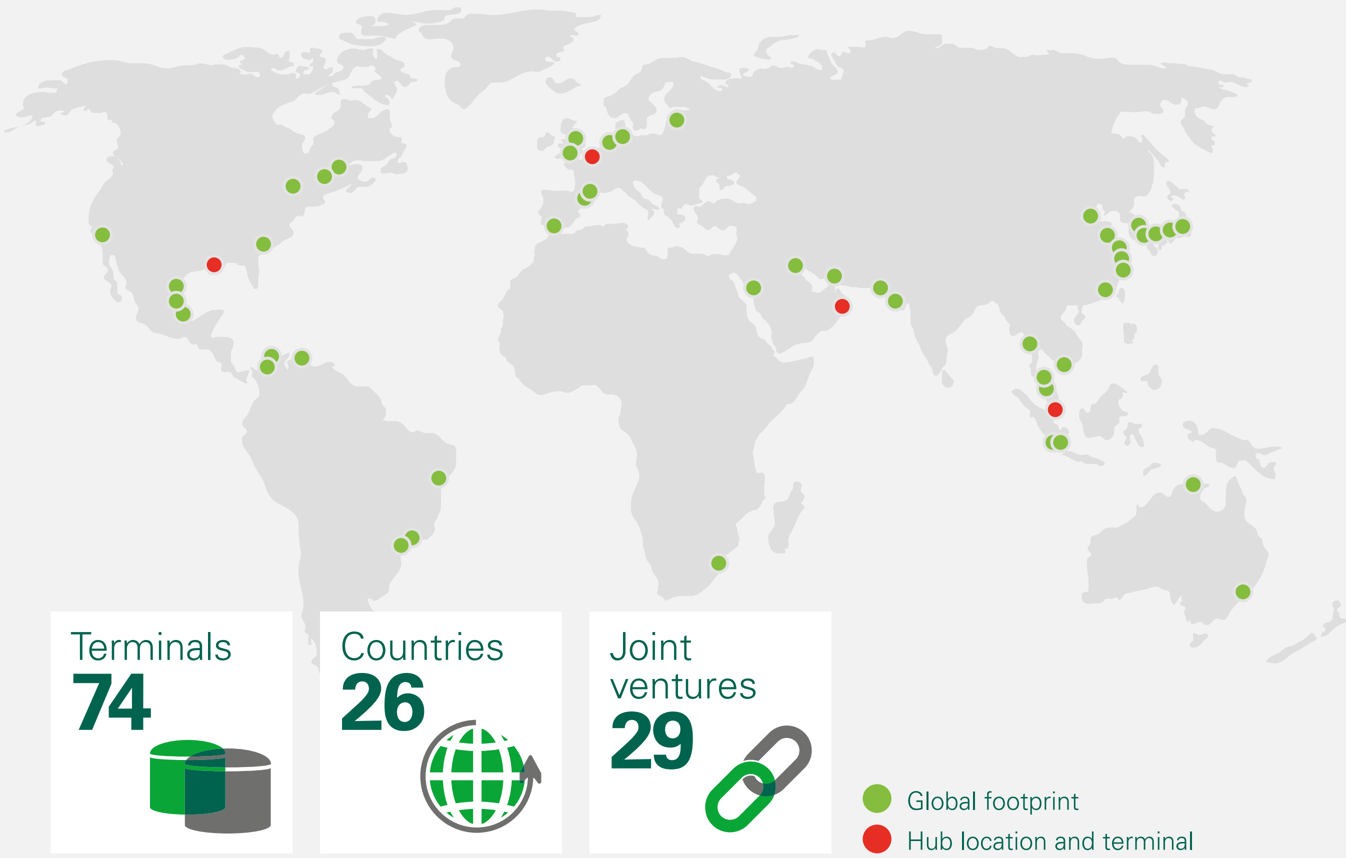
A world leader

Royal Vopak is the world's leading independent tank storage company. We operate a global network of terminals located at strategic locations along major trade routes. With a history of 400 years and a focus on sustainability, we ensure safe, efficient and clean storage and handling of bulk liquid products and gases for our customers. By doing so, we enable the delivery of products that are vital to our economy and daily lives, ranging from oil, chemicals, gases and LNG to biofuels and vegoils. Vopak is listed on the Euronext Amsterdam stock exchange and headquartered in Rotterdam, the Netherlands. Including our joint ventures, we employ an international workforce of almost 6,000 people.

Building upon our heritage

Vopak's history dates back to 1616. Our earliest ancestors stored and handled coffee, tea, cocoa, sugar, silk, spices and other products from all over the world for trading companies such as the East India Company, the world's first multinational company. Since then, much has changed. Dry bulk gave way to liquid bulk and the company grew, eventually establishing a presence on every continent.

Unchanged is that we are still loading and unloading ships and storing and handling product for multiple customers. We have thus been connecting global trade flows for 400 years. Looking forward, we will build upon our heritage by living the Vopak values: care for safety, health and the environment, integrity, team spirit, commitment and agility.



Sustainability at the core

We store and handle oil, gases, chemicals, biofuels and edible oils. These products are crucial to people's lives, yet can endanger their health and the environment if stored or handled inappropriately.
This comes with a huge responsibility. Our mission is to provide safe, efficient and clean storage and handling services.

By fulfilling our mission, we strive to be the partner of choice for all our stakeholders, from customers, business partners and investors, to governments, local communities and society at large. Our ambition is to be a strong link in our customers' value chain and a leader in our industry.

We realize that our long-term success depends on our ability to innovate and respond to changing demands from both the market and society. This is why we explore ways to facilitate the introduction of more sustainable new technologies, processes and products and aim for an open dialogue with our stakeholders. Our aim is to put sustainability at the core of our decisions and operations, which will allow us to stay relevant to society and continue to enable trade flows for future generations.

Vision and strategy

As global population and GDP are growing, world demand for energy and chemicals is rising as well. We see a growing geographic imbalance between areas of production and areas of consumption of energy and petrochemicals. This leads to transportation of oil, gas and petrochemicals over ever longer distances around the world. At the same time, markets and product flows constantly change, in response to more ambitious climate change policies, to geopolitical and economic fluctuations and to the development of new energy sources and cleaner fuels. The result is a growing demand for storage and handling of bulk liquids and gases at key locations along global marine trade routes.

Determining the best locations for our terminals requires a long-term vision of global geoeconomic developments, while constantly changing product flows demand flexibility and short-term action in the day-to-day work at the terminals. In such a dynamic context, our leadership depends on our ability to excel in three areas, the three pillars of our strategy.

Growth leadership

Operational leadership

Customer leadership

Our sustainability foundation

Health and safety | Environmental care | Responsible partner | Excellent people

First, we aim to **grow**, maintain and adapt our global network of terminals to connect global product flows. Our experience and our market knowledge enable us to identify the right locations for our terminals to create long-term value. In light of the changing energy and petrochemical landscape and a continuing economic shift from West to East, Vopak focuses on four categories of terminals. These include:

- Major hubs, supporting intercontinental product flows
- Import and distribution terminals in major markets with structural deficits
- Terminals facilitating growth in global gas markets
- Industrial and chemical terminals in the Americas, the Middle East and Asia

These categories guide us in making an early selection of the most promising opportunities for growing our network, for expanding and improving existing locations and for identifying assets for divestment, thereby improving the risk-return profile of our global terminal portfolio. We call this Growth leadership.

Second, we strive for the best construction, **operations** and maintenance of our terminals to deliver safe, efficient and clean storage and handling services at competitive costs. This requires a passion for continuous improvement in the daily work at the terminals. At Vopak, we value the personal connection and the close working relationship among employees, with partners, contractors, customers and authorities. We value sharing best practices and learning from each other. We believe in team spirit and agility in order to act swiftly on changing circumstances and demands, while upholding our commitment to safety, health and the environment. We call this Operational leadership.

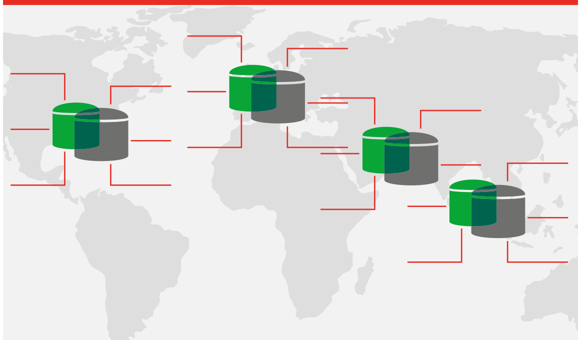
Third, we want to provide the best services to our **customers**. The majority of our customers are leading international, regional and national companies operating in the oil, chemicals and gas sector, for which Vopak stores a large variety of products destined for a wide range of industries. Customers include producers, distributors and traders, with whom we aim to build long-term relationships and true partnerships. This requires integrity, commitment and the ability to respond adequately to both the long-term and short-term needs of our customers. We call this Customer leadership.

These three pillars rest on a **foundation of sustainability**. Our sustainability strategy consists of four main themes, with care for Health & safety and care for the Environment at the core. A third theme is being a Responsible partner for the communities in which we operate. Finally, we work to attract, train and retain Excellent people, in reflection of our belief that the leadership of our company depends on the leadership of every Vopak employee.

Our network

Vopak is focussing on four categories of terminals:

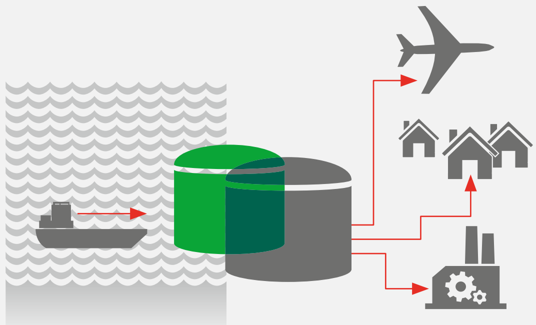
Hub terminals



Major hubs, supporting intercontinental product flows

Major hubs are terminals along major shipping routes, where many suppliers and customers are active and where efficient supply chain management processes are of utmost importance. We have strengthened our position in these terminals in recent years, making them safer, more efficient and better able to deliver higher service levels in a competitive environment. Houston, the ARA region, Fujairah and the Singapore straits are good examples.

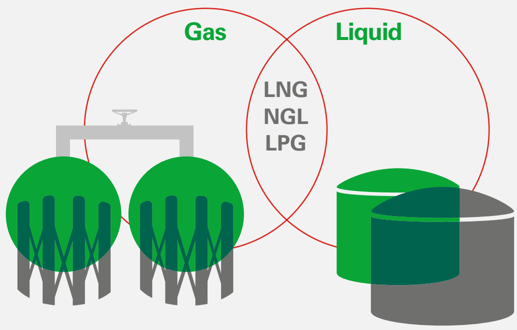
Import and distribution terminals



Import and distribution terminals in major markets with structural deficits

The capacity for refining and petrochemical production is expected to disappear in certain energy consuming countries. These countries will continue to have a high demand for energy whilst they lack competitive production capabilities, consequently the import of oil and chemicals will become more important.

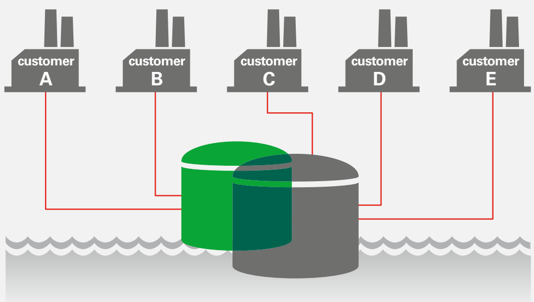
Gas terminals



Terminals facilitating growth in global gas markets

Vopak expects that a range of gases will play an increasingly important role in the global energy mix. Based on the shale gas developments in North America, the global growth in LNG liquefaction and the diversification of energy and feedstock in the Middle East, we observe increasing demand for storage and handling services of LNG, LPG and various industrial gases among a growing number of market participants.

Industrial and chemical terminals



Industrial and chemical terminals in the Americas, the Middle East and Asia

Industrial customers are increasingly interested in contracting storage and handling services that are integrated in their industrial processes but executed by specialists like us.

Vopak story
Growth leadership

Unique expansion of gas storage in Vlissingen.

"Vopak Terminal Vlissingen expanded its capacity with 36,800 cbm of pressurized storage. The expansion consists of six cylindrical bullets, which are probably the biggest in Europe and the longest in the world" according to Ian ter Haar, Managing Director Vopak Terminal Vlissingen. "So in this regard, this is certainly a unique project. Another unique aspect of the project is the fact that these bullets are mounted and covered by a protective ground layer, which is considered the safest form for pressurized storage."

The **biggest** in Europe and the **longest** in the world

Excellent teamwork between Vopak and its partners

Vopak story Growth leadership

Ready for the future

As a terminal for storage and handling of Liquefied Petroleum Gas (LPG) and chemical gases, Vopak Terminal Vlissingen is conveniently located in deep water with good hinterland connections by water, rail and road. "Vopak Terminal Vlissingen has become the largest independent LPG and chemical gases facility with a total storage capacity of 168,900 cbm. This offers us an excellent position for northern Europe" according to Ian ter Haar. "With over 30 years of experience in gas storage, the terminal has the potential to expand further. We are ready for the future."

Growing market

LPG supply is expected to increase due to the additional supply from oil and gas production and the ban on flaring. There is a growing demand for lighter feedstocks for the petrochemical industry. An increase in the demand for chemical gas storage is driven by production expansion in Europe and a global imbalance of certain chemical gases. As a result, there is a growing interest and market commitment for additional pressurized storage capacity.

Vopak Terminal Vlissingen is well positioned to handle these additional flows for our customers and with this expansion, we can continue to be the leading LPG and chemical gases hub of Northwest Europe.

Excellent teamwork

This LPG expansion project could not have been realized without excellent teamwork between Vopak and its partners. Clearly-defined customer requirements were the basis for the design. Our customers were looking for new products and new transportation channels. This coincided with our ambition to expand our business and working more efficiently and effectively. We explored the logistical options very closely with our clients and arrived at the best solutions that you will not find elsewhere.

Provincial and port authorities actively supported the development. A combined project team, comprised of both Vopak and contractor staff, was the basis for the successful completion of this project.

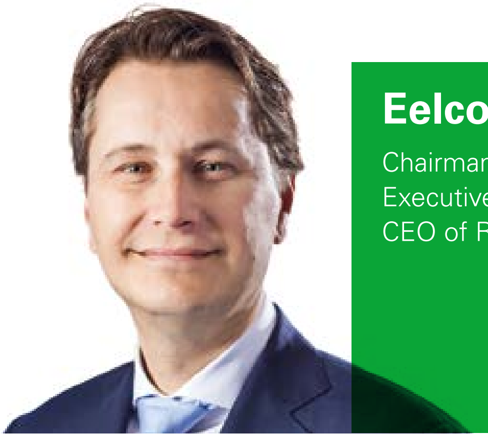
Unique opening

The Vopak Terminal Vlissingen team proudly celebrated the formal opening with its partners in a unique manner. Dutch astronaut Andre Kuipers was invited to speak at the opening event. After visiting the International Space Station twice, Andre fully understands what it means to work in a controlled environment, having to deal with different pressures and follow strict procedures to ensure overall safety.

Executive Board **report.**

Vopak Terminal Europoort, the Netherlands

Introduction Executive Board



Eelco Hoekstra

Chairman of the Executive Board and CEO of Royal Vopak

Nationality Dutch
Year of birth 1971
Education Master's Degree in Economics
Career Eelco Hoekstra has been active in the international tank storage industry since 1995 and joined Vopak in 2003. At Vopak, he held various management positions in the United Arab Emirates, Latin America and Asia. Until his appointment to the Executive Board, Eelco was President of Vopak Asia. He has been a member of the Executive Board since November 2010.

Jack de Kreij

Vice-chairman of the Executive Board and CFO of Royal Vopak

Nationality Dutch
Year of birth 1959
Education Chartered Accountant (RA), Certified Management Accountant (CMA)
Career Jack de Kreij was employed with the Dutch Ministry of Finance from 1980 until 1986. He joined PricewaterhouseCoopers (PwC) in 1986 and held various positions including Manager Merger & Acquisitions (New York). After being appointed Partner in 1990, he fulfilled several management roles within PwC. Before being appointed as member of the Executive Board of Vopak, Jack was Senior Partner and Territory Leader in the Netherlands for PwC's Transaction Services. He has been a member of the Executive Board since January 2003.

Frits Eulderink

Member of the Executive Board and COO of Royal Vopak

Nationality Dutch
Year of birth 1961
Education PhD in Astrophysics and two cum laude Master's Degree in Mathematics and in Astronomy
Career Frits Eulderink joined the Royal Dutch Shell Group in 1990, where he held various technical and management positions in the Netherlands, North America, Africa and the Middle East, including in the fields of Reseach, Manufacturing, Exploration and Production. Until the end of 2009 Frits was Vice-president Unconventional Oil in Houston (United States). He has been a member of the Executive Board since April 2010.

Report of the Executive Board

Continuously adapting our organization through **focus and clear choices**

Sustainability remains **at the core** of our strategy and enables us to innovate

Relevant and reliable

As one of the world's leading independent tank storage companies, it is our role and responsibility to provide safe, efficient and clean storage and handling services of liquid bulk products. These products are crucial to people's lives, yet can endanger their health and the surrounding environment if stored or handled inappropriately. Therefore, care for safety, health and the environment is the guiding principle in all decisions we make and all activities we carry out.

Our personal safety performance leveled off in 2015 and did not meet our expectations. Most tragically, we suffered one fatal accident at our joint venture terminal in Japan. This tragic incident emphasizes again that we have to keep on focusing on further improving our safety culture, procedures and equipment to ensure a safe work place for all.

We made good progress in exploring opportunities to facilitate the introduction and usage of more sustainable technologies, processes and products in 2015.

Two good examples are the new LNG break-bulk facility, which is currently under construction at the Gate Terminal in the port of Rotterdam and the expansion at Vopak Terminal Vlissingen, in the Netherlands. Both facilities are expected to boost the use of LNG and LPG as cleaner energy sources in Northwest Europe.

Vopak has benefited from open markets and collaboration across borders, languages, cultures and social backgrounds. As we mark our 400-year history, we aim to pass this notion on.

Initiated in 2015, WeConnect, a Vopak community program, will help to further realize our objective to support activities that improve the lives of people in the communities in which we operate.

Remaining relevant in a constantly changing world

Vopak has been successfully facilitating global trade flows over the past centuries. Despite market dynamics, financial crises and geopolitical tensions, we have managed to create and sustain a robust business model. By continuously adapting our organization through focus and clear choices, we have developed a well-diversified global terminal network based on solid demand drivers. For instance in Durban, South Africa, as a result of a rapidly growing fuel market, we transformed a terminal, mainly facilitating the import and export of chemicals, into an import and distribution terminal for fuels, while continuing to serve our traditional chemical producing customers.

Almost five years ago, fueled by strong demand from growing Asian economies, together with our joint venture partner, we took the final investment decision to jointly develop a new hub terminal in Southeast Asia. Today, even with the uncertainties caused by the slowdown in the Chinese economy and other emerging markets, we are successfully operating this newly commissioned 1.3 million cbm terminal in a competitive environment. This proves our ability to capitalize on new opportunities and recognize option values, innovate timely and effectively in order to respond to changing demands from the market.

Exceeding our customers' expectations

With our global network of terminals, strategically located along major shipping routes, we have become a strong link in our customers' global value chain, enabling them to seize business opportunities around the world. Vopak's competitive edge comes from local decision making and execution within a strong framework of global requirements, practices and knowledge sharing. Our operational capabilities define the service experience of our customers. Therefore, understanding our customers' needs and exceeding their expectations form the basis of our long-term relationships.

We have focused on further professionalizing and integrating our operational and commercial processes in 2015. We aimed to enhance the reliability of our solutions and deliver the best operational performance, both from a safe service delivery as well as from an efficient customer supply chain perspective. Technology has increasingly gained importance in further improving efficiency and productivity at our terminals, the beating heart of our business. Through the terminal master plans, we continue to look for possibilities to modernize our infrastructure by applying a systematic and disciplined capital expenditure approach, while never compromising on safety.

Vopak strives to maintain and improve its service offering and reputation among customers. We are encouraged with the positive results of our customer satisfaction survey that show we have made steady progress.

Human capital

In our business, people are key to safe, efficient and successful operations. We are proud of how our employees drive our business forward with integrity, commitment, agility and good team spirit.

The further alignment of the organization and terminal network accelerated in 2015. This resulted in the divestment of terminals and unfortunately also in the departure of colleagues who, in some cases, worked for the company for quite some time. At the same time, we continued to invest in our employees by offering training and leadership development to ensure a safe working environment, high service levels and engaged employees. In 2015, we also formulated and implemented an overarching global people strategy aligning several HR initiatives to the Vopak strategy. We believe this will enhance the organizational agility of the company going forward.

Looking ahead

Looking towards 2016 and beyond, we will continue our strategic priorities supported by disciplined capital allocation, with projects under development that will add 4.2 million cbm of storage capacity in the years up to and including 2019.

Sustainability remains at the core of our strategy and enables us to innovate and continuously improve our business, in order to contribute to our long-term relevance in society. Forecasted future global developments, such as population growth, a growing middle class, increasing imbalances between production and consumption areas, will result in the need for more terminal infrastructure at strategic locations around the world. We are well positioned to leverage on these developments and therefore remain confident with regard to the long-term outlook for our company.

Our business environment

Continuously monitoring market developments **to facilitate customers**

The **economic situation** for several countries improved in 2015

Global population and GDP growth lead to rising demand for energy and chemicals. Global studies indicate a growing geographic imbalance between areas of production and consumption. This leads to transportation of oil, gas and petrochemicals over ever longer distances around the world. Vopak continuously monitors the developments in the product markets and the related flows and looks for ways to facilitate a more efficient supply chain for our customers.

Understanding Vopak's business means recognizing our role in the customers' supply chain and being aware of macroeconomic factors, geopolitical developments and their impact on our business environment.

Key developments per region

In 2015, the economic situation for advanced economies improved, while growth in emerging and developing countries was under pressure. Most of the BRICS countries that have been pushing global growth during the past years, are facing challenges.

The Chinese economy is transitioning from an export-focused development model towards a more consumer-oriented and service-oriented economy and is currently experiencing lower growth rates.

Europe

The economic recovery of Europe continued with GDP growth increasing to 1.5% in 2015 (source: IMF 2015). The lower crude oil price supported demand, whereas the weak euro had a positive impact on exports. The economies of the southern European countries are recovering, but high debt and unemployment levels remain a concern.

Asia
With over half of the world's population living on the Asian continent, the continent remains an important pillar for global growth. China's economic growth showed a slowdown in 2015. Economic activity in specific mature as well as emerging market economies in Asia, was also slightly weaker than expected, reflecting lower exports and a slowdown in domestic demand. India was an exception with sustained high growth levels.

Americas
Americas' growth across the continents was lower than expected. However, lower oil prices were a main contributor to growing demand for oil products in North America and especially gasoline. In Latin America, the economic depression in Brazil was deeper than expected and the declining commodity prices contributed to a weaker economy in the region (source: IMF 2015).

Simultaneously, short markets and a combination of deregulation and economic growth in countries such as Mexico, South Africa and Indonesia, lead to new opportunities.

Key developments per product group

Oil products
The oil market remained dynamic over 2015. The oil price tended down during the year with high levels of volatility and a positive market structure. The US tight oil production growth slowed during the year whereas increasing OPEC production supported the market share positions of Saudi Arabia and Iraq. Overall, 2015 was characterized by a persistent oversupply in the market.

Global oil demand growth reached a five-year high of 94.5 million barrels a day. Key drivers for demand growth include gasoline demand in the US, India and China (source: IEA 2015).

Low crude prices continue to support refinery margins. New modern refineries in Asia and the Middle East are looking for a market and causing an increasing global diesel/gasoil surplus. Europe has absorbed growing volumes of diesel over the last year; however distillate margins remain under pressure. The gasoline-geared European refineries, on the other hand, are benefiting from increasing gasoline demand.

Despite the intensifying competition for storage of oil products in key hub locations such as Fujairah and Singapore straits, the fundamental trade patterns and to a lesser extent the market structure have caused continued strength in storage demand. Oil majors see their upstream returns under pressure whereas downstream business is performing solidly after a long period of weakness.

Chemicals and gases
The international petrochemical industry has seen significant changes during 2015, with feedstock developments having a major impact on the markets. The low oil price environment has, in some cases, made traditionally disadvantaged regions competitive again. Although the US and Middle East petrochemical industry maintained its ethane feed advantage over European and Asian naphtha crackers, the gap between regions has narrowed.

Strong growth of US shale gas production in recent years provoked a surge of new cracker projects concentrated around the US Gulf Coast.
Seven crackers are currently under construction in the US. Lower oil prices translated into lower naphtha prices, which put pressure on chemical prices. As a result, US cracker margins came down in 2015. Consequently, ethane developments in the US lost traction during 2015 with fewer than expected projects being confirmed as companies are rethinking their ambitions. In order to increase competitiveness, several European cracker operators are investing in modifying their installations to make use of US ethane as a percentage of their feedstock intake. Companies, both in Europe and Asia, have been importing US LPG in order to source cheap and flexible feedstock. US LPG exports are currently limited by a lack of available shipping capacity, but an increasing number of vessels are entering service.

Over the past decade, the Middle East emerged as the key producer and exporter of commodity grade petrochemicals supported by its feedstock advantage. As governments in the Middle East aspire to create jobs and add more value to their production, the Middle East is transitioning from mainly a commodity grade producer into a higher valued derivatives and specialty chemicals supplier. Several world-scale integrated petrochemical complexes have been developed in recent years.

With the highest economic growth rate in the world, petrochemical consumption in Asia increased in 2015. It has been a profitable year for Asian petrochemical producers who benefited from lower feedstock prices like naphtha and LPG. Investments in new petrochemicals and increasing GDP supported growth in Southeast Asian emerging markets.

China, the largest chemical market in the world, is witnessing slowing growth rates. Throughout the year, China continued to expand its petrochemical industry driven by its ambition to become less dependent on imports. As these capacities came on stream, we observed reduced import requirements in China. This also impacted the export flows from other Asian countries.

Europe finds itself in a much better position than during 2014. Lower oil prices have had a dampening effect on naphtha and LPG prices, the typical feedstock for European crackers, and made their operating companies more competitive. Butane and propane were increasingly used as feedstock by cracker operators because of its discount compared to naphtha throughout the year. The weaker euro helped making exports cheaper and supported profits. The European petrochemical industry continued their shift away from production of commodity grade chemicals towards more specialty chemicals.

LNG

LNG trade is growing, leading to greater need for storage. In general, total LNG supply increases due to new LNG liquefaction plants entering into operation in Australia, Papua New Guinea and the US. These facilities have not reached full capacity yet.

On a global level, demand in the power sector (accounting for roughly 50% of global LNG demand) remains challenging due to a combination of lower electricity growth and robust deployment of competing fuels (renewables, nuclear and coal). In terms of LNG contracting, the trend continued for a push in the market towards more short-term and spot LNG trading, combined with more destination and volume flexibility. This liquidity, combined with continued price differences across regions, led to re-exports in 2015, supporting the growing need for LNG infrastructure.

Other liquids

Vegoils

The vegoils market continued to grow in 2015, mainly due to a growing population and rising wealth levels (source: Oil World 2015). The largest increase in supply came from soya oil and palm oil, whereas sunflower oil showed a drop in supply. Vegoils prices followed the drop in crude oil price although to a lesser extent. As a consequence, the outlet for discretionary blending of biodiesel (where vegoils are the feedstock) was removed, which put further pressure on vegoils prices. The drop in prices resulted in vegoils consuming countries increasing their imports and stock levels.

The largest growth in imports could mostly be found in Asia where the largest vegoils importer India reached an import record in 2015. Palm oil producers further expanded their market reach and building positions in mature and developing markets via joint ventures and acquisitions.

Biofuels

The lower crude oil price environment removed the incentive for discretionary blending of biofuels and consumption was driven by governmental mandates. The biofuels market continued to grow particularly in non-OECD countries that own the feedstock whereas the mature markets in the US and Europe showed a more stable development. In the US, the ethanol demand reached its limits due to the E-10 blend wall (the car industry's opposition to higher blend levels). In addition, the competitive US ethanol industry has developed into the main global ethanol exporter, supplying markets in Brazil and Asia. Brazil was one of the largest growth markets in 2015.

The devaluation of the Brazilian currency supported Brazilian ethanol exports. In Europe, the biofuels market was stable mainly due to the introduction of a greenhouse gas reduction scheme in Germany, the largest biofuels market in the region. Europe remained mostly self-supporting for biofuels with anti-dumping duties on the main biofuels producing origins (US, Argentina and Indonesia) on top of import-duties limiting extra European imports.

Competitive landscape

Competition increased from existing (local) service providers and new entrants in 2015. We aim to maintain our competitive edge and leadership position through disciplined execution of our strategy and by ensuring that we have the most reliable, safe, clean and efficient operating levels at the right locations.

Global megatrends impacting our business

Our business landscape and that of our customers are impacted by so called megatrends ('trends'). These trends will shape the future and will drive the demand for the various product groups that Vopak stores and handles. The trends we consider of impact to our business are:

- Urbanization
- Changing demographics
- Geopolitical developments and global trade
- Disruptive technologies
- Sustainability & climate change

As a result of the growing global population, the demand for the products we store is expected to increase over the next decades. This population growth is mainly taking place in non-OECD countries. The growing population in combination with an increasing level of people moving to cities will result in more people joining the consuming class. We view this as positively impacting the demand for goods produced by our customers and subsequently our markets. Given the fact that production centers for the different product groups are not always close to the demand centers, we foresee a further increase in trade flows. In some cases substitution of products can take place. The drivers behind substitution are the increased focus on sustainability & climate change and technological breakthroughs. Such trends can impact our business positively or negatively and/or change the mix of products within our terminals.

These trends impact the product groups differently per region and per location. As part of our review process, we continuously monitor these trends to understand the way these impact our business at specific locations.

Growth leadership

Optimizing the portfolio to strenghten our **competitive position**

Supporting the **long-term value creation** objectives of the company

We aim to proactively translate key developments in our customers' markets into opportunities at new locations and in our existing terminals, strategically positioned in seaports, across the world.

Portfolio optimization

In 2015, we continued to execute our strategy of having a well-diversified global network of terminals with specific criteria for growth leadership. This translates into four types of terminals, supporting our strategy to optimize the portfolio and to further strengthen Vopak's competitive position. These criteria are used to assess both existing terminals as well as business development activities, which include:

- Major hubs, supporting intercontinental product flows
- Import and distribution terminals in major markets with structural deficits
- Terminals facilitating growth in global gas markets
- Industrial and chemical terminals in the Americas, the Middle East and Asia

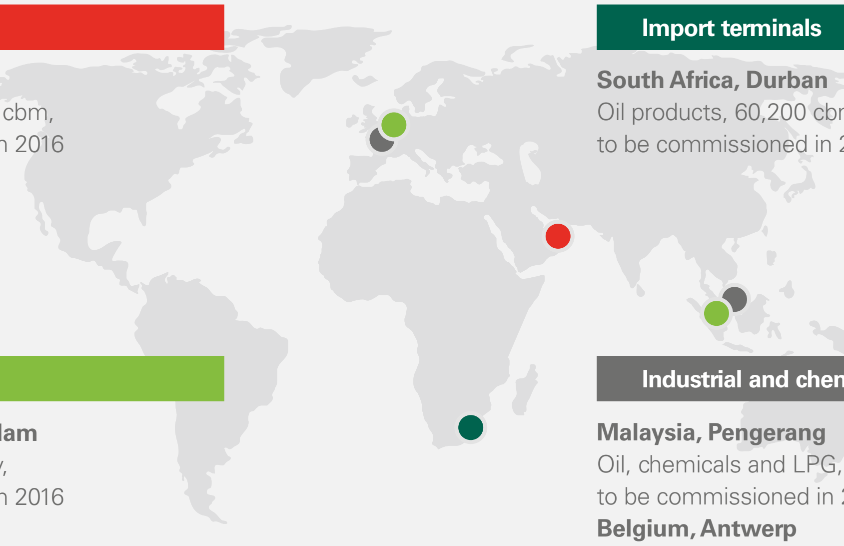
Major hubs, supporting intercontinental product flows

Major hubs are terminals along major shipping routes, where many suppliers and customers are active and where efficient supply chain management processes are of utmost importance. We have strengthened our position in these terminals in recent years, making them safer, cleaner, more efficient and able to deliver higher service levels in a competitive environment. Houston, the ARA region, Fujairah and the Singapore straits are good examples. We are proud to have added Pengerang Independent Terminals in Malaysia near Singapore, to our global hub terminal network.

Highlights 2015

- In March, the crude oil tanks (phase 1C) were commissioned at Pengerang Independent Terminals Sdn Bhd (PITSB), the first independent crude storage terminal in Southeast Asia

Examples of the execution of our defined terminal portfolio criteria



Hub terminals

UAE, Fujairah
Oil products, 478,000 cbm,
to be commissioned in 2016

Import terminals

South Africa, Durban
Oil products, 60,200 cbm,
to be commissioned in 2016

Gas terminals

Netherlands, Rotterdam
LNG break-bulk facility,
to be commissioned in 2016
Singapore, Banyan
LPG, 75,800 cbm,
to be commissioned in 2016

Industrial and chemical terminals

Malaysia, Pengerang
Oil, chemicals and LPG, 2,100,000 cbm,
to be commissioned in 2019
Belgium, Antwerp
Chemicals, 30,000 cbm,
to be commissioned in 2016

Import and distribution terminals in major markets with structural deficits

Due to the closures of refineries and petrochemical plants, changing environments and energy use, an increasing number of markets have a structural deficit of certain products.

Highlights 2015

- In June, Vopak commissioned additional capacity at the Montreal East terminal (Canada) for the storage and handling of refined oil products
- In September, together with its joint venture partner, State Development Investment Corporation (SDIC) of China, Vopak commissioned an independent storage terminal for crude oil and oil products in Yangpu, Hainan, China
- In December, Vopak completed the commissioning of additional capacity in Durban to facilitate South Africa's increasing demand for petroleum products, thereby improving the country's security of fuel supply

Terminals facilitating growth in gas markets

We strongly believe that we can play a significant role by taking into account the shift in the energy markets and the focus on gas products. In recent years, we have announced and commissioned several projects with respect to LNG and LPG.

Highlights 2015

- In March, Gate Terminal started the construction activities for the new LNG break-bulk infrastructure at its site at the Maasvlakte in Rotterdam
- In May, Vopak completed the expansion of its terminal in the port of Vlissingen with six cylindrical bullets of pressurized storage capacity. With this expansion, the terminal can continue to be the leading LPG and chemical gases hub of Northwest Europe

Industrial and chemical terminals in the Americas, the Middle East and Asia

Industrial and chemical terminals have proven to be well balanced and attractive areas for growth, specifically in the growth regions of the world, such as the Americas, the Middle East and Asia.

Highlights 2015

- In November, Vopak's associate Jubail Chemicals Storage and Services Company (JCSSC) announced that it has entered into two agreements with Sadara Chemical Company to provide liquid product storage and handling services at the King Fahd Industrial Port in Jubail, Kingdom of Saudi Arabia. As part of these agreements, Vopak's associate JCSSC acquired a tank farm of 348,000 cbm. This 348,000 cbm tank farm supplements the 220,000 cbm port terminal and related port facilities that are under construction

Divestments

As a result of the business review communicated in 2014, nine terminals and two land positions have been divested during the course of 2015, ensuring that the network continues to be aligned with our strategic orientation, supporting the long-term value creation objectives of the company.

Highlights 2015

- In January, Vopak divested its land position in Turkey
- In February, Vopak divested three wholly-owned terminals and a plot of land in the United States. The terminals, with a combined capacity of 300,700 cbm, were 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 was located in Perth Amboy, New Jersey
- In June, Vopak divested all four terminals in Sweden, consisting of Vopak Terminal Gothenburg, Vopak Terminal Gävle, Vopak Terminal Malmö and Vopak Terminal Södertälje. The combined operational capacity of these terminals was 1,260,700 million cbm
- In July, Vopak divested the Finnish entity Vopak Chemicals Logistics Finland Oy. The divested entity consists of two terminals: Vopak Terminal Mussalo and Vopak Terminal Hamina with a combined capacity of 175,400 cbm
- In December, Vopak reached agreement on the sale of all its UK assets, consisting of three wholly-owned terminals: Vopak Terminal London, Vopak Terminal Teesside and Vopak Terminal Windmill and the joint venture Thames Oilport (former Coryton refinery). The combined operational capacity of these terminals is approximately 700,000 cbm. This divestment is in addition to the earlier announced divestment program
- In January 2016, Vopak completed its announced sale of Vopak Holding UK, comprising 33.3% investment in the joint venture Thames Oilport (former Coryton refinery) to Greenergy. This was the first of two transactions regarding the sale of all of Vopak's UK assets to respectively Greenergy and Macquarie Capital. The second transaction is expected to be completed by the end of Q1 2016

We will complete our announced divestment program and business development focus, which will lead to a gradual shift of Vopak's portfolio of terminals towards robust markets in the coming years.

Growth perspective

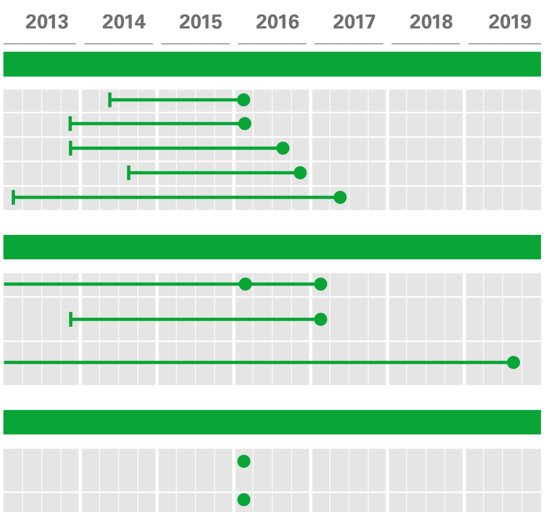
Storage capacity developments 2015

Country	Terminal	Vopak's ownership	Products	Capacity (cbm)
Existing terminals				
Brazil	Aratu	100%	Chemicals	8,900
Netherlands	Vlissingen	100%	LPG	36,800
Canada	Montreal East	100%	Oil products	48,200
South Africa	Durban	70%	Oil products	64,000
China	Lingang	50%	Chemicals	40,000
Germany	Hamburg	100%	Oil products	65,000
Belgium	Antwerp (Eurotank)	100%	Chemicals	10,000
Various	Net change at various terminals including decommissioning		Various	53,700
New terminals				
Malaysia	PITSB phase 1C (Pengerang)	44.1%	Oil products	413,000
China	Hainan	49%	Oil products	1,350,000
Saudi Arabia	Jubail	25%	Chemicals	155,000
Divestments				
US	Galena Park	100%	Chemicals	- 170,000
US	Wilmington	100%	Chemicals	- 130,700
Sweden	Vopak Sweden AB	100%	Oil products	- 1,260,700
Finland	Vopak Chemicals Logistics Finland	100%	Chemicals/oil products	- 175,400

Net change total storage capacity 2015: 0.5 million cbm

Announced storage capacity developments for the period up to and including 2019

Country	Terminal	Vopak's owner-ship	Products	Capacity (cbm)
Existing terminals				
Belgium	Antwerp (Eurotank)	100%	Chemicals	30,000
Singapore	Banyan	55.6%	LPG	75,800
UAE	Fujairah	33.3%	Oil products	478,000
South Africa	Durban	70%	Oil products	60,200
Brazil	Alemoa	100%	Chemicals	14,000
New terminals				
Saudi Arabia	Jubail	25%	Chemicals	413,000
Singapore	Banyan Cavern Storage Services	n.a.[1]	Oil products	990,000
Malaysia	PT2SB (Pengerang)	29.7%	Chemicals/oil products/LPG	2,100,000
Divestments				
UK	UK Terminals	100%	Chemicals/ oil products	- 696,600
UK	Thames Oilport	33.3%	Oil products	–



Net change for the period up to and including 2019: 3.5 million cbm

start construction
expected to be commissioned

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

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

Operational leadership

We can only operate sustainably with **a strong focus on safety**

The **Assure program** enables us to demonstrate we are doing the right thing

In 2015, we continued to improve the integrity of our assets and service offerings through a systematic capital expenditure approach, and have broadened our efforts to increase focus on people and processes. We formulated our Assure program to prioritize existing programs and initiatives within the key areas of assets, people and processes, essential for the prevention of incidents. Our competitive edge is determined not only by how safely we operate, but also the level of service we offer within each product-market combination.

Safety

Safety is our top priority. We have been tracking our process safety performance according to the API Reporting Framework 754 since 2014. The other key area with regard to safety is personal safety, not only for our own employees but for contractors as well. We continue to focus on Vopak Fundamentals on Safety, which has been broadened to include non-field staff as well.

Our individual terminals are faced with different challenges. Rather than a 'one-size-fits-all' program, we will therefore focus on the specific challenges per terminal in order to make further improvements.

Service

Our focus has traditionally been on the hardware aspects of our facilities to improve reliability, availability and turnaround times. We continued to do this in 2015. Another area of focus is on key processes. An example is our operational review process with customers, an open dialogue, which gives us a good opportunity to seek out areas for further improvements.

Additionally, one area that we have improved and which will require more attention, is to make our operational performance more measurable with a higher frequency. This has a 'hardware' element in the sense that it needs to be supported with dashboards and sometimes software tools.

Cost competitiveness

Good maintenance of our facilities is an important element in delivering good service. Vopak started to implement the global maintenance management system 'ME2' throughout its terminal network in 2010. In 2015, a total of 36 terminals were using this common system. The basis for implementation was a global maintenance blueprint. 'ME2' delivers the following benefits:

- Control of asset integrity
- Decreased sustaining capex through a more effective preventive maintenance program
- Increased service levels and revenues because of a reduction in breakdowns

With this approach, we continue to secure both maintenance effectiveness as well as efficiency.

Systems and technology

Systems and technology play an increasingly important role in supporting our operations. Our 'MOVES' program was started during 2013 to oversee and coordinate the replacement of the IT systems supporting the company's core service delivery processes. Within this program, one project involves the replacement of our existing PEPI: Plex system, which handles our 'Arrival to Departure' process within our terminals. We expect a pilot version to be implemented in one of our American terminals during the second half of 2016.

One of our most widely used systems is deployed for training to equip our field staff with core safety and operational knowledge. 'My Learning Operations' is a learning management system and is used at 61 terminals with a user base of approximately 4,500 learners.

Projects

Our project portfolio consists of both new build as well as replacement and major refurbishment works. In 2015, we have refreshed our existing project methodology 'Vopak Project Management' (VPM), which describes the process to initiate, select, develop, execute, commission and evaluate such projects. In 2015, we have completed training sessions in all divisions with participants ranging from project owners to developers to engineers. These training sessions were focused on sharing new lessons learned and best practices.

Assure 2016

The Assure program provides a framework to guard against major process accidents. For example, many of our efforts to improve asset integrity, such as safety-critical equipment and maintenance regimes, are part of this framework. Additionally, our requirements cover people (such as training on safety fundamentals) and processes (such as spill control and response).

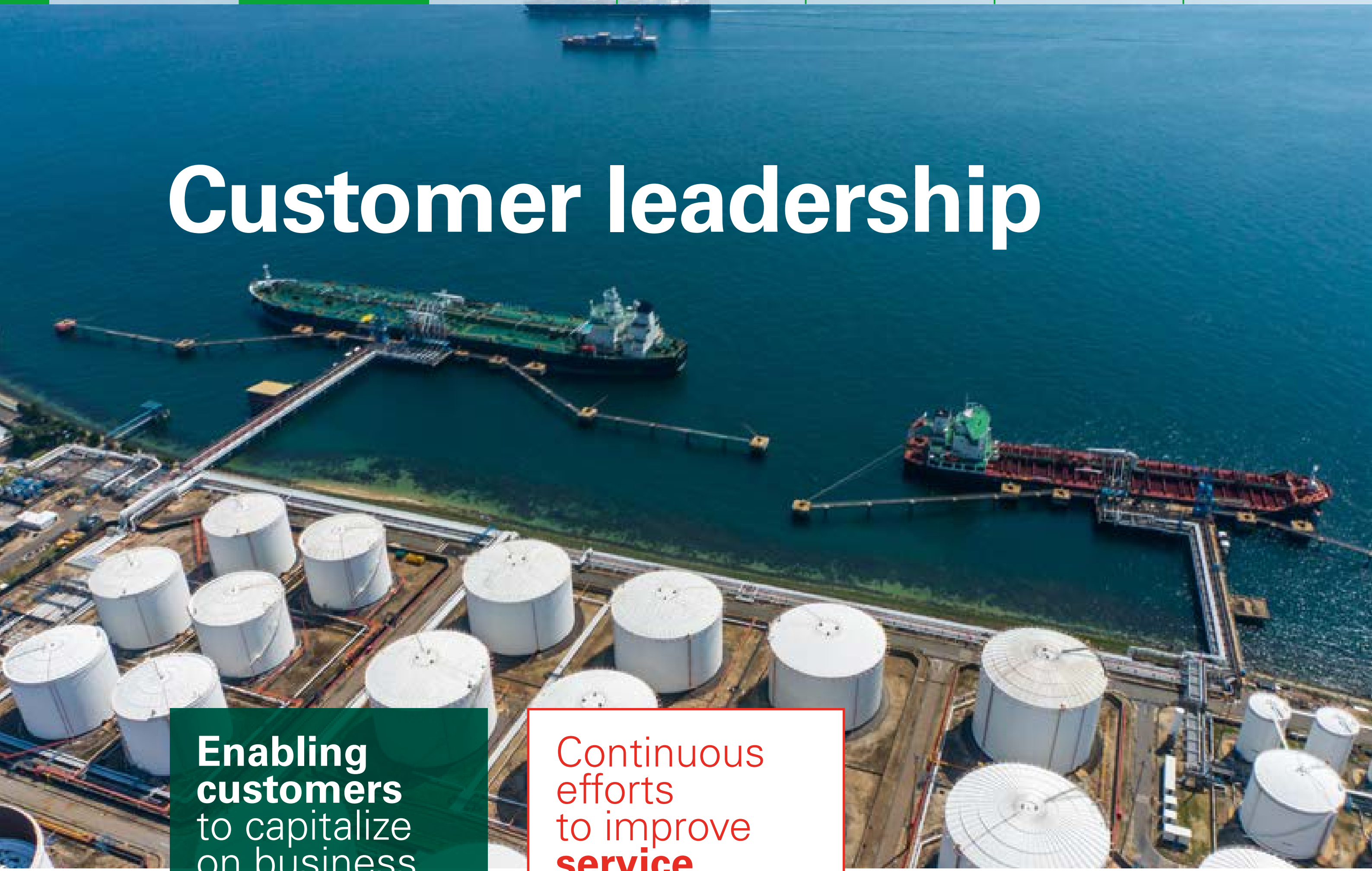
The Assure program started in 2014 as an asset integrity program and focusses on the prevention of major accidents. Its scope was broadened in 2015 and now includes focus on people and processes and will allow us to further improve and embed safety on our terminals.

It has always been our strong belief that we can only operate sustainably with a strong focus on safety. Recent incidents such as the explosions in Tianjin, China (non-Vopak related), remind us again of the importance of our continuous efforts.

The Assure program is based on global Vopak tools that were already available. These included a selection of the 'Vopak Way Standards', 'Vopak Fundamentals' and key modules from 'My Learning Operations'. The Assure program enables us to prioritize and helps us to make sure we meet our own expectations. This includes not only having the right, well-maintained assets, but also assuring that they are operated by well-trained people using safety and efficient procedures within their operating permits.

After 2016, the existing 'Terminal Health Assessment' program will be used to test compliance with 'Assure 2016' on all terminals. In many geographies, the regulatory environment is maturing and it is becoming more important to not only 'do the right things', but also to be able to demonstrate that. With the Assure program in place, we are able to do this.

Customer leadership



Enabling customers to capitalize on business opportunities

Continuous efforts to improve **service, quality and effectiveness**

Our global infrastructure and services provide our customers with unique solutions to seamlessly link and optimize their supply chain in order to capitalize on business opportunities around the world. In doing so, Vopak plays a key role in connecting our customers' products to their end-markets.

Serving our customers

Our core business is to provide our customers with storage and handling services for liquid bulk and gaseous products. If needed, in order to maintain or change product specifications, we also provide a wide range of additional services, from loading and unloading a range of transport modalities to heating, cooling, blending and customs formalities.

The customers we serve range from global to local players and include national and international producers, governments, distributors and traders of liquid and gaseous bulk products. Our wide range of customers are active in the production, trading and marketing of oil products, chemicals, gases, biofuels, edible oils and LNG. Based on their geographic presence, they can be divided into three main categories: global, regional and local customers.

In 2015, our top 10 customers accounted for approximately 37% of gross revenues. No individual customer accounted for more than 10% of gross revenues.

Network of terminals

Our international network of terminals, strategically located along major shipping routes in key ports, are tuned to our customers' needs. Hub terminals are situated at globally strategic ports to provide market access and trade opportunities. Another category of terminals is facilitating growth in global gas markets, such as LNG, LPG and various industrial gases.

Import and distribution terminals act as a point of origin for inland distribution, industrial terminals are connected via pipelines to serve our customers' petrochemical production plants and our chemical terminals play a vital role in the global logistic chains of chemical producers.

Based on in-house marketing and customer intelligence, validated by external consultancy and research agencies, we further shaped our network in 2015 by focusing on current and future product flows at locations that matter.

Understanding customers' needs and creating value

Our customers expect us to understand their needs and deliver safe, efficient and clean storage, which forms the basis of our longstanding relationships. Customers acknowledge our continuous efforts to improve our service quality and effectiveness.

In 2015, we continued our efforts to further improve our customer satisfaction. For instance, in order to further reduce the average idle time of vessels and barges at our jetties, at specific locations, we modernized our port information systems in order to increase transparency of information, allowing customers to participate more actively and minimize issues before they become 'real' problems. Also, we made good progress with increasing work productivity by professionalizing our terminals even more and innovating accordingly. To name a few examples, at certain terminals, we rescheduled our resources in order to reduce the average truck turnaround time and replaced particular paperwork by electronic data exchange, simplifying the way we work and significantly decreasing paper waste.

Serving our customers

Financial performance

Improved performance due to **higher occupancy rates**

Strong balance sheet with solid ratios

Revenues

In 2015, Vopak generated revenues of EUR 1,386.0 million, an increase of EUR 63.5 million (5%) compared to EUR 1,322.5 million in 2014. Excluding the positive currency translation effect of EUR 57.0 million, the increase amounts to EUR 6.5 million. This increase in revenues was mainly driven by a higher average occupancy rate primarily in the Netherlands and EMEA due to the positive sentiment in the market for oil products. These positive developments were partially offset by the effect of the divestments and a decrease in revenues in China and Singapore. These markets were faced with a more competitive and dynamic spot market and changes in the product mix, resulting in lower occupancy rates.

The average occupancy rate for Vopak's subsidiaries (i.e. excluding joint ventures and associates) for 2015 increased to 92% compared to 88% in the same period in 2014.

Expenses

Personnel expenses

In 2015, personnel expenses -excluding exceptional items- amounted to EUR 358.1 million, an increase of EUR 21.9 million (7%) compared to EUR 336.2 million in 2014. Excluding the negative currency translation effect of EUR 11.6 million, the increase amounted to EUR 10.3 million. This increase was primarily caused by higher pension expenses due to the lower applicable discount rate for the year compared to 2014 and higher long-term incentive plan expenses, partially offset by the effect of the divestments.

During 2015, Vopak employed an average of 4,037 employees (2014: 4,362), excluding joint ventures and associates. This comprises 3,725 own employees (2014: 3,988) and 312 (2014: 374) temporary employees. The decrease in the average number of employees is the result of the organizational alignments and the effect of the divestments during 2015.

Including exceptional items, total personnel expenses for 2015 amounted to EUR 358.3 million compared to EUR 340.2 million in 2014.

Other operating expenses

In 2015, other operating expenses -excluding exceptional items- amounted to EUR 346.3 million, which is comparable to EUR 340.5 million in 2014. Excluding the negative currency translation effect of EUR 11.1 million, the decrease amounts to EUR 5.3 million. This decrease can be attributed mainly to the effect of the divested terminals.

In 2015, exceptional losses were recognized in the other operating expenses for the amount of EUR 32.4 million (2014: gain of EUR 5.4 million). This was mainly related to settlement of various claims and provisions for legal cases for the amount of EUR 21.8 million.

The Group's other operating expenses -including exceptional items- for 2015 amounted to EUR 378.9 million compared to EUR 335.1 million in 2014.

Result of joint ventures and associates

In 2015, the result of joint ventures and associates -excluding exceptional items- amounted to EUR 104.3 million, an increase of EUR 16.8 million (19%) compared to EUR 87.5 million in 2014. Excluding the positive currency translation effect of EUR 10.5 million, the increase amounts to EUR 6.3 million. The increase was mainly related to the strong performance of the LNG terminals, including the increase of 2.4% in our equity share in Gate Terminal during 2015.

In 2015, exceptional losses were recognized in the result of joint ventures and associates for the amount of EUR 50.3 million (2014: loss of EUR 13.0 million), primarily related to (reversal of) impairments.

In 2015, the result of joint ventures and associates -including exceptional items- amounted to EUR 54.0 million compared to EUR 74.5 million in 2014.

Group operating profit before depreciation and amortization

Group operating profit before depreciation and amortization (EBITDA) -excluding exceptional items- and including the net result of joint ventures and associates for 2015 amounted to EUR 811.5 million, an increase of EUR 48.7 million (6%) compared to EUR 762.8 million in 2014. Excluding the positive currency translation effect of EUR 41.2 million, the increase amounted to EUR 7.5 million. The divestments had a negative effect of EUR 9.8 million.

ROCE -excluding exceptional items- decreased to 13.7% (2014: 14.6%). This is primarily due to a timing effect of investments in new storage capacity at joint ventures and associates and their contribution to the results.

Cash flows from operating activities and working capital

Cash inflow from operating activities (gross) amounted to EUR 867.2 million in 2015 (2014: EUR 786.6 million). This increase of EUR 80.6 million was primarily due to a higher EBITDA of the subsidiaries.

Strategic investments and divestments

Cash flows from investing activities

Cash flows from investing activities amounted to a net cash outflow of EUR 276.5 million (2014: net cash outflow of EUR 694.0 million). In 2015, total investments amounted to EUR 581.1 million (2014: EUR 705.6 million), of which EUR 335.5 million was invested in property, plant and equipment (2014: EUR 505.5 million). Investments in joint ventures and associates, including acquisitions, amounted to EUR 132.1 million (2014: EUR 92.4 million).

Of the investments in property, plant and equipment, EUR 110.9 million was invested in expansions at existing terminals (2014: EUR 232.0 million).

According to the strategic review of 2014, the Group aims to reduce its sustaining and improvement capex program, for the period mid-2014 up to and including 2016, from EUR 800 million to approximately EUR 700 million. The total sustaining and improvement capex for 2015 amounted to EUR 195.4 million (2014: EUR 249.7 million).

Divestments

Progress has been made with regard to the announced divestment program of around 15 primarily smaller terminals. During 2015, the Group divested nine terminals and two plots of land. This resulted in a total cash inflow from divestments of EUR 297.6 million and an exceptional gain of EUR 79.5 million.

On 19 December 2015, Vopak reached agreement on the sale of all of its UK assets. Macquarie Capital will acquire 100% of the shares of the three wholly-owned terminals: Vopak Terminal London, Vopak Terminal Teesside and Vopak Terminal Windmill. Greenergy will acquire Vopak Holding UK, comprising Vopak's 33.3% investment in the joint venture Thames Oilport (former Coryton refinery). This divestment is not part of the earlier mentioned divestment program. The assets and liabilities of the UK assets have been classified as held for sale at year-end 2015.

Depreciation and amortization

Depreciation of property, plant and equipment amounted to EUR 246.9 million in 2015, an increase of EUR 16.7 million (7%) compared to EUR 230.2 million in 2014. Amortization of intangible assets amounted to EUR 9.1 million in 2015, an increase of EUR 0.1 million compared to EUR 9.0 million in 2014. Excluding the negative currency translation effect of EUR 8.4 million, the total increase of depreciation and amortization amounts to EUR 8.4 million. The increased depreciation and amortization charges were primarily related to commissioned capacity expansion projects while being partially offset by the downward effects caused by the divestments of terminals during the year.

Impairments

In 2015, total net impairments (including impairments of joint ventures and associates) amounted to EUR 54.0 million (2014: EUR 52.7 million). This amount primarily comprises a reversal of impairment of EUR 9.7 million at Vopak Terminal Jakarta (Indonesia), an impairment of EUR 36.6 million on our equity investment in the joint venture Thames Oilport (UK), an impairment on our equity investment in the joint venture Vopak SDIC Yangpu Terminal (China) of EUR 15.0 million and an impairment of EUR 8.5 million on our equity investment in the joint venture Nippon Vopak (Japan).

Capital structure

Equity

The equity attributable to holders of ordinary shares increased by EUR 251.2 million to EUR 2,009.4 million (31 December 2014: EUR 1,758.2 million).
This increase mainly resulted from addition of the net profit for the year of EUR 282.2 million and actuarial gains on defined benefit plans of EUR 72.2 million, partially offset by dividend payments in cash of EUR 118.1 million.

Net debt

The net interest-bearing debt increased to EUR 2,295.6 million compared to EUR 2,266.3 million per year-end 2014. Excluding the negative currency translation effect of EUR 203.2 million, the decrease amounts to EUR 173.9 million. The decrease in the net debt was the result of repayments.
The Senior net debt : EBITDA ratio decreased to 2.73 compared to 2.83 per year-end 2014, which is well below the maximum agreed ratios in the covenants with the lenders.

As at 31 December 2015, EUR 2,111.5 million (2014: EUR 1,980.7 million) was drawn under private placement programs with an average remaining term of 8.2 years and EUR 100 million was drawn under the EUR 1.0 billion senior unsecured multi-currency revolving facility, which matures on 2 February 2018.

Furthermore, EUR 81.3 million was funded by banks, with an average remaining term of 4.7 years and EUR 53.0 million of daily revocable short-term borrowings, used for daily liquidity management, was outstanding as at 31 December 2015.

During 2016, regular repayments of long-term loans will amount to EUR 2.9 million.

Net finance costs

In 2015, the Group's net finance costs -excluding exceptional items- amounted to EUR 102.9 million, an increase of EUR 12.9 million (14%) compared to EUR 90.0 million in 2014. This increase resulted mainly from foreign currency exchange differences and fair value adjustments on derivatives for which no hedge accounting was applied.

The average interest rate over the reporting period was 4.2% (2014: 4.0%). The fixed-to-floating ratio of the long-term interest-bearing loans, including interest rate swaps, amounted to 95% versus 5% at 31 December 2015, compared to 84% versus 16% at year-end 2014.

Cash flows from financing activities

Cash flows from financing activities amounted to a net cash outflow of EUR 563.4 million (2014: net cash outflow of EUR 85.1 million). This amount consisted mainly of dividend payments of EUR 170.1 million, the repayment of the financing preference shares of EUR 44.0 million, interest payments of EUR 106.8 million and the net repayment of borrowings of EUR 248.6 million.

Income taxes

Income tax expenses -excluding exceptional items- amounted to EUR 82.0 million in 2015, a decrease of EUR 8.8 million (10%) compared to EUR 90.8 million in 2014. The effective tax rate -excluding exceptional items- was 18.1% compared to 20.9% in 2014. The main drivers behind the decrease were related to changes in joint venture results, qualifying for the participation exemption and positive movements in prior year taxes.

Income tax expenses -including exceptional items- amounted to EUR 117.3 million in 2015, an increase of EUR 34.2 million (41%) compared to EUR 83.1 million in 2014. The effective tax rate -including exceptional items- was 26.4% compared to 21.9% in 2014. The main driver behind the increase was the tax charge on the divestment of the US terminals together with the derecognition of deferred tax assets.

Net profit attributable to holders of ordinary shares

Net profit attributable to holders of ordinary shares -excluding exceptional items- amounted to EUR 325.3 million, an increase of EUR 31.1 million (11%) compared to EUR 294.2 million in 2014. Earnings per ordinary share -excluding exceptional items- amounted to EUR 2.55 in 2015, an increase of 10% compared to EUR 2.31 in 2014.

Net profit attributable to holders of ordinary shares -including exceptional items- amounted to EUR 282.2 million, an increase of EUR 35.1 million (14%) compared to EUR 247.1 million in 2014. The exceptional items comprise of several gains and losses including an exceptional tax loss mainly related to the tax charge on the divestment of the US terminals. For a detailed overview of all exceptional items, we refer to note 2.2 of the Consolidated Financial Statements in the Annual Report 2015. Earnings per ordinary share -including exceptional items- amounted to EUR 2.21, an increase of 14% compared to EUR 1.94 in 2014.

Dividend proposal

Barring exceptional circumstances, the principle underlying Vopak's dividend policy for ordinary shares is to pay an annual cash dividend of 25% to 50% of the net profit -excluding exceptional items- attributable to holders of ordinary shares. The net profit -excluding exceptional items-, which is the basis for dividend payments, may be adjusted for the financial effects of one-off events such as changes in accounting policies, acquisitions or reorganizations. A dividend of EUR 1.00 per ordinary share (2014: EUR 0.90), payable in cash, will be proposed to the Annual General Meeting of 20 April 2016. Excluding exceptional items, the payout ratio will be 39% of earnings per ordinary share (2014: 39%).

Vopak story
Customer leadership

Pengerang: a world-class deep-water storage terminal to serve the growing needs in Asia

Malaysia's new deep water independent terminal at Pengerang, is one of the largest and most complex projects Vopak has ever undertaken. Fueled by demand from growing Asian economies and the growing imbalances between production and consumption areas, Vopak, together with its partners Dialog and the state government of Johor, jointly developed a new hub terminal in the Singapore straits.

Pengerang offers **depths up to 24 meter** and direct VLCC jetty access

Keeping our customers' interest at heart is **essential for success**

Vopak story Customer leadership

The first of its kind in Southeast Asia

The commissioned Pengerang Independent Terminals Sdn Bhd (PITSB), covers 60 hectares of reclaimed seabed land with initial storage capacity of 1.3 million cbm, serving as an oil hub terminal for the storage of clean petroleum products (CPP) and crude oil. According to Law Say Huat, CEO of the joint venture company, "the terminal offers a competitive advantage through its strategic location in Pengerang. The easy access to one of the busiest shipping routes between the Middle East and Asia, and being close to one of the global refining, trading and storage centers, makes it a prime location.
The site has a natural deep-water harbor protected from monsoons throughout the year. With depths of up to 24 meters and direct berthing capabilities for Very Large Crude Carriers (VLCCs), PITSB offers the first independent land-based crude oil storage in the Southeast Asia region."

A strong link in our customers' value chain

Crude oil producers as well as traders are increasingly focusing on Asia. Consequently, more long-haul crude from the Middle East, Latin America, (West) Africa and Russia is expected to head towards this region. We cater to those customers that require storage facilities for breaking bulk (e.g. breaking bulk from the Middle East and distributing it further into Southeast Asia and Australia) and making bulk (e.g. consolidation of regional smaller flows).
One of our launching customers stated: "We value the location of this key oil hub, but also the terminal itself and the VLCC jetty. It gives the opportunity to develop a new market by breaking bulk crude for Far-East refiners which are more and more valorizing last minute purchases on smaller parcels."

Commercial Manager at Vopak Asia, Theo Oostinjen: "Two things that are key for the success of our customers' crude business are: our reliability and our ability to run a predictable planning. Our customers supply crude to refineries and we are an essential link in that supply chain. We really add value for our customers when we can help them to be the most reliable suppliers to their customers."

The first VLCC to discharge crude at the terminal was an important milestone for Vopak marking its 400-year entrepreneurial tradition. The customer involved stated that "everything was well prepared on beforehand, including excellent communication between both parties. We appreciated the total transparency during this sensitive operation, which was completed well within time and without any incidents. We can congratulate PITSB with this achievement."

Exceeding expectations

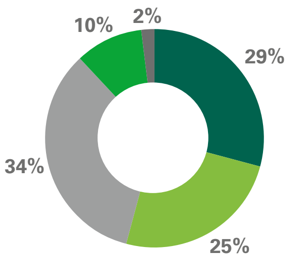
Although the strategic location of the terminal together with its functionality in terms of new infrastructure and berthing capabilities is very important, "earning customer trust is vital", according to Mohd Khoidir Yahya, Assistant Manager of Customer Services. "Keeping our customers' interests at heart is an essential mindset for success. Fast, friendly service, followed up by a phone call to make sure everything is alright. We have to be accurate and dependable and provide the service we have promised", he adds. This is supported by feedback received by our customer saying that "Pengerang has proven to be a reliable and beneficial asset for our group in Asia. With a trustworthy and internationally respected operator such as Vopak, we are able to maintain the confidence we require in what is a complicated business environment. We look forward to many more years of business between our groups in Asia and abroad."

Key developments **per division.**

Vopak Terminal Alemoa, Brazil

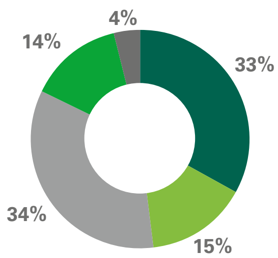
Introduction key developments per division

Capacity per division



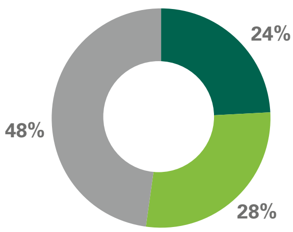
In million cbm	2015	2014
Netherlands	9.9	9.9
EMEA	8.6	9.7
Asia	11.6	9.8
Americas	3.4	3.6
LNG	0.8	0.8
Total Vopak	**34.3**	**33.8**

EBITDA per division



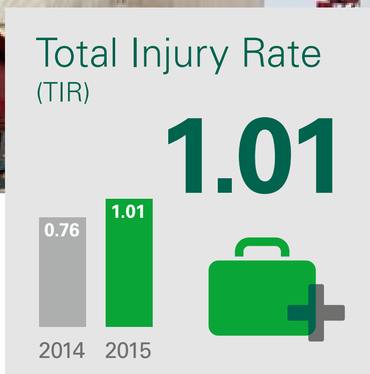
In EUR million, -excluding exceptional items-	2015	2014
Netherlands	278.5	252.7
EMEA	128.1	118.3
Asia	288.9	291.2
Americas	122.6	105.1
LNG	30.7	23.0
Other non-allocated	-37.3	-27.5
Total Vopak	**811.5**	**762.8**

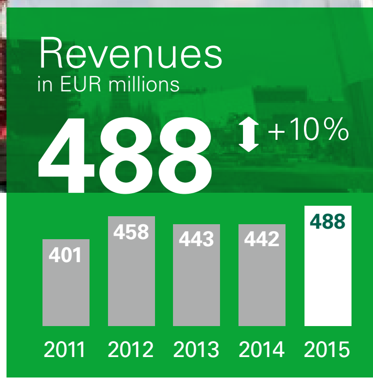
Original contract duration



In percentage of revenues	2015	2014
Contracts < 1 year	24	21
Contracts 1-3 years	28	26
Contracts > 3 years	48	53
Total Vopak	**100**	**100**

Netherlands





Netherlands Division

Vopak Netherlands operates ten terminals in Rotterdam, Vlaardingen, Amsterdam, Eemshaven and Vlissingen, offering capacity for the storage of crude oil, oil products, chemicals, vegetable oils, oleochemicals, biofuels and gasses. Besides its terminals, Vopak Netherlands also offers agency services via a network of offices in Northwest Europe.

Market developments

Jan Bert Schutrops, Division President Netherlands: "During 2015, we benefited from the positive storage market for crude oil and oil products, characterized by lower oil prices and a contango in the forward market structure. Furthermore, the situation of oversupply in Northwest Europe and the continued global imbalances of various oil products have resulted in a strong demand for our storage and handling services. In the chemical sector, European chemical producers have been able to improve their competitive position following a reduction in feedstock costs. These favorable market circumstances resulted in a healthy utilization of our chemicals tanks.

In the biofuels and vegoils markets, we are facing challenging market circumstances characterized by an oversupply of storage capacity and adverse legislation. In LPG and chemical gasses, we are looking into selective growth opportunities."

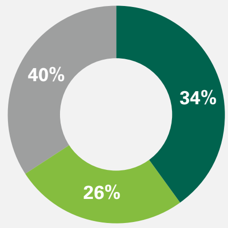
Sustainability

"In 2015, we continued our focus on improvement of our safety culture. Investing in people and their capabilities is a key success factor in this process. We continuously strive to live up to the confidence of all our stakeholders, inch by inch and every day.

Currently, six terminals in the Netherlands participate in the European Carbon Trading System, due to the installation of vapor treatment plants at our terminals. Vopak has four terminals in the Netherlands that are certified under ISCC (International Sustainability & Carbon Certification) for the storage of biofuels namely Vlaardingen, Botlek, TTR and Chemiehaven. In 2015, Vopak Vlaardingen was the first terminal in the world to obtain the RSPO certification. RSPO stands for 'Roundtable on Sustainable Palm Oil'.

Jan Bert Schutrops (49) is President of Vopak Netherlands. He studied Economics and holds an MBA title from IMD in Lausanne. Jan Bert held various management positions in the UK, Malaysia and China within Vopak.

Original contract duration Netherlands



< 1 year · 1-3 years · > 3 years

In EUR millions	2015	2014
Revenues	487.9	442.1
Operating profit before depreciation and amortization (EBITDA)[1]	278.5	252.7
Operating profit (EBIT)[1]	181.2	166.0
Average gross capital employed	2,051.6	1,792.0
Average capital employed	1,226.9	1,054.6
Storage capacity (cbm)	9,934,700	9,893,700
Occupancy rate	94%	87%

1. Excluding exceptional items.

This organization was created ten years ago with the aim of developing standards for sustainable palm oil production in order to promote and enhance the production and consumption of sustainable palm oil."

Highlights of 2015

"As many of the market segments in which we operate show signs of maturity, we are focusing on improving our overall competitiveness. We continue to invest in the integrity and modernization of our assets in order to improve our service offering to our customers, while at the same time capturing new market opportunities. We have made good progress with our leadership program, thereby further professionalizing our organization. We successfully commissioned additional pressurized storage capacity in Vlissingen, further expanding our share in gas markets, in line with Vopak's global strategy. Furthermore, we have realized several smaller investments that have helped the Netherlands Division to become a more integrated, efficient and flexible network of terminals."

Performance

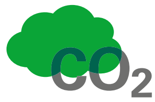
"Largely due to positive market circumstances in the oil market combined with daily delivery of excellent service by our staff, the financial performance improved in 2015 compared to 2014. This was supported by additional revenues from new projects such as the jet fuel tanks at Vopak Europoort and the pressurized LPG bullets at our terminal in Vlissingen, in combination with a continued focus on cost control and autonomous growth."

2016 and beyond

"In 2016, we will continue our strategy to deliver the best, safe, clean and efficient storage services to our customers. It is our aim to contribute to the success of our customers' business operations with the broadening range of products that we store and handle at our terminals."

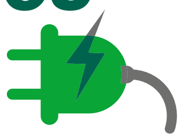
Carbon emissions
in metric kiloton

85

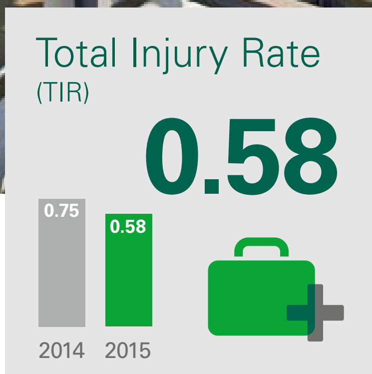


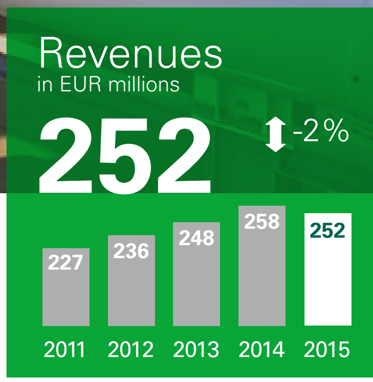
Energy usage
in terajoule

1,169



Europe, Middle East & Africa





EMEA Division

Vopak EMEA operates 17 terminals. These are located in Belgium, Germany, the UK, Spain and Estonia. In the Middle East, it has five terminals in Saudi Arabia, Pakistan and the United Arab Emirates. Vopak EMEA also operates a terminal in South Africa.

Market developments

Dick Meurs, Division President EMEA: "The low oil price and improved margins have supported European refineries in increasing their utilization. This resulted in more product flows, one of the main drivers for the current business environment in the oil segment. These developments supported the fuel oil business at Vopak Terminal Hamburg. In the bunker markets, we experienced a stable development in demand resulting in a positive outlook for Vopak Terminal Algeciras.

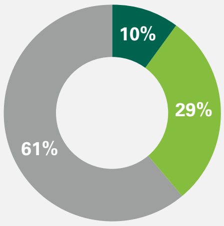
Vopak Horizon Terminal Fujairah continued to play an important role as a blending hub for the region where gasoline is blended according to specifications before being shipped to demand centers like Iraq and Eastern Africa. Vopak Terminal Durban (South Africa) has benefited from the growing shortages of transport fuels in the country due to growing demand, specifically for cleaner products, which also is the foundation for the current expansion program. The overall healthy occupancy rates, the slightly increased handled volumes and the high level of inquiries reflected the positive chemicals environment in 2015 either at new production locations like Jubail, or at terminals in the European end markets."

Sustainability

"The personal safety performance of Vopak EMEA improved towards the target level as the year progressed. An improvement has been realized in the process safety statistics, supported by the operational excellence initiatives. We are proud of this achievement, especially taking into account the number of expansion projects which were under construction at multiple sites during the year. EMEA is working towards further improving the focus on energy efficiency and the reduction of water usage and waste."

Dick Meurs (54)
is President of Vopak EMEA. He has a degree in Civil Engineering. Dick held various management positions in the maritime and logistics industry in Asia, Europe and Latin America.

Original contract duration EMEA



In EUR millions	2015	2014
Revenues	251.5	257.6
Operating profit before depreciation and amortization (EBITDA)[1]	128.1	118.3
Operating profit (EBIT)[1]	81.6	68.3
Average gross capital employed	1,244.7	1,308.3
Average capital employed	799.7	827.8
Storage capacity (cbm)	8,555,700	9,701,500
Occupancy rate	93%	84%

1. Excluding exceptional items.

Highlights 2015

"Some of the highlights of the past year were the acquisition, together with our partner, of the Sadara storage facility in Saudi Arabia, the opening of the new fuel oil storage expansion in South Africa by the Dutch Prime Minister Mark Rutte and the strengthening of several product-market combinations at our terminals through small expansion and service improvement projects."

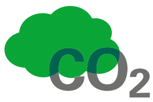
Performance

"2015 was a dynamic year for EMEA. The optimization of our portfolio through the divestment of the Sweden and Finland terminals (six in total) was in line with the sharpening of the execution of the strategy and the decision to focus on four terminal categories as announced in 2014. The already announced new expansion projects which are currently under development will contribute positively to our returns in the future."

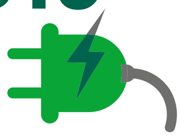
2016 and beyond

"For 2016, safety and customer service will remain our key priorities. The right safety culture and safety leadership are crucial for realizing our ambitions. The focus in service is to become even more customer centric and further increase the added value for our customers. Vopak EMEA will balance selective growth and focus on the successful commissioning of new projects. Among others, the commissioning of new crude capacity at Vopak Horizon Terminal Fujairah will strengthen our position at a major hub location. The oil products expansion in South Africa will show our ability to pursue new opportunities, while operating the existing business in a service-oriented, sustainable and reliable manner. Furthermore, we expect to complete the divestment of the UK assets in Q1 2016."

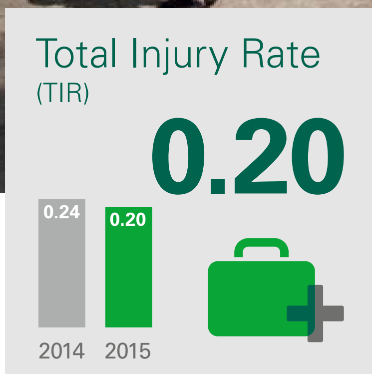
Carbon emissions
in metric kiloton
114

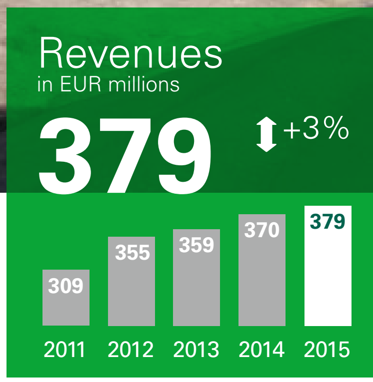


Energy usage
in terajoule
1,316



Asia





Asia Division

Vopak Asia operates 28 terminals in Japan, China, India, Singapore, Vietnam, Indonesia, Korea, Thailand, Malaysia and Australia. These terminals are mainly used for the storage of oil products and chemicals.

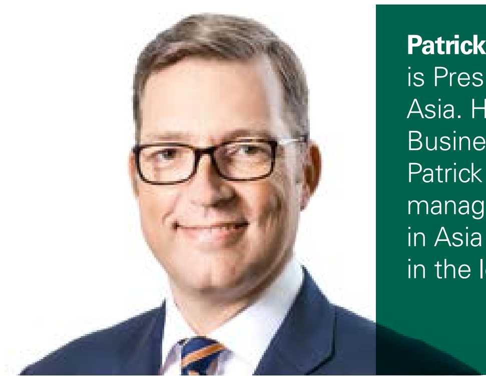
Market developments

Patrick van der Voort, Division President Asia: "We still see solid demand drivers for oil products in a somewhat uncertain world. The current oil price and the contango market in the second half of the year, contributed to increased crude demand for strategic storage and teapot refiners in China. The high utilization rates of refineries combined with the downturn in growth, specifically in the construction industry, have resulted in a diesel surplus in Asian markets, which is then shipped to Singapore for storage.

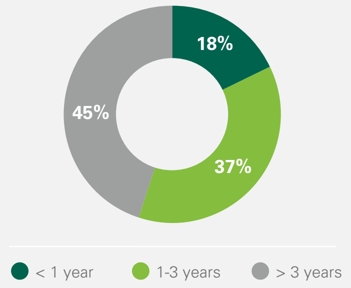
Asia's chemical industry is facing a more challenging market with the transition to a slower demand growth momentum due to China's slowdown and global turmoil amid weak crude and chemicals prices, combined with additional capacity being added to the market. However, we foresee that the export-oriented capacity expansions in the Middle East and the additional new chemical capacities in Asia will stimulate storage demands throughout Asia."

Sustainability

"The tragic fatal accident at our joint venture terminal in Japan towards the end of 2015 has shown that continuous efforts to improve safety are required to realize a safe working environment. In that respect, Vopak Asia will continue the current initiatives with the objective to prevent incidents and will focus even more on promoting a strong safety culture in our operating companies and among our contractors. Other efforts to increase sustainability will continue at our terminals focusing on transition of consumed energy and reduction of waste. We also support a number of community projects in, for example, Thailand, India and Indonesia, where we provide support to local communities with housing and schools."



Patrick van der Voort (47) is President of Vopak Asia. He has a degree in Business Administration. Patrick held various management positions in Asia within Vopak and in the logistics industry.



In EUR millions	2015	2014
Revenues	379.4	370.1
Operating profit before depreciation and amortization (EBITDA)[1]	288.9	291.2
Operating profit (EBIT)[1]	224.4	235.3
Average gross capital employed	2,266.2	1,860.0
Average capital employed	1,397.6	1,145.0
Storage capacity (cbm)	11,630,600	9,806,500
Occupancy rate	89%	95%

1. Excluding exceptional items.

Highlights of 2015

"In line with our global strategy, we are in the process of executing our ambition to strengthen existing facilities and selectively grow at new locations. For Pengerang Independent Terminals Sdn Bhd (PITSB), we successfully commissioned the crude tanks. PITSB, with its strategic location and deep water access, will operate as a hub for both clean petroleum products and crude oil storage.
In addition, we signed the commercial contracts for a 2.1 million cbm industrial terminal in Pengerang, scheduled to be commissioned in 2019.
Another highlight was the pipeline construction between our Banyan terminal and a refinery complex on Jurong Island in Singapore. In Jakarta, thanks to our excellent service levels combined with the reduced import duties, we managed to increase the occupancy rate significantly. In 2015, we also faced uncertainties. For example, the consequences of the incident at the production facility of the customer of our associate industrial terminal Vopak Terminal Haiteng. The restart date is currently still unknown but not expected before 2017."

Performance

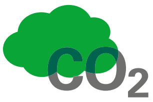
"2015 was a challenging year as the financial results have not been in line with our expectations.
Our performance has been under pressure as a result of new storage capacity being added to the market, which is outpacing the growth in demand. We regard this as a timing effect. Also, Pengerang and Hainan have made an initial negative contribution due to the start-up costs and the delayed results."

2016 and beyond

"In 2016, we will focus on the commissioning of the new LPG capacity at our Banyan terminal, the one-year anniversary and successful operations at our Pengerang terminal, and the training and development of our committed staff in order to improve the safety and service levels of our organization."

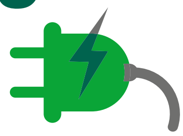
Carbon emissions
in metric kiloton

126

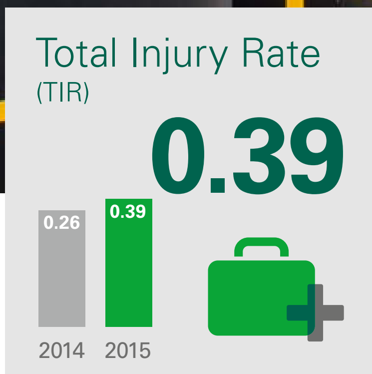


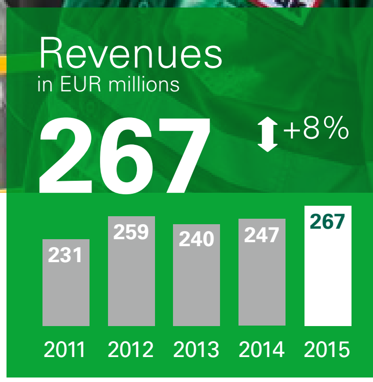
Energy usage
in terajoule

879



Americas





Americas Division

Vopak Americas operates 17 terminals in total, four terminals in the US, four in Canada and nine in Latin America.

Market developments

Dick Richelle, Division President Americas:
"Vopak Americas has operated in a dynamic market this past year. All of the economies of the countries in which the Americas division is active, with the exception of the US, are significantly dependent on commodity prices and hence suffered in different degrees in 2015. Ethylene-based chemical production is expected to grow in the US Gulf Coast with exports targeting, among others, Latin American countries. Nonetheless, the currency devaluation has improved the export competitiveness for naphtha-based chemicals in these countries. Overall expectation is that flows between the continents will continue to be solid going forward. Vopak continues to be well positioned to benefit from this development in the future."

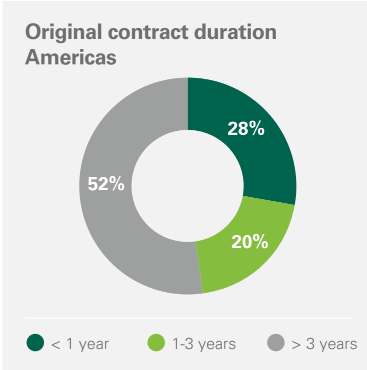
Sustainability

"Americas aims to further integrate the social and environmental focus in its strategy execution. In 2015, we focused on improving our community engagement, with local initiatives ranging from 'Cleaning Mexico' in Altamira to water conservation projects in Colombia and high school projects in the US (Deer Park). Continuous efforts in energy efficiency programs contributed to a reduction in energy use and waste generation."

Highlights of 2015

"The safety of our people, terminals and neighboring areas of influence continued to be our top priority, also in 2015. We continued to strengthen our safety culture, which resulted in fewer serious incidents. Our people have played an important role in this process.

Dick Richelle (45)
is President of Vopak Americas. After obtaining his degree in Business Economics, Dick joined Vopak and held various management positions in the Netherlands and the Americas region.



In EUR millions	2015	2014
Revenues	266.7	246.6
Operating profit before depreciation and amortization (EBITDA)[1]	122.6	105.1
Operating profit (EBIT)[1]	80.6	63.0
Average gross capital employed	909.4	867.8
Average capital employed	517.5	487.0
Storage capacity (cbm)	3,356,100	3,567,600
Occupancy rate	90%	90%

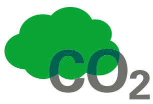
1. Excluding exceptional items.

Since the creation of Vopak Americas, we have seen a lot of people moving within the region: 25 relocations in total, representing 12 nationalities, which is exciting for the people involved and adds value to a diverse and agile organization. Furthermore, we are pleased with the transformation of our portfolio that was undertaken effectively in 2015. The divestments included the two Wilmington terminals in North Carolina and the Vopak Terminal Galena Park in Texas, as well as a plot of land in Perth Amboy.
At the same time, we continued our business development activities in order to secure competitive positions and facilitate for future growth."

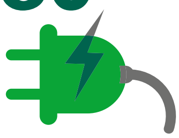
Performance
"I am satisfied with our financial performance for 2015. As a result of continued revenue optimization, supported by cost-efficiency achievements, we were able to improve our results in all regions compared to 2014. The effects of a dynamic market environment were hedged successfully, thanks to a well-balanced product and geography mix."

2016 and beyond
"In 2016 and beyond, we will continue to operate and execute in line with Vopak's strategy by pursuing selective growth, enhancing our operational leadership through productivity and efficiency projects and delivering excellent service in a sustainable and safe manner."

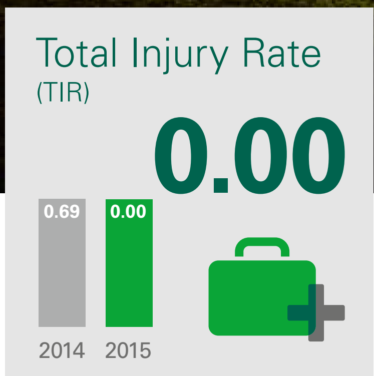
Carbon emissions
in metric kiloton
80

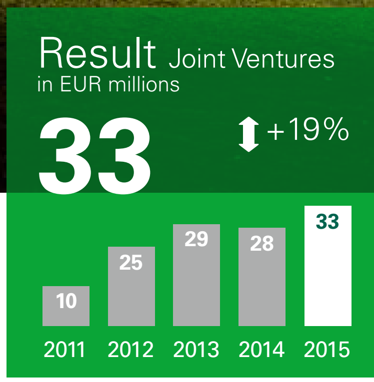


Energy usage
in terajoule
1,180



Global LNG





Vopak Global LNG

Vopak LNG's main focus is on further developing Vopak's LNG activities in line with the company's long-term strategic focus to expand in gas.
In addition, Vopak LNG also operates two large-scale terminals, together with its joint venture partners: Gate Terminal in the Netherlands and Altamira - TLA Terminal in Mexico.

Market developments

In 2015, the LNG market was impacted by increased pressure on demand due to competition from coal, nuclear and renewable energy sources, affecting both global volumes as well as prices. However, with the growing interest in green(er) energy and the ample supply of LNG, the demand for natural gas and regasification facilities is expected to increase in the future. Vopak's LNG business will benefit from such market growth and we see opportunities in LNG import terminals as well as in new business segments such as LNG break-bulk, transshipment and truck-loading services. These developments provide new market opportunities for our LNG activities.

The LNG trade is growing, especially in Asia Pacific, which is leading to a greater need for LNG storage infrastructure. In the European market, LNG competes with pipeline gas.

Sustainability

Providing LNG infrastructure support its use as a relatively environmental friendly fuel. Both our LNG terminals pay the highest attention to running their operations in a sustainable manner. As methane is a greenhouse gas, we strive to run both our terminals as zero-emission terminals, i.e. no natural gas venting and/or flaring during normal operations. Venting or flaring will then only occur during an occasional upset condition or due to a specific maintenance outage.

The Gate Terminal extracts the heat required for the regasification process from the cooling water from the nearby industry. This process represents an additional saving for the environment as it utilizes the energy lost to heating the cooling water.

Kees van Seventer (49) is Global Director Vopak LNG. He studied Business Administration. Kees held various management positions within Vopak and combines this role with his role as Commercial President.

Highlights of 2015

Kees van Seventer: "Our achievements in 2015 comprised making significant progress in constructing the LNG break-bulk project at the Gate Terminal; delivering the transshipment project safely, on time and within the budget as well as the investment decision to build a second truck-loading bay at the Gate Terminal. Additionally, Vopak LNG and her joint venture partner in the Gate Terminal acquired the remaining minority shares on 1 April 2015."

Performance

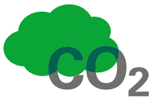
Our results improved and we continued to operate safely in 2015. We maintained our focus on developing new opportunities.

2016 and beyond

We have ambitions to grow Vopak's LNG business. Both organic growth and acquisitions can contribute to growing Vopak's LNG activities.

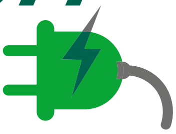
Carbon emissions
in metric kiloton

43



Energy usage
in terajoule

5,977

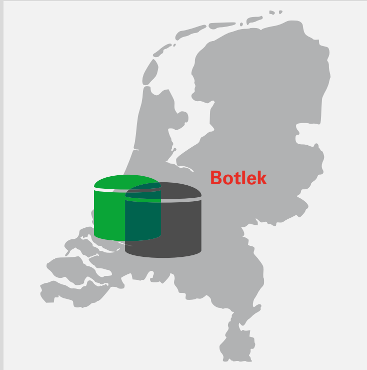


The full integration of Vopak Rotterdam Botlek.

The three Vopak storage terminals, Vopak Terminal Botlek, TTR and Chemiehaven, in the Port of Rotterdam, the Netherlands, which now form the Vopak Rotterdam Botlek operating company, were once competitors. These terminals mainly focus on the storage of bulk liquid chemicals. Until recently, the terminals offered separate storage solutions to the market, each terminal with its own advantages and unique selling points.

Developing solutions and fulfilling new customer requirements

Improving resource availability and ensuring **uniform operations**



Vopak story Customer leadership

Increasingly, (chemical) storage customers require an efficient storage solution that meets not just one or two of its storage requirements, but preferably all of them. Paul Cox, Managing Director of Vopak Rotterdam Botlek says: "Through integration of the terminals, Vopak Rotterdam Botlek is developing its customer solutions and is able to fulfill new requirements in order to provide excellent service."

One central control room

Although the three individual terminals were supported by group departments such as Finance, Human Resources and Sales and Customer Services, operationally they have had their own organization. This changed in 2015 when the operational departments of the TTR and Chemiehaven terminals were integrated. By the summer of 2016, the operations at the terminal will be controlled from one central control room. In the meantime, operators are already competent to work at both locations, improving resource availability for customers and ensuring uniform operations.
Despite being more than five kilometers apart, this setup will increase the scale of the organization and thus the ability to deal with peaks in service demand. Eventually, all three terminals will have one shared operational organization.

Optimizing the core assets and enhancing our customer solutions

However, the integration comprises more than just the organization. With the approval of the project in December 2014, a major step was taken to also physically connect the terminals. A bundle of seven pipelines was 'horizontally drilled' underneath the port to connect the Botlek and TTR terminals. "In this way, in the future, customers will be able to benefit from the excellent road and rail service facilities and wide range of flexible storage tanks at the TTR Terminal as well as from the ample jetty capacity and scalable product specific 'hubs' at the Botlek Terminal", adds Paul Cox. The pipeline bundle consists of a total of seven pipelines, each with a different diameter and steel type (stainless and mild steel), creating a fit-for-purpose solution for nearly any type of product. By the fall of 2016, products will easily and efficiently move from one terminal to the other. From the Botlek Terminal, further connections to the Chemiehaven Terminal and surrounding chemical production facilities can be made through the MultiCore pipeline, which was developed by Vopak in cooperation with the Port of Rotterdam authorities around 15 years ago.

Sustainability.

Vopak Terminal Vlissingen, the Netherlands

Our ambition: sustainability at the core of every decision

Enabling trade flows in a **sustainable manner** for future generations

Remaining **relevant, healthy and fit** for the future

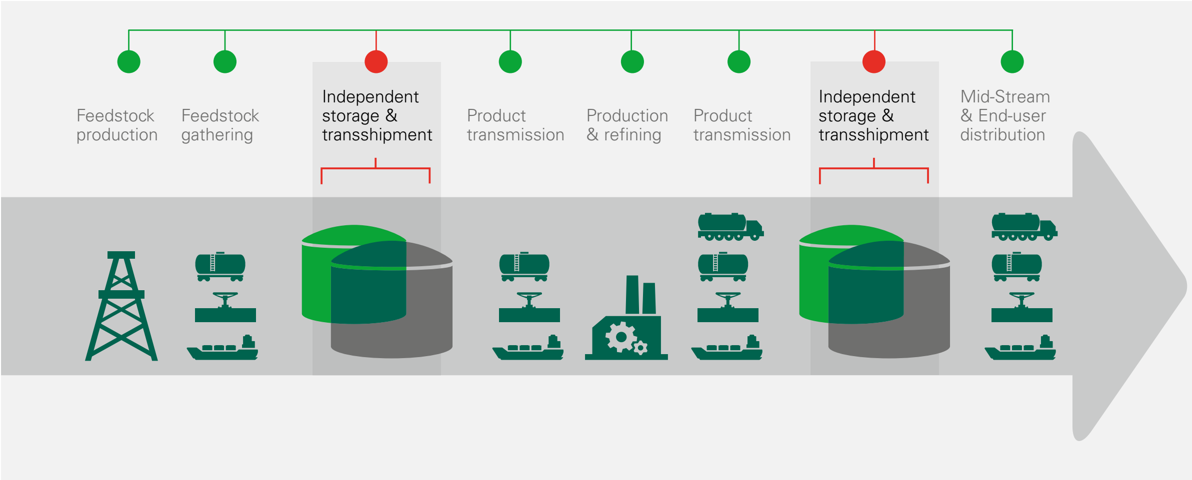
Sustainability vision and ambition

Vopak has been facilitating global trade flows for 400 years. To continue fulfilling this role, it is essential that Vopak remains healthy and fit for the future. Our long-term success depends on our ability to innovate and respond to changing demands from both the market and society.

Today, we store energy and chemical products that are crucial to people's lives, yet can endanger their health and the environment if stored or handled inappropriately. As a service provider, we do not determine what type of products are in use. Our role and our responsibility is to provide safe, efficient and clean liquid bulk storage and handling services. We abide by existing rules and regulations as a minimum requirement and adopt best practices whenever possible. We explore ways to facilitate the introduction of more sustainable technologies, processes or products. Our ambition is to be a strong link in our customers' value chain and a leader in our industry. We aim to achieve this by maximizing operational safety, by minimizing our environmental footprint, by training and developing our people as well as by sharing best practices, and by both encouraging and maintaining an open dialogue with our stakeholders as a responsible member of the communities in which we operate.

In summary, we are working hard to make the right choices to serve the long-term interests of all our stakeholders, from customers, business partners and shareholders, to employees, local communities and society at large. This is how we will continue to fulfill our role in society, enabling trade flows in a sustainable manner for future generations.

Vopak in the supply chain



At the heart of Vopak's business model is the economic principle to provide shared infrastructure to many different customers and to benefit from economies of scale and utilization rates. We focus on our core activities, thereby enabling our customers to focus on their own core activities. Our customers also benefit from the flexibility provided by purchasing independent storage services as needed, i.e., the ability to use customized contract durations.

How we arrived at our vision on sustainability

To us, first and foremost, sustainability means that our choices today must contribute to our long-term relevance in society. It boils down to a simple question: if we continue to do the things that we do today, will we still be a leader in our business tomorrow? As such, sustainability means ensuring that our company remains relevant, healthy and fit for the future.

Secondly, as a service provider, we store and handle products that the market demands. These products are critical to people's daily lives but must be handled and stored appropriately in order to ensure that there is no harm to people's health or the environment. Our role and our responsibility is to provide efficient, safe and clean storage and services. We aim to be a strong link in each global product chain by performing among the best of the chain, within the limits set by our stakeholders with regard to price, supply-chain specifics and customer demands. We aim to be the partner of choice for all stakeholders in each product chain in which we operate.

Thirdly, we realize that sustainability is a dynamic concept. Sustainability is not defined in isolation. It is born out of a continuous dialogue with both external and internal stakeholders. A best practice today, may not be one tomorrow and our 'License to Operate' and 'License to Grow' depend on our ability to respond to changing demands from the market and society. This includes exploring how we can facilitate the introduction of new technologies, new operational processes and more sustainable products, such as LNG as a transportation fuel, which can make a positive contribution to the quality of life, safety, health and the environment.

Responsibility

The Executive Board determines Vopak's vision and ambition on sustainability and is responsible for the implementation of Vopak's Sustainability Policy. This responsibility is delegated to division management and likewise to the management of our operating companies. All Vopak employees have a shared responsibility with regard to sustainability as laid down in the Vopak Code of Conduct and our Sustainability Policy.

Stakeholder engagement

Vopak highly values stakeholder views

Ensure that we remain transparent towards all stakeholders

Vopak aims for both transparency and an open dialogue with its various stakeholders, including, but not limited to, shareholders, customers, suppliers and neighbors. Vopak highly values stakeholder views and input as a point of reference enabling us to fine-tune our sustainability policy including target and measurement formulation. Such a dialogue can also provide guidance in making choices with respect to sustainability dilemmas that may occur in our everyday business operations.

In addition to maintaining direct contact with our stakeholders, we undertake various surveys as well as employee and customer satisfaction surveys. Vopak itself (via Global Insurance, Global Internal Audit, Terminal Health Assessments and Project Post-Implementation Reviews) as well as our customers and various authorities, periodically perform audits at our terminals. The objectives of these audits are to assess the controls in place for internal processes, to verify the integrity of our terminals, to pre-assess implementation plans and to measure our sustainability performance.

We also maintain regular contacts with neighbors, local communities, regional and national authorities as well as with investors. Each year, approximately 300 individual meetings take place during roadshows and conferences. In addition, we communicate regularly through webcasts and our website.
Communicating frequently and extensively ensures that we remain transparent towards all stakeholders.

Just as important are our contacts with a wide variety of non-governmental organizations, sustainability organizations and government representatives of countries in which we operate. Vopak has been included in a number of external benchmarks (e.g. Dow Jones Sustainability Index, FTSE4Good, EPCI, VBDO, the Carbon Disclosure Project and the Transparency Benchmark of the Dutch Ministry of Economic Affairs) during 2015.

Our stakeholder engagement has enabled us to define key stakeholder groups and their expectations as follows:

- **Customers**: increasingly put sustainability high on their agenda and require Vopak, as an important link in their supply chain, to at least align its sustainability policy with theirs
- **Neighbors and local communities:** increasingly require Vopak to engage with them to address issues such as stench and odors
- **Authorities:** issue stricter regulations and increase inspections for the industry as a whole
- **Employees:** value a company that cares, helps to develop their talents and offers training programs to develop the full potential of every individual
- **Shareholders:** increasingly take a long-term appreciative view of companies with a drive for sustainable profitability

Materiality and sustainability reporting

In 2014, we changed our sustainability reporting from the GRI G3.1 to the GRI G4 guidelines with the intention to report GRI G4 'comprehensive'. This required a change of our sustainability focus and a follow-up of the sustainability assessment in 2012 (reported in the 2012 Sustainability Report). The latest materiality assessment was carried out in 2014. This materiality assessment served as a basis for determining the content of our sustainability reporting. In 2016, we will review our materiality focus areas and a new stakeholder dialogue will be held.

The process applied consists of three steps:

Step 1
The goal of the first step was to create an overview of relevant topics for Vopak. In this process, a list of topics based on GRI G4 guidelines, stakeholder engagement and Vopak's own experience was prepared. From this longlist, 25 relevant topics were subsequently identified as being relevant to our business, according to our stakeholders.

Step 2
The second step assessed the priority of these 25 relevant topics, of which the result is presented in the materiality matrix. This outcome is not only used to determine the content of our sustainability reporting but also as input for our sustainability strategy.

Vopak has set the priorities by reviewing all relevant topics with regard to significance and relevance for stakeholders and significance of the topic for our business. In terms of significance among stakeholders, each issue was ranked based on prevalence weighted per stakeholder group (for example Customer Relationship Management was ranked higher relative to Labor Conditions and Human Rights on the vertical axis). In terms of significance for the business, each issue was ranked based on potential impact on the company (for example occupational health and safety management was ranked as more important relative to reduction of energy consumption on the horizontal axis).

The result of this second step was an overview of all areas material to Vopak supported by current stakeholder expectations. The materiality matrix combines these two aspects. The combination of the horizontal axis (impact on Vopak's business) and the vertical axis (relevance to stakeholders) determines the degree of influence that the topic has on our reputation and therefore its priority for the company.

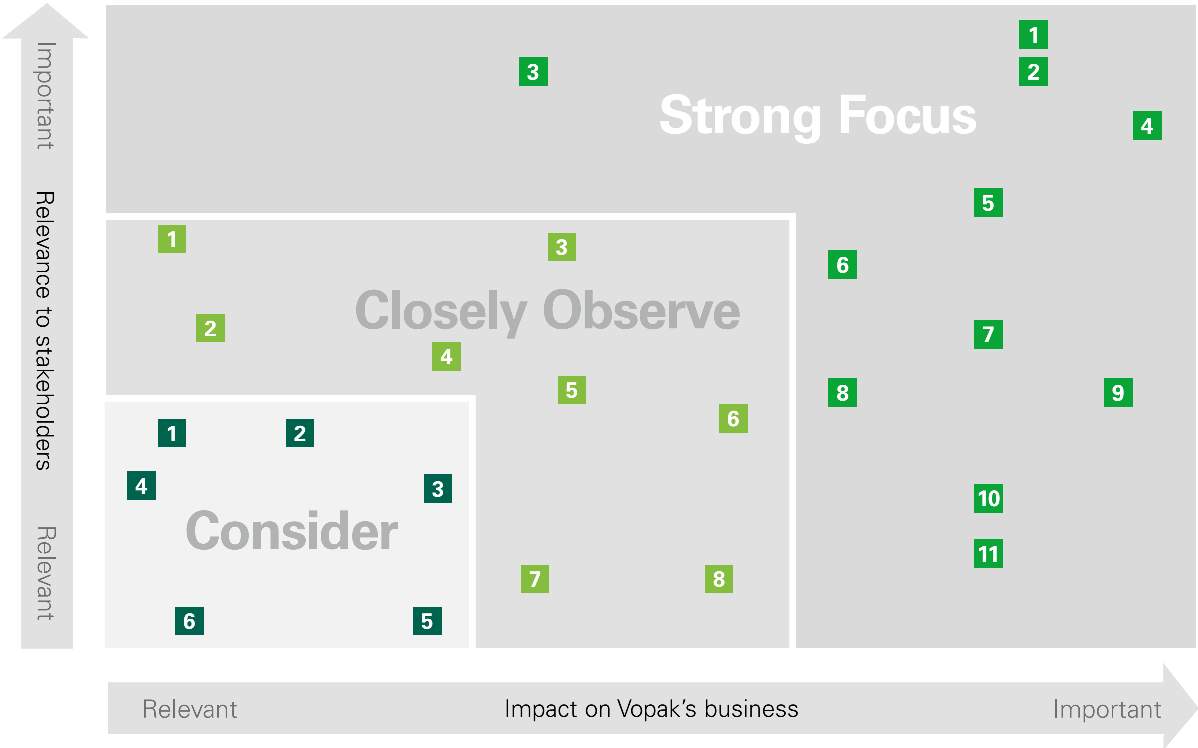
This priority setting led to three categories being developed, 11 relevant topics fall into the 'Strong Focus' category, eight into 'Closely Observe' and six into 'Consider'.

- **Strong Focus:** We aim to fulfill a leading role with regard to these topics and have translated them into strong focus areas
- **Closely Observe:** We want to demonstrate our social responsibility regarding these topics. We measure and (partly) report on these topics in our report
- **Consider:** These are important topics for Vopak and are accordingly managed but currently not reported

Step 3
Implementation based on the outcomes of the materiality determination including KPI identification in line with GRI G4 guidelines.

One very relevant topic, which is not included in the 25 as it is a 'given', is the economic performance of the company. A financially healthy company is the foundation for our 'License to Operate' and 'License to Grow'. The elaboration of Vopak's financial position, while relevant from a sustainability viewpoint, is covered extensively in the Financial Statements of this Annual Report.

Materiality matrix



Consider

1. Diversity
2. Noise
3. Waste management
4. Transparency on political funding
5. Innovation management
6. Labor conditions and human rights

Closely Observe

1. Fair treatment employees
2. Stakeholder involvement
3. CO_2
4. Supply chain management
5. Water
6. Training education
7. Reduction Volatile Organic Compound
8. Stakeholder management

Strong Focus

1. Customer relationship management
2. Corporate Governance
3. Reduction of energy consumption
4. Occupational health and safety management
5. Risk and crisis management
6. Prevention of soil pollution
7. Local community engagement
8. Prevention of water pollution
9. Talent attraction and retention
10. Prevention of spills
11. Prevention of stench and odors

Sustainability strategy

Strong emphasis on hazard prevention

Continuously **improving working conditions**

Sustainability is at the core of our strategy of growth leadership, operational leadership and customer leadership. To ensure that sustainability is embedded in everything we do, we have defined our values, standards, procedures and our Code of Conduct. A sustainability policy has been established around four main themes that underpin our social, environmental and economic efforts.

Vopak's health and safety objectives

Safety is our first priority. Safety relates to both personal safety as well as process safety. It is our responsibility to provide services in a safe manner, to ensure a safe and healthy workplace for Vopak employees and for our contractors and to minimize any negative impact on our neighbors. Continuously improving working conditions and monitoring the effectiveness of safety-related controls are fundamental to our Safety, Health and Environmental (SHE) policy.

Vopak's environmental care objectives

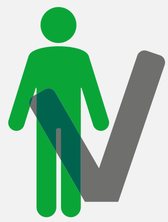
Our objectives regarding environmental care are to be energy and water efficient and to reduce emissions and waste. In pursuing these objectives, we consistently comply with our own global standards and guidelines as well as with applicable laws and regulations. Our main area of focus is on the prevention of soil and water contamination, the prevention of significant spills, and the prevention of stench and odors.

Vopak's responsible partner objectives

Vopak aims to be a responsible partner for all its stakeholders. Our ambition is to be a strong link in our customers' global value chains and a leader in our industry. We recognize our responsibility for the social, environmental and economic consequences of our activities.

Vopak's excellent people objectives

Our ambitions start with our people. Vopak aims to attract and retain the right people and to create a culture that is driven by the Vopak Values: care for safety, health and the environment, integrity, team spirit, commitment and agility. We foster the Vopak international spirit of all our employees of many different nationalities by being inclusive, providing the opportunity to work in different countries or working cross border. Best practice sharing between all Vopak employees worldwide is encouraged. Continuous learning and training in different disciplines is a key focus.

Health and safety	Environmental care	Responsible partner	Excellent people
			
Provide a healthy and safe workplace for our employees and contractors	Be energy and water efficient and reduce emissions and waste	Be a responsible partner for our stakeholders	Have the best people and create an agile and solution-driven culture

Key areas

Health and safety	Environmental care	Responsible partner	Excellent people
• Occupational health and safety management	• Reduction of energy consumption • Prevention of spills • Prevention of soil contamination • Prevention of water contamination • Prevention of stench and odors	• Customer relationship management • Corporate governance • Local community engagement • Risk and crisis management	• Talent attraction, development and retention

Disclosure on management approach

In the following paragraphs, we describe our management approach with respect to our key focus areas. An updated materiality analysis will be executed in 2016. The corresponding disclosures on the management approach for next year will be fine-tuned based on the outcome of this analysis.

Occupational health and safety, Environmental care (effluents and waste), Responsible partner (risk and crisis management)

We store energy and handle oil, gases, chemicals, biofuels and edible oils. These products are crucial to people's lives, yet can endanger their health and the environment if stored or handled inappropriately. Within our sustainability focus, our first priority is on personnel safety as well as process safety. This is necessary not only for our 'License to Operate' but also for our 'License to Grow'. We aim to be as good as our leading customers.

All our terminals are governed by an extensive set of global standards as well as local regulatory requirements. Where there are differences, our approach is to adopt the more stringent requirements. We monitor the 'health' of our terminals proactively by means of a Terminal Health Assessment (THA) which is based on the Chemical Distribution Institute audit protocol for terminals (CDI-T). This audit covers broad areas from management responsibility and asset integrity to conformance to Vopak standards, and is conducted once every three years. Additionally proactive indicators are used, for example, monitoring the inspection of tanks, pipelines and critical equipment, near-miss reporting and Safety Observation Rounds (SOR). In the event that incidents do occur, our terminals are equipped and tested on their emergency and crisis management responsiveness yearly. In addition, all our employees are required to be trained and tested on Vopak Fundamentals on a yearly basis.

Incidents involving people, the environment and damage to assets are reported and tracked. Vopak publishes its performance in terms of its Total Injury Rate (own employees and contractors) and Process Safety Event Rate (Tier 1 and 2 incidents following API RP 754 guidelines). We aim to improve the level of reporting to include the amount of hazardous waste generated as a proactive indicator. We will continue to work on improving the accuracy of tracking and subsequently reporting this metric in 2016.

Every Vopak employee, contractor and service provider is required to adhere to our Safety, Health and Environmental requirements, formalized through employment and service contracts, and upon entry to any of our sites. Safety committees are organized on a terminal level at all terminals. All levels of employees and contractors can be represented through these committees. Emergency preparedness is an important aspect within our operations, and our emergency response and business continuity plans account for scenarios including calamities. In the event that local events develop into a crisis, an escalation mechanism is in place.

We recognize the need to prioritize given the many activities within our SHE domain. After performing a review, we implemented our Assure 2016 framework in 2014 (we refer to the Executive Board report).

Reduction of energy consumption

The two elements that influence our energy consumption are conditioned storage and handling requirements and product movements. In terms of conditioned storage and handling, we refer to the need for heating or cooling of the product. Reduction of energy consumption is, within Vopak, driven by reducing the costs as part of our value creation for our customers.

Our efforts to minimize energy consumption are guided by our internal energy management guideline which is based on the ISO50001 guidelines, and is driven locally within our terminals. Exceptions in energy consumption are monitored at a local level and are investigated at a global level. The guideline focuses on reduction of energy consumption (mainly electricity and energy used for heating/cooling) and effective energy procurement. The effectiveness of our local initiatives are measured locally.

Our terminals in the Netherlands are subject to the European Energy Directive (EED). Vopak Terminal Botlek was externally audited in 2015 by TÜV Nederland and met the EED requirements. Our energy guidelines were useful in the initial wave of initiatives such as improving insulation, reduction of electrical energy consumption through various speed pumps. We plan to review our energy guidelines in 2017.

Customer relationship management

Managing our relationship with our customers is important not only to maintain our existing business but it also enables both parties to grow. Understanding the needs of our customers helps us to be more effective in their supply chain. Customer satisfaction is measured yearly. A complaint management process is also in place, which is continuously monitored at each location.

Dedicated account managers at global and divisional levels with oversight over different sets of customers ensure a deeper understanding of the needs of their customers, and support the local sales team in engaging with their local customer counterparts. Measures are in place to monitor our service performance, and these include regular reviews with our customers and third-party service providers (for example shippers and surveyors) who form part of the overall supply chain. We measure our Net Promoter Score (NPS) and our Vopak Service Quality Index (VSQI). This survey is conducted yearly and the results, including feedback, are discussed with our key stakeholders.

Participation and responses to our survey has continued to be good, and adjustments are made annually. We reviewed our complaint management guideline in 2015 to improve global alignment, reporting and follow-up. We will continue to set yearly targets on NPS and to reduce customer complaints year-on-year.

Corporate Governance

We refer to the Governance and compliance chapter.

Talent attraction

As a leader within our industry, Vopak prides itself for being the employer of choice within this industry. In our key locations, we are able to attract talent. In some of our newer locations, we face more challenges in attracting talent.

Various programs are pursued locally as well as regionally and globally to attract talent. We have various management trainee programs in place. Management focus is on the development and the retention of talent. In 2015, the Human Resource strategy was revised and the key focus areas for the next years have a strong focus on development contributing towards retention. Vopak monitors the general 'health' of its employee engagement and this is carried out by a global survey every two years. The outcome from the 2014 survey showed an increase in both employee participation and overall satisfaction.

Local community involvement

Our 'License to Operate' is influenced by the local communities in which we operate. The nature of our terminals being located within a community requires engagement with our immediate neighbors (required under our emergency response procedures) as well as the wider community. This is carried out by our local management teams.

Whenever a terminal is developed, the local community is involved in our engagement process. Impact on the community is addressed within this impact assessment. All impact assessment studies are carried out by external specialists. At our operating companies, local community engagement also covers outreach programs.

As part of our 400 years celebration, we launched our WeConnect program to contribute to society. In terms of our operations, stench and odors from product handling have the potential to negatively impact our neighbors. We have started to track this globally, and the learnings gained from Vopak Terminal Europoort are shared with our other terminals facing the same challenges. Stench and odor complaints are reported internally within our environmental metrics.

For greenfield projects, local stakeholder engagement is an important part of the approval process and long-term sustainability of operations. Our Vopak Project Management standard was revised in 2015 and includes a framework for local stakeholder engagement.

As part of the materiality assessment planned for 2016, we will reassess if the policy needs adjustment.

Sustainability principles

In pursuing our business strategy, we will uphold the following principles:

Integrity and ethics

At Vopak, we have a responsibility towards all our stakeholders to operate ethically and with integrity in every area of our activities. Integrity is the key to establishing and maintaining our reputation. The manner in which Vopak conducts its business, based on integrity, is laid down in our Code of Conduct. Integrity is one of Vopak's core values.

Human rights

Vopak respects human rights in line with the United Nations' Universal Declaration of Human Rights and also accepts the responsibility to ensure that human rights are respected within the network when conducting business.

Fair treatment of employees

Vopak endorses the principles of the United Nations' International Labor Organization and the OECD guidelines. We are committed to providing a safe and healthy environment for our employees. This commitment is deeply rooted in our daily activities, policies and governance structures.

Communities

Vopak is committed to engage with communities in the vicinity of its operations. We behave as a responsible citizen to minimize the negative impact of our operations and maximize the positive impact. We aim to support communities by improving the infrastructure adjacent to our facilities and we regard it as a civil commitment to source our staffing locally wherever possible.

Health and safety

Developments in 2015

Tragically, we had one fatality in 2015 at one of our joint venture terminals in Japan. An employee lost his life as a result of nitrogen asphyxiation in a non-authorized confined space entry. We have taken steps to re-emphasize the hazards and compliance requirements for confined space entry.

Our present health and safety focus is on continuous improvement of our occupational health and safety management. This deals with all aspects of health and safety in the workplace and places a strong emphasis on hazard prevention. Additionally, we have further increased our focus on major accident prevention following the Seveso Directive. Our Assure 2016 program prioritizes the Vopak Standards related to people, processes and assets, and monitors legal compliance.

Vopak Global SHE Day

We celebrated our eighth annual Vopak Global SHE Day on 12 May 2015. Each Vopak location organized a special program for the SHE Day. During this SHE Day, the whole company, not only employees but also contractors and other non-Vopak staff working for the company, is engaged in a dialogue regarding safety, health and the environment, with the aim to stimulate the continuous improvement of the company, its employees and contractors in these three areas. The SHE Day is only one day, but its impact is long-lasting.

Eelco Hoekstra, Chairman of the Executive Board and CEO: "At Vopak, we have a collective ambition. We want to be recognized for our outstanding performance on safety, health and the environment. Our aim is not only to be the world leader in independent tank storage measured by size and earnings, but also to be the world leader in our industry with respect to sustainability and service offering."

Main achievements

Process safety reporting

An important objective for our company is to continuously improve process safety. Every person within the company has an obligation towards our safety objectives. Therefore, safety is 100% embedded within Vopak. One key element of this is that we have broadened our performance indicator framework in order to prioritize our actions and resources on high-risk issues with the aim to prevent accidents. Following a pilot implementation in 2013, we are now monitoring our safety performance in accordance with the American Petroleum Institute Recommended Practice 754 process safety performance indicators for refining and petrochemical industries (API RP 754).

Learning Management System

We introduced an on-demand online training tool in 2013, called 'My Learning Operations' (MLO). With this training tool, we are able to train our employees in Vopak's safety critical and key operational processes. An important part of the tool is the Vopak Fundamentals on Safety training, including a test that each employee at every location has to pass with a 100% score.

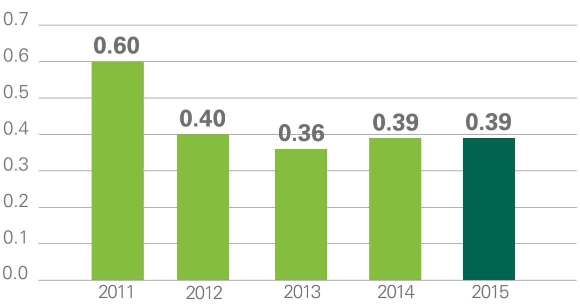
Except for a few joint ventures and greenfield locations, the 'Learning Management System' (LMS) is currently operational at 61 locations and over 4,500 participants were trained in 2015. Last year more than 95% of these employees passed their annual Vopak Fundamentals training on safety.

Facts and figures

Injuries

The global combined (i.e. own employees and contractors) Total Injury Rate (TIR) indicator of 0.39 was above the target of 0.34 and was equal to the TIR indicator for 2014 of 0.39. The Total Injury Cases (TIC) decreased by six incidents to 64. The total number of working hours was approximately three million hours lower in 2015 and was in line with the reduction of incidents; hence the TIR indicator was at par with 2014.

Total Injury Rate (own employees and contractors)



Lost Time Injury Rate

We experienced a decrease of five individual cases. The Lost Time Injury Rate indicator for our employees and contractors combined decreased to 0.12 in 2015 from 0.13 in 2014.

Total Injury Rate per region

The TIR indicator per region shows variations mostly caused by working hours from construction projects.

Total Injury Rate per division

	2015
Netherlands	1.01
Europe, Middle East & Africa	0.58
Asia	0.20
Americas	0.39
Global LNG	-
Global HQ	0.32
Total Vopak	**0.39**

Process incidents

The number of process incidents that occurred at our tank terminals is an important measure of our safety and environmental care. In 2015, there were 38 Tier 1 and Tier 2 Process Incidents (total significant incidents) compared to 36 in 2014. Process incidents, including product spills, product contaminations and fires, including any smoldering, are all reported. There was an increase in the number of fires (41 compared to 40 in 2014). The fires are almost all of low severity (smoldering and very small burns) and only one classified as a Tier 2 incident. The total PSER rate in 2015 was 0.27, compared to 0.20 in 2014.

API RP754 Process Safety Indicators 2015	Tier 1 PSE Count	Tier 2 PSE Count	Tier 1 & Tier 2 PSER
Netherlands	5	15	1.35
Europe, Middle East & Africa	2	2	0.15
Asia	2	8	0.12
Americas	-	4	0.20
Global LNG	-	-	-
Global HQ	-	-	-
Total Vopak	**9**	**29**	**0.27**

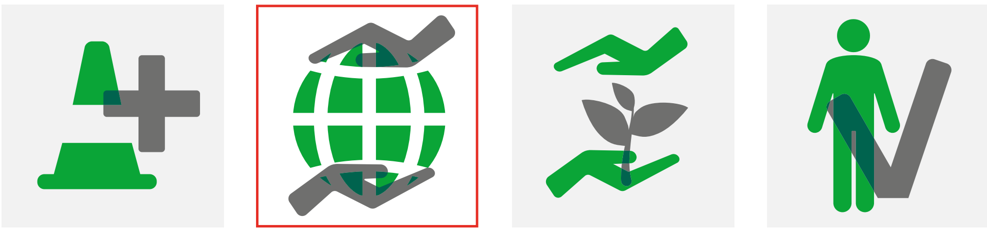
Spills

The total quantity of product spilled (Tier 1 and Tier 2) in 2015 was 894 metric tons, which is a significant increase compared to 2014 (260 metric tons). As most Vopak terminals are equipped with secondary containment measures and have an emergency spill response program in place, spills are identified and cleaned up immediately after occurrence, with the result that negative effects on the environment (soil, groundwater and/or surface water) are limited. In 2015, there were three high quantity spills. One spill of 660 metric tons of condensate was contained and recovered in vacuum trucks. We also had one spill of 43 metric tons of mono ethylene glycol and one spill of 48 metric tons of sunflower oil. These two spills were also contained and collected.

Safety targets for 2016

For 2016, Vopak has set its targets for safety performance at a Process Safety Events Rate (PSER) of maximum 0.27 and a Total Injury Rate (TIR) of maximum 0.34. We also monitor other safety topics, such as near misses and Safety Observation Rounds.

Environmental care



Developments in 2015

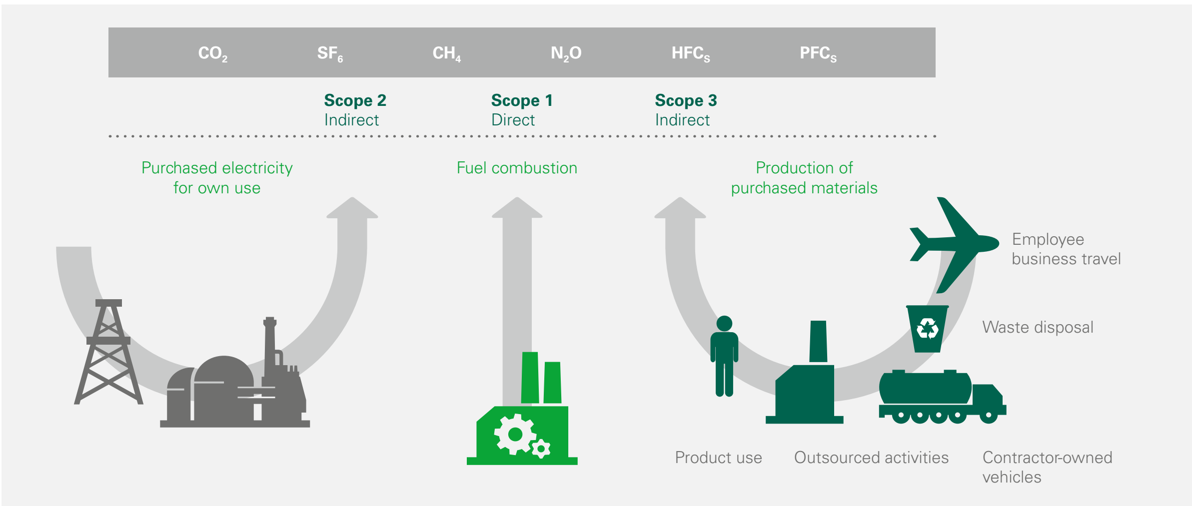
The care for our environment is an integrated part of our 'License to Operate', which means that Vopak strives to minimize its impact on its surroundings. We have standardized our approach company-wide via the Vopak standards, which map the impact our operations may have on the environment. This facilitates minimizing our impact on the environment, including the carbon footprint of our operations. We are committed to applying a sound waste-management system and minimizing our soil contamination, air and surface water emissions, and energy and water consumption.

Energy and carbon reporting

Scope of carbon reporting

Vopak's reporting on energy use and carbon emissions (based on CO_2 emissions), encompasses Scope 1 (direct energy use and emissions from the combustion of fossil fuels) and Scope 2 emissions (indirect energy use and emissions from electricity purchased for our own use). Despite the fact that this was considered as not material to Vopak during the materiality assessment, we decided to report on parts of the GRI G4 requirements as far as they are applicable to Vopak and deliver added value to stakeholders. Therefore, our reporting on emissions includes carbon dioxide as well as other emissions (NOx, SOx and not yet reported VOC). Vopak does not report on its Scope 3 (other indirect) emissions as this is not material compared to the emissions in Scope 1 and 2 (less than 5%).

Scope of carbon reporting



Vopak's energy consumption depends on the products we store for our customers, the weather conditions and the amount of product pumped (electricity consumption). Short-term energy-saving programs therefore focus on improving the processes of heat exchange and efficiencies within the system.

As of 2015, we also separately report the energy consumption and emissions of our LNG terminals. This voluntary reporting enhancement was a result of the fact that the LNG terminals consume more energy than other storage terminals.

Direct energy use

Direct energy sources, such as gaseous and liquid fuels, are mainly used to produce steam for heating purposes. The total energy consumption of the companies in scope, by direct energy source, is shown in the following table:

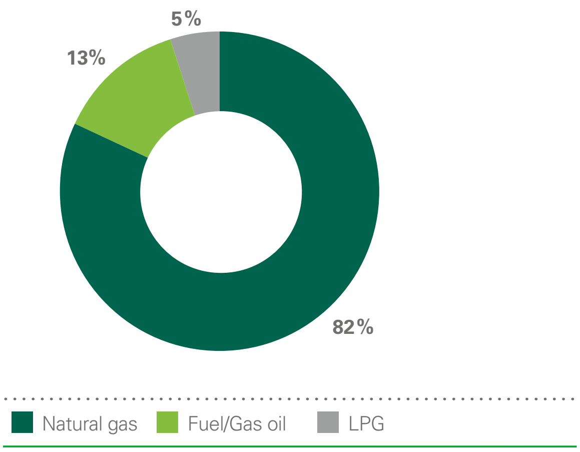
Direct energy used by source

Energy source in TJ	2012	2013	2014	2015
Natural gas	3,013	3,187	2,629	2,610
Fuel / Gas oil	365	428	405	415
Coal	8	29	18	-
LPG	647	132	125	173
Total direct energy (TJ)	**4,033**	**3,776**	**3,177**	**3,198**
Total relative direct energy (MJ/cbm)	**148**	**136**	**108**	**102**

The quantity of LPG consumed not only reflects the energy generated for heating (by burning) but also includes the use of LPG to support the incineration of product vapors in the various vapor-treatment systems that Vopak operates.

One terminal (in China) used coal to generate steam in its boiler house. The switch to natural gas usage was made during 2014.

Direct energy used by source



Indirect energy use

The reporting on the indirect energy consumption at Vopak is split into two separate categories. The main reason for this split is that the LNG operations are more process-oriented operations than the conventional liquid bulk storage and handling operations. The amount of energy required for the re-gasification of the liquefied natural gas is a major part of Vopak's total energy consumption.

Indirect energy usage for liquid bulk storage and handling operations

Electricity is the main source of indirect energy used, mainly for pumping. Other usage of electricity at our terminals are cooling and heating.

Energy source	2012	2013	2014	2015
Storage capacity (in million cbm)	26.5	26.9	28.7	30.5
Steam (TJ)[1]	N.R.	7	20	20
Electricity (TJ)	1,179	1,342	1,249	1,333
District heating (TJ)	63	63	-	-
Total indirect energy (TJ)	**1,242**	**1,412**	**1,269**	**1,353**
Total relative indirect energy (MJ/cbm)	**47**	**53**	**44**	**44**

1. Purchased steam increased, due to Vopak Terminal Haiteng in China, acquired in 2014.

Indirect energy usage for LNG operations

Vopak is using a renewable energy source for re-gasification of LNG. At the LNG terminals, we use surface water to heat and vaporize the liquefied natural gas. At Gate Terminal, we use relatively warm water from the adjacent electrical power plant and at our facility in Mexico, we use regular sea water. This means that the terminals do not have to use extra energy to heat and vaporize the LNG. In this way, the terminals are saving an equivalent of 162 million cbm of natural gas per year (over 5,500 TJ), which would be required to provide the same amount of energy. An extra emission of 274 metric kiloton of CO_2 into the atmosphere is thus prevented. The electricity used in the LNG operations is mainly used for pumping.

Energy source	2012	2013	2014	2015
Storage capacity (in million cbm)	0.8	0.8	0.8	0.8
Process water	1,184	1,626	5,412	5,611
Electricity (TJ)	318	328	346	362
Total indirect energy (TJ)	**1,502**	**1,954**	**5,758**	**5,973**
Total relative indirect energy (MJ/cbm)	**1,789**	**2,327**	**6,855**	**7,111**

The energy source process water for 2014 is restated as our Altamira - TLA Terminal did not report on its process water.

Total direct and indirect greenhouse gas emissions by weight

The majority of our carbon emissions are generated during the production of steam for heating purposes or through electricity usage for powering our pumps. However, the direct and indirect energy used in our operations does generate CO_2. Therefore, our energy consumption and the subsequent carbon emissions are related to our product storage and handling services. No ozone-depleting chemical substances are emitted. Most of our terminals do not handle these specific chemicals. At the terminals where we do handle these chemicals, special vapor-recovery systems are used.

NOx and SOx emissions

Vopak reports on its nitrogen oxides (NOx) and sulfur oxides (SOx) emissions although this is not required based on the outcome of the materiality analysis.

- The NOx emissions for 2015 amounted to 527 metric tons (2014: 547 metric tons)
- The SOx emissions for 2015 amounted to 3 metric tons (2014: 13 metric tons)

The SOx emissions were caused by the combustion of low sulpher heavy fuel oil and diesel. The consumption of coal in China stopped in 2014 as a result of the switch to natural gas. Consequently, the amount of SOx in 2015 is significantly lower than in 2014.

Total carbon emissions (in CO_2 equivalents)

	Emissions for Vopak including joint ventures			
	2012	2013	2014	2015
Direct carbon (kiloton)	241	223	189	189
Indirect carbon liquid bulk operations (kiloton)	*166*	*208*	*189*	*217*
Indirect carbon LNG operations (kiloton)	*39*	*40*	*42*	*43*
Indirect carbon (kiloton)	205	248	231	260
Total carbon emission (kiloton)	**446**	**471**	**420**	**449**
Total relative carbon emission (kg/cbm storage)	**16.3**	**17.0**	**14.2**	**14.4**

The carbon emissions of our LNG operations are restated due to an adjustment in the carbon emission factor on process water.

Energy consumption outside the organization

The Scope 3 emissions of Vopak involves mostly travel emissions caused by usage of cars and from business travel. The total estimated amount of carbon emissions involved is less than 5% of our Scope 1 emissions and therefore, we do not report on Scope 3 emissions.

Biodiversity and impact on our surroundings

Within Vopak, we have defined the following areas of additional focus:

- Natura 2000 sites (Europe)
- Areas falling under the UNESCO and the Biosphere Program
- Areas defined by BirdLife International
- Wetlands according to the Ramsar Convention

Applying this definition means that almost 70% of all our terminals are within five miles of (one of) these types of areas. Some Vopak terminals are in the direct vicinity of areas of ecological diversity, i.e. less than 500 meters away, such as Vopak's terminals in Europe being in the vicinity of Natura 2000 areas. Where this is the case, extra care is taken to prevent any damage to this area from air, soil, groundwater and surface water contamination. The preventive measures are stated in the Vopak Standard for Soil and Groundwater Management.

Our principles regarding contamination are:

- Prevention
- A spill-response program applicable to both soil and water
- Installing of vapor-treatment units to prevent unwanted emissions to air

Waste

The main waste generated in our operations is the sludge from the tanks during cleaning operations and is the property of our customer. A responsible waste disposal process, although legally the responsibility of the customers, is also a responsibility of Vopak. This means that any waste generated and disposed of, will be handled according to our internal Vopak Standard for hazardous waste. In 2015, we started to track hazardous waste globally. In 2016, we will pursue tracking the amount of hazardous waste and report on this item.

Land and water

As the owner and/or user of over 1,800 hectares of land, Vopak is responsible for taking care of this land, as reflected in our Environmental care objectives. Our terminals are equipped with secondary containment systems to prevent spills and other contaminations from entering the soil and groundwater, especially at locations where the risk of spillage and loss of containment can occur (such as tank pits, pump pits and loading stations). We continue to identify the total amount of secondary containment and, led by a risk-based approach, we continue to improve the protection of the subsoil and groundwater at our terminals.

Water management is an important responsibility, especially the quality and quantity of discharge to surface water. We are committed to responsible water-care systems at our terminals. The objective is to make a clear distinction between flows of good quality water (clean rainwater) and contaminated water.

The principle is that clean water should remain clean and not be mixed with contaminated water, while contaminated water should be treated in a water-treatment plant to remove any contamination.

In total, Vopak treated 2.4 million cbm of contaminated waste water (onsite and offsite), an increase of 9% compared to 2014. We strive to treat all contaminated water in the future. Vopak is also using 200 million cbm of sea water in its LNG process. This water is pumped and only used to vaporize the liquid natural gas and without any additions or chemical alterations pumped back into the harbor.

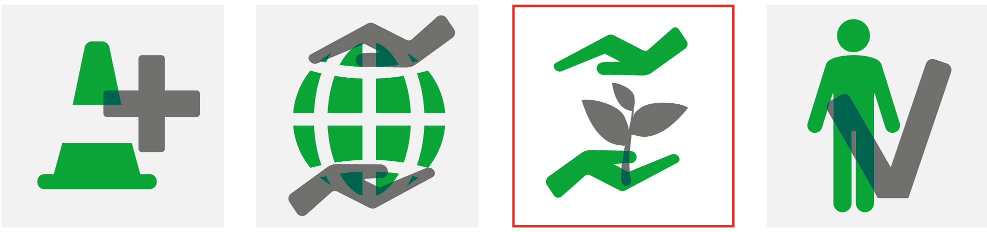
Impact

A study conducted together with Wageningen University and TNO in 2011 assessed the impact of our regular business operations on the surrounding area. One or more of the following areas of impact could arise, depending on where the terminal is situated:

- Noise
- Odors
- Emissions of nitrogen and carbon
- Light
- Volatile organic compound emissions
- Surface water
- Soil contamination and soil use
- Local communities (including indigenous people)

The results of this study are used in our Environmental Impact Assessments (EIA) for every new terminal development project. In all instances, we address and solve issues that arise during the engineering phase immediately and, when necessary, we will take appropriate specific measures in close cooperation with the relevant stakeholders. There was no requirement to execute an Environmental Impact Assessment in 2015 as no new greenfield sites were initiated. In 2015, Vopak conducted a preliminary study on the impact and usage of vapor-treatment units to minimize carbon emissions. This study will be continued in 2016.

Responsible partner



Developments in 2015

Sustainable suppliers and customers

Vopak works with customers and suppliers to maintain long-term partnerships and ensure continuous improvement in our approach to sustainability. We aim to be the supplier of choice based on our service quality but also on our sustainability approach. Likewise, we will choose suppliers whose commitment to sustainability matches ours.

Sustainable services

Vopak delivers its services in accordance with stringent safety and environmental standards and in cooperation with the local authorities in the areas in which we operate. By continuously assessing and improving the condition of our terminals, we are able to maintain a high level of operational quality benefiting all our stakeholders.

Main achievements

Customers

In addition to our International Sustainability & Carbon Certification (ISCC) for Biofuels, our Vopak Terminal Vlaardingen was the first palm-oil storage facility in the world to receive the RSPO (Roundtable on Sustainable Palm Oil) certificate for the storage of sustainable palm oil.

Suppliers Code

In 2015, Vopak introduced a Suppliers Code, describing the boundary conditions on human rights, safety and environment for our suppliers. The implementation of this code with regard to our suppliers will start in 2016.

Community impact: vapor, odor and stench

We made significant progress in 2015 towards resolving our vapor issues at Vopak Terminal Europoort in the Netherlands through engineering and operational control. Regrettably, we still had four reported incidents resulting from 17 stench complaints versus 22 in 2014. As a result of the historical stench complaints at Vopak Terminal Europoort, we have further increased our focus on this topic at other locations and ensured that lessons-learned and best practices from the Vopak Europoort Terminal are shared within the group.

Community involvement

Vopak aims to support activities that improve the lives of people in the communities in which we operate. These activities may include education, health care, community building and infrastructure or nature development. At every terminal, our employees are encouraged to actively participate in community programs and to propose social projects to their site management. Nearly every terminal has one or more community programs. Vopak gives its employees the opportunity to play an active role in society, for example, through community or educational programs, unless participation in these activities could possibly result in a conflict of interest. Vopak is committed to being a good neighbor and engages with communities in the vicinity of its operations. We behave as a responsible citizen and strive to have a positive impact on the communities where we operate. We sponsor long-term community projects, supporting youth development, education and community life, see also our Vopak story on WeConnect, and the initiatives mentioned in the key developments per division chapter.

Human rights

Vopak respects human rights as described in the United Nation's Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, and accepts the responsibility to ensure that all our entities respect human rights when conducting business.

Vopak screens all final investment proposals to major expansions or greenfields, for human rights issues. Our screening is based on the country in which the project is being carried out (OECD or other) and the characteristics of the investment proposal. Vopak did not initiate any major expansion projects in 2015. The screening includes an assessment of the areas where the risks of human rights issues are high. For these projects, specific agreements are to be made between all the stakeholders in the project which detail the manner in which parties will uphold human rights.

All partners, contractors and suppliers are required to adhere explicitly to the Vopak Code of Conduct, which also covers human rights.

Labor rights

In line with the aforementioned UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises, we base our labor rights commitments on the International Covenant on Civil and Political Rights, on the International Covenant on Economic, Social and Cultural Rights and on the fundamental rights set out in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

We seek to uphold these rights in our operations and in our relationships with our suppliers, our business partners, works councils and unions within the boundaries of local legislations.

Associations

Through participations in various working groups and discussion platforms, Vopak explains its position and value as an independent storage company. It also participates in discussions about international developments and government policies with respect to the direction of the energy and chemical industry in the long term. Furthermore, the technical knowledge of Vopak personnel is translated into practical guidelines and technical papers. Vopak also participates in research and innovation platforms such as iTanks (innovation platform in the Port of Rotterdam) and in fundamental research (Bio-based Geo and Civil Engineering for a Sustainable Society).

Vopak participated in the following three types of associations in 2015:

Branch organizations:
These include numerous organizations at a local, country and regional level, such as: the Dutch association of independent tank storage companies (VOTOB), the Federation of European Tank Storage Associations (FETSA), the Dutch LNG Platform, the Dutch Hydrogen Platform, the European Petrochemical Association, the Gulf Petrochemicals and Chemicals Association and the Network for Industrially Contaminated Land in Europe (NICOLE). Vopak also joined the NICOLA organization, the South African equivalent of NICOLE.

Technical affiliations:
Vopak is a member of a subcommittee of the World Association for Waterborne Transport Infrastructure (PIANC), the Engineering Equipment and Materials Users' Association (EEMUA), the Nederlands Normalisatie Instituut which sets guidelines and technical standards in the Netherlands (NEN), and StrucTuuRvisie OnderGrond (STRONG), a Dutch governmental initiative of the Ministries of Infrastructure and Economic Affairs, for sorting the activities in the subsoil on land as well as on the seabed, and the Petrobot program. Vopak participates in the Oil Companies International Marine Forum (OCIMF), a voluntary association of oil companies with an interest in the shipment and storage of crude oil, oil products, petrochemicals and gases.

Research and Public Debate:
Vopak is involved in the International Energy Forum, Clingendael International Energy Programme (CIEP), the World Economic Forum, STW (Dutch technology foundation for fundamental research) and the iTanks institute.

In 2015, Vopak became associated with the EcoVadis system. EcoVadis operates the first collaborative platform providing supplier sustainability ratings for global supply chains. Since its founding in 2007, EcoVadis has become a trusted partner for procurement organizations in more than 120 leading multinationals worldwide. At present,16 of our Vopak terminals are storing products on behalf of these organizations.

Awards received

In 2015, Vopak terminals received, among others, the following awards:

- Vopak Terminal Sakra, Vopak Terminal Banyan and Vopak Terminal Penjuru all won the 'Community Awareness and Emergency Response Code' gold award, Vopak Terminal Penjuru won the 'Employee Health and Safety code' gold award and Vopak Terminal Sakra achieved the 'Employee Health and Safety code' award
- Vopak Terminal Penjuru received for an emergency response to a neighboring facility the 'SCDF Outstanding Company Emergency Response Team award 2015'
- Kertih Terminal was recognized for their safety performance and received two 'Safety Excellent' awards by the National Council for Occupational Safety and Health
- Vopak Colombia was recognized by the Colombian Safety Council for 40 years of uninterrupted commitment in supporting the Council in their pursuit of its safety objectives

Permit violations and fines

Vopak received three formal permit violations notices resulting in fines in 2015. One in Los Angeles, one in Savannah and one in China. We recognize that there could be other fines in the future which are currently not yet formalized and finalized.

The permit violation in Los Angeles resulted from non-compliance with regulations. During an inspection it was noted that one tank exceeded the permitted throughput quantity. The total fine received was EUR 2,000.

Vopak Terminal Savannah had loaded and released a railcar which turned out to have a leaking flange. In this instance, Vopak had a shared responsibility with its customer. The total fine received was EUR 2,000.

Vopak Terminal Caojing received a formal notification and a fine for the delay in obtaining the final acceptance approval for a project and a fine for causing a spill. In the past, obtaining the final approval permit for projects after completion was an allowed common practice. This practice was no longer allowed with retrospective effect after the major Tianjin incident. The total fine received was EUR 23,000.

Vopak exercises due diligence in managing risks during operational planning, development and introduction of new products or new services. Our decisions are based on the best information available, whereby uncertainties and the possible lack of information or data are also taken into account. Vopak has a formalized enterprise risk management process and exercises a precautionary approach to risk management.

Incidents of corruption, fraud and bribery

There were ten whistleblower cases reported to the confidential officer in 2015. All whistleblower cases were followed up. In addition, a total of twelve cases were investigated and identified as fraud and appropriate measures were taken. All had non-material financial consequences.

Commitments and achievements

Vopak made a number of commitments with respect to sustainability in the 2014 Annual Report and at the Annual General Meeting in April 2015. These commitments together with the performance are listed below:

Subject	Commitment	Achievement
People safety	Strive to achieve a TIR of 0.34 or less per 200,000 working hours for own employees and contractors in 2015	The Total Injury Rate was 0.39 in 2015
Process safety	Reduce the Process Safety Events rate (PSER) to a maximum of 0.29 incidents per 200,000 working hours	The PSER was 0.27 in 2015

Vopak's responsibility towards taxation

Vopak's tax strategy views taxation as an integral part of the business and as a contribution to Vopak's position in the marketplace and society, reflecting its attitude towards taxation as part of its corporate social responsibility towards a wide range of stakeholders. Vopak's tax strategy entails:

- Vopak's business strategy is leading: Vopak aims to achieve an effective tax rate that does not exceed the weighted average statutory tax rate by avoiding double taxation, that does not trigger anti-abuse regulations and that does not result in losing loss utilization opportunity. In addition, Vopak aims to optimize the use of tax incentives and investment schemes for the purposes for which these have been designed. While doing so, Vopak will always respect the spirit of the law. In the process of achieving this goal, Vopak will only optimize real business structures and transactions and will not set-up legal entities or transactions solely for the purpose of tax savings or tax avoidance
- Vopak aims to minimize its cash tax rate to clear funds for sustainable growth. This is achieved, for example, by making use of tax deferral facilities
- Taxes that are merely collected by Vopak should not impact profit or interfere with day-to-day business
- Automation of these collecting activities should be maximized for the purpose of efficiency improvement and cost reduction
- Reliability and efficiency are key in Vopak's service offering. As Vopak and its customers are continuously faced with customs and other duties during primary processes, Vopak aims to achieve reliable, fast and cost-efficient handling of customs and other duties without disturbing primary processes, when possible by applying for an Authorized Economic Operator qualification
- Vopak maintains and builds mutual professional, respectful, open and transparent relations and communication with local tax authorities. When possible, Vopak aims to enter into cooperative compliance programs (e.g. the Netherlands and the UK)
- Vopak aims to fully comply with laws and regulations in technical and procedural matters. Tax positions benefiting Vopak are only taken when sufficiently substantiated
- To support the above, risks relating to taxation are included in our risk management process. Tax risks not aligned with the company's risk appetite are undesirable as these could have a financial and reputational impact on the company

Vopak took preparatory action in 2015 to be able to comply with the newly introduced requirements for country-by-country reporting.

Vopak pays tax in all countries in which it operates. The largest operations are located in the Netherlands, Singapore and the United States. For an overview of the effective tax rate per (geographical) division, we refer to the table below. This overview is aligned with the segment information as included in the Consolidated Financial Statements in note 2.1.

	Effective tax rate	Weighted average statutory tax rate[1]
Netherlands (including head office)	27.6%	25.0%
Europe, Middle East & Africa	39.5%	26.6%
Asia	16.4%	19.6%
Americas	38.5%	36.9%
Vopak	**26.4%**	**24.8%**

1. Excluding exceptional items.

For a reconciliation between the weighted average statutory tax rate and the effective tax rate of the company, we refer to note 7.2 of the Consolidated Financial Statements.

Reporting strengths and weaknesses

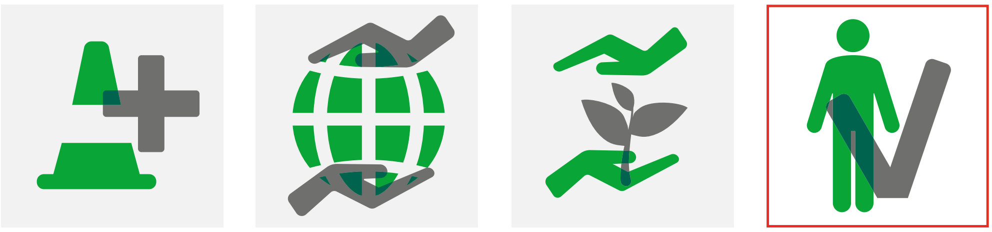
Vopak was included in several external benchmarks in 2015:

- Carbon Disclosure Project (CDP). This independent, non-profit organization, maintains the world's largest database of primary corporate climate change information. The CDP acts on behalf of 767 institutional investors from around the world. Vopak scored a level of 72D in 2015 compared to 66C in 2014
- Dow Jones Sustainability Index (DJSI). In 2015, Vopak participated and scored 63% (company score), being slightly higher than our 2014 company score of 59% and above the industry average score of 45% (PIP Oil & Gas Storage & Transportation). Our percentile ranking score was 73% in 2015 (2014: 63%)
- Transparency Benchmark. The Dutch Ministry of Economic Affairs produces an Annual Report on Dutch companies' corporate social responsibility reporting. Vopak scored 131 out of a total 200 points in 2015, an increase of 19% compared to 2014

Inclusion in these benchmark studies gives us valuable feedback and information regarding Vopak´s perceived performance in the areas of sustainability. A summary of these benchmark results is presented in the table below.

Categories	Results	
	Strong	**Weak**
Environment	Environmental policy and management system	Only reporting on consolidated level
Human resources	Occupational health and safety	Human capital development
Business behavior	Corporate Governance	Tax transparency
Human rights	Code of Conduct and ethics	Social impact on local communities
Stakeholder management	Management of customer relationship	Supply-chain management

Excellent people

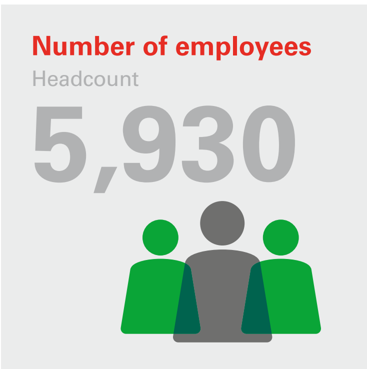


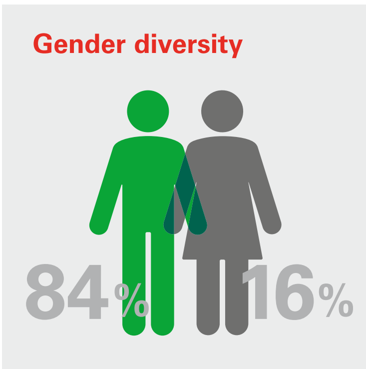
Developments in 2015

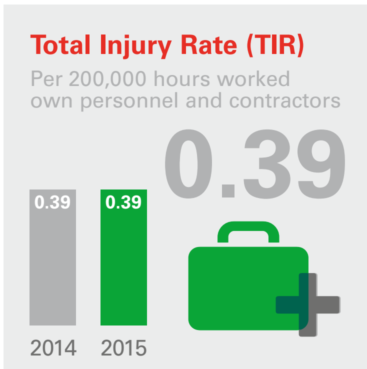
We have condensed and aligned the Vopak Values in 2015 in order to establish a new set that is geared to the future and includes the importance of sustainability. These values are the guiding principles for our behavior and decisions. Vopak invests in long-term relationships with its employees by creating a working environment that nurtures their talents and skills. We devote attention to personal development and the engagement of employees and we offer a good place to work.

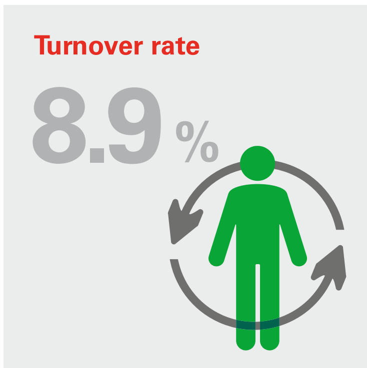
People development

People development is all about having the right people, with the right skills, in the right place, at the right time, in order to strengthen our organization and enable further growth. People development focuses on the development of our current and future leaders via good work experiences, training and coaching. Based on career and succession plans, we aim to align the interests of our employees with the interests of Vopak, in the short and long term. Trainings were conducted for new and more experienced leaders in Vopak in all divisions in 2015. We believe that our management development program has broadened their skills and capabilities. We also focused on the professional development of our people who are active in specific business-critical disciplines, such as safety, service, sales, project management and operations management. Our employees had access to regular training programs in these fields. The majority of our staff took part in formal training programs in 2015.









Culture and leadership

Over the past ten years, Vopak has embraced the Vopak Values. In 2015, we sharpened the Vopak Values to a new set that recognizes our 400 years of history and at the same time is geared to the future, including the importance of sustainability. Care for Safety, Health and the Environment, Integrity, Commitment, Team Spirit and Agility are the guiding principles for our behavior and decisions. Engaging and inspiring employees are important to us. We implemented improvement plans in 2015, based on the results of the 2014 employee engagement survey. The plans covered the employees' understanding of Vopak's strategy, confidence and trust in management. We will conduct the employee engagement survey again in 2016.

Diversity

Vopak is a multicultural company with a global network of terminals. This means our workforce is diverse and includes people from different cultures, nationalities, ages, gender, competences, skills and beliefs. We respect diversity and nurture the different approaches and perspectives each culture brings to our business. Recently, in January 2016, Vopak's CEO signed a declaration together with some of our major customers from the Oil and Gas industry to close 'the Gender Gap in Oil and Gas', during the World Economic Forum in Davos. This declaration serves as a platform to help business leaders around the world to address the factors contributing to the gender gap and to advance their companies and benefit their shareholders through the incremental performance and value this will generate.

To ensure sufficient competencies, we encourage our employees to be internationally mobile and to apply their skills and competencies at locations where they are most needed. During 2015, we had over 100 expatriates in management positions worldwide. We strive for a better gender balance within Vopak and are proactive in identifying and developing female leaders towards senior positions.

HR capabilities

HR capabilities is Vopak's global standard toolbox with all HR processes and systems that includes the way employees, line managers and HR professionals are using the processes and systems. The Vopak HR capabilities are executed in such a manner that it supports the business and our global HR strategy. It reflects the company culture and emphasizes the end responsibilities of the employee and the line manager in all HR-related topics.

Compensation and benefits

Vopak's compensation philosophy is to provide market-competitive pay and benefits while rewarding employees for their individual performance and, at the same time, constantly maintaining a balance between costs and market competitiveness. The organization's compensation package includes a base salary and may include incentives, such as cash bonuses and share-based compensation for senior management. It also includes comprehensive benefits, which vary by country, depending on the local market practice, tax and social security structure. Vopak applies a salary policy between median (mid-market) and the third quartile (75th percentile) relevant for the country in which we operate.

Facts and figures

The current gender distribution does not reflect the balance between men and women that we believe is optimal for Vopak. Despite efforts, Vopak has not yet achieved its desired gender distribution. In order to increase the number of women to the desired level within the group, we will further analyze the root cause in each country and prepare focused activities to increase the number to a more healthy balance.

Approximately 34% of our employees are employed under a Collective Labor Agreement (CLA), most of whom work in the operations and maintenance departments at our terminals. We strive for long-lasting relationships with unions and works councils all over the world in the best interest of employees and Vopak.
The staff-turnover rates differ per division. The number of regretted losses is minimal. Due to a higher retirement age in many countries in which we operate, we encourage vitality and employability with specific programs and training.

In addition to safety, we strive for a healthy workforce. In several countries, Vopak stimulates its employees to incorporate more healthy elements into their lifestyle through, for instance, company sport events, health checks, advice on diet, a healthy variety of food in the company's canteens and work-life balance initiatives.

Employees

Total number of employees	2012	2013	2014	2015
Subsidiaries (FTE)	3,932	4,010	3,860	3,639
Subsidiaries and joint ventures (headcount)	6,209	6,088	5,779	5,930

Gender and nationality of managers and professionals

	Executive Board		Terminal and divisional management teams		Global staff directors		Global staff HQ	
% employees	2015	2014	2015	2014	2015	2014	2015	2014
Gender								
Male	100%	100%	80%	81%	79%	85%	79%	76%
Female	–	–	20%	19%	21%	15%	21%	24%
Nationality								
Dutch	100%	100%	12%	7%	86%	77%	89%	92%
Other[1]	–	–	88%	93%	14%	23%	11%	8%

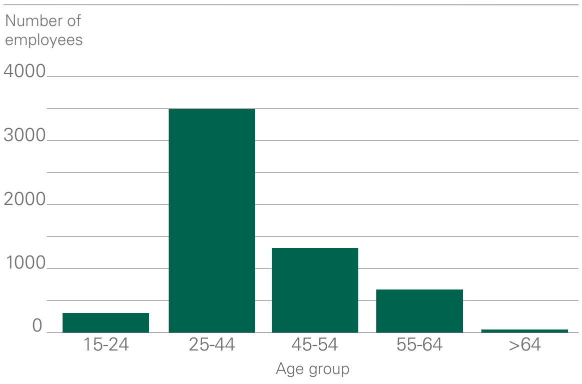
1. Any nationality other than Dutch.

Employee turnover

	Leavers	Relative turnover (%)
Netherlands	57	6.0%
Europe, Middle East & Africa	101	7.7%
Asia	258	10.8%
Americas	86	9.6%
Global LNG	6	3.4%
Global HQ	18	8.9%
Total Vopak	**526**	**8.9%**

The staff turnover rates at some divisions are high as a result of organizational alignments and the mobility of staff between divisions and our head office in Rotterdam. When a divestment is made, Vopak will do its utmost to ensure that the employees working at the specific terminal(s) are transferred under the same contractual arrangements as when they were working under Vopak management.

Age distribution



The age structure of Vopak employees shows a healthy distribution for a professional environment.

Sickness rate percentage

	2015	2014
Netherlands	5.3	3.5
Europe, Middle East & Africa	2.8	2.9
Asia	0.9	1.0
Americas	1.0	1.1
Global LNG	1.8	2.2
Global HQ	2.1	2.0
Total Vopak	**2.0**	**1.8**

There were no reported cases of employees suffering from occupational diseases. Vopak had a sickness rate of 2.0% in 2015 compared to 1.8% in 2014. The percentage of people exposed to work-related risks, mainly our operators and maintenance staff, is 50% of the total Vopak population in 2015.

Training hours per employee

	2015
Netherlands	45
Europe, Middle East & Africa	36
Asia	46
Americas	47
Global LNG	45
Total Vopak	**42**

Compensation ratio

We monitor the ratio in annual compensation for our employees in the Netherlands. Furthermore, within the current reporting timeline, we have assessed the ratio for two other significant locations of operations: Singapore and Houston.

	2015 ratios	Increase to 2014 (%)
The Netherlands	8.8	3.0
Singapore	8.0	20.5
Houston	3.2	0.7

The ratio is defined based on the annual basic salaries per 1 December 2015.
The ratio is defined as the salary of highest paid job holder/median salary excluding highest salary.
Increase in annual total compensation for the highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country in 2015 compared to 2014.

Vopak story
WeConnect

Reaching out
to a new generation.

As we mark our 400-year history, we realize that Vopak owes its success to open markets and collaboration across borders, languages, cultures and social backgrounds. To this end, Vopak wants to reach out to a new generation by helping young people in our communities to look beyond their own boundaries. "I believe it is crucial for our society and economy that young people learn to think internationally and to look beyond cultural differences to find common ground. In the year that we celebrate our 400th anniversary, we want to pass on this notion to the next generation," Eelco Hoekstra, CEO of Royal Vopak, explains.

Improving the lives of young people in the communities in which we operate

16 projects covering **16 different countries** and every division

Vopak story WeConnect

WeConnect is a Vopak community program that will help to further realize our objective to support activities that improve the lives of young people in the communities in which we operate. Vopak challenged every employee to submit project proposals that help young people between 12 and 24 years old. Projects that either stimulate mutual understanding beyond cultural differences, or open up new perspectives for their future professional lives.

Beyond expectations

Thanks to the support of many Vopak employees, no less than 56 inspiring proposals from 18 different countries were received. This was beyond our expectation. The WeConnect Jury had a hard time selecting the best projects, which will receive financial and personnel support throughout our anniversary year. The jury was composed of Eelco Hoekstra, Chairman of the Executive Board and CEO, Lilianne Ploumen, Dutch Minister for Foreign Trade and Development Cooperation, and five young Vopak employees, one from each Vopak division.

A real added value

The jury selected the most solid, creative and impactful proposals. These cover 16 projects in 16 different countries and every division. Jeroen Roodenburg, Director Sustainable Economic Development at the Dutch Ministry of Foreign Affairs, who represented Minister Ploumen during the jury meeting, added: "We have been looking for projects where Vopak people can have a real added value in their communities. Where their personal involvement shows that being a responsible partner in your community is part of your core business."

Empowering youth

Many of the projects that have been selected help to educate young people and teach them skills that are essential for their professional future. For instance, in Durban, school children, who do not have access to computers, are stimulated to learn IT and internet skills. By building an IT lab, Vopak South Africa will enhance the children's education, expose them to the world beyond their communities and increase their future career opportunities. Vopak in Los Angeles supports a project with 120 youngsters from Los Angeles to stimulate them to graduate school in an all-year-round after-school program. As a result, low-income, culturally diverse urban youth age 13 to 18 years old will be better prepared for a future career. In Thailand, Thai Tank Terminal has taken the initiative to engage youngsters in a competition. Its objective is to increase their self-awareness and empower them to improve their local environment. Vopak Terminal Botlek, in the Netherlands, has committed to work with a school in Spijkenisse that provides education and training to teenagers with a slight intellectual disability or behavioral problems. The aim is to better prepare 14 to 18 year olds for the labor market. Every project empowers youth to achieve more for themselves and their community. Visit www.vopak.com/weconnect for a complete overview and updates of the WeConnect projects.

The execution of the projects will run on throughout 2016 and will be evaluated at the end of the year. Vopak is looking forward to working together with all partners involved in 2016 to connect young people in our communities to the rest of the world.

Risks and opportunities related to sustainability and climate change

Introduction

We have identified potential risks and opportunities related to sustainability and climate change, as well as to carbon-emission trading schemes. Business-related risks are elaborated in the section Risks and risk management in the Governance and compliance chapter.

Climate change

Sustainability and climate change trends present both threats and opportunities. Vopak will continue to assess the impact of this trend as part of its ongoing process of identifying threats and opportunities, and will report in the coming years on long and medium-term objectives related to this trend.

The Intergovermental Panel on Climate Change (IPCC) has identified adverse changes in the global climate system, including an increase in average temperatures, changes in precipitation, a rise in sea levels, extreme events (such as hurricanes, floods and draughts) and other physical changes.

The recently concluded 'COP21' agreement has drawn greater global attention to the adverse effects of climate change. The overall objective is to halt the rise in global temperature, with agreements reached to jointly work towards limiting temperature rise to only 1.5 degrees Celsius. All countries will set targets to reduce carbon emissions, and these countries shall report on their progress transparently.

We have identified key areas that are of direct as well as indirect importance to Vopak. As part of our ongoing surveillance, we will further assess the impact of national agreements such as China aiming to reach 20% non-fossil energy in primary energy consumption by year 2030.

Direct effects on a global scale

Temperature increase

The projected long-term warming (associated with doubling CO_2 concentrations) is likely to be in the range of 2 to 4.5 degrees Celsius. This will result in a sea level rise.

Precipitation and humidity

Increases in annual precipitation are predicted for most of Northern Europe, Canada and the Northeast of the United States.

Extreme wind and rain, storms and other events

Extreme weather conditions are expected involving increased intense tropical cyclone activity, increased frequency of floods and large-area floods in many regions, higher sea levels and an increased risk of drought in Australia, Eastern New Zealand, and the Mediterranean, with exceptional seasonal droughts in Central Europe and Central America. This may lead to two scenarios:

- **High sea levels**

Areas of concern with respect to high sea levels are the United Kingdom, the Netherlands, Germany and Indonesia. Increased flooding could result in operational interruptions and/or failures

- **Wind storms and flooding**

It is expected that climate change may lead to more tropical storms. Therefore, certain areas such as the US Gulf Coast, China, Japan and Vietnam are increasingly vulnerable

Indirect global effects

Global warming will result in warmer and more frequent hot days/nights, which may affect the health of the population. The spread of worldwide diseases may increase. For example, malaria could migrate to northern regions, such as Spain and as far north as southern Great Britain. In addition, due to growing leisure and business traffic, the number of people with infectious diseases imported from abroad will increase. This increases the risk of epidemics.

Direct effects on Vopak

Vopak builds its terminals for a period of at least 50 years. Terminals are built with the knowledge and guidelines at the time they are constructed, including preventive measures. Higher sea levels may therefore mean extra care for quays, and floodwall protections may be needed (e.g. Vopak Terminal Hamburg). Extreme weather conditions may require adaption of the tank construction, floodwater sewers (e.g. storm-water gutters). These have already been installed at some of our terminals, including Vopak Terminal Deer Park (US Gulf Coast). The increase in temperature can lead to extra vapor pressure from the products we store. More focus may therefore be put on vapor recovery and/or vapor treatment, in line with applicable industry standards and legislation.

Hamburg

The port of Hamburg experiences high swell and high tides with Northwesterly winds. These are potentially high enough to flood the existing embankments/dikes and to partially flood industrial areas. The Port of Hamburg decided that all industrial areas should therefore be equipped with floodwalls. This resulted in the obligation to raise the dikes through a sheet pile wall around the site (over two kilometers, one meter extra height).

Carbon emissions trading scheme

Introduction

More and more countries are setting up, or plan to set up, a carbon emissions trading system or a carbon tax system as a mechanism to combat climate change. These initiatives can lead to regulatory risks and are currently not only limited to Europe, where the European Union Emissions Trading System has been operational since 2005, but also in other regions and countries where Vopak is active.

Carbon regulation by region

A growing number of countries have already implemented some kind of regulation on carbon emissions. Vopak expects that the number of countries (which includes countries in which Vopak is active) will grow in the near future (e.g. China will introduce their carbon emissions system in January 2017). For an overview of all the carbon emissions systems currently in place or being implemented in the near future please refer to: http://www.worldbank.org. All of these individual carbon-pricing regulations impact Vopak directly and indirectly.

Direct impact

The direct effects of carbon emissions systems are:

- **Additional administration and audits:** Demonstration of our carbon emissions will be needed in regions where a carbon emissions system is present. This will involve additional administration at the specific location. However, in those specific locations where we exceed the carbon emissions threshold, we should also account for the costs of the carbon rights, including external audits by the National Emission Authorities

- **Costs of CO_2 emission rights:** The direct costs of CO_2 emissions relate to the purchase of emission rights. Nine Vopak terminals are included in the European Trading System, which accounts for approximately 45% of Vopak's total direct carbon emissions. The terminals are: several terminals in the Netherlands, the Vopak EOS terminals in Estonia and Thames Oilport in the UK. Based on the 2015 average CO_2 price of approximately EUR 8.00, this will result in carbon emission costs of approximately EUR 200,000 calculated on the direct energy consumption of the terminals included in the European Trading System and based on the assumption that approximately 70% of the CO_2 allowances are currently still free of charge. However, oil and chemical companies are currently already calculating their business cases, depending on the region, based on carbon prices of approximately EUR 17 to EUR 66 per ton CO_2 emission (source: ExxonMobil 2014 Outlook for Energy) in 2040. Based on these potential increases in carbon emission costs, the annual emission costs in the European Union could vary between EUR 1 and EUR 4 million per year based on the direct energy consumption of the terminals currently included in the European Trading System and based on the assumption that approximately 30% of the CO_2 allowances are free of charge in 2040

Indirect impact
Customers could move their business to other regions, and invest in alternative countries that do not have an emission trading system; also referred to as carbon leakage. It could result in a change of Vopak's customer base or a change in logistic requirements, and potentially result in a loss of customers and/or a lower demand for storage capacity.

Sustainability trends : de-carbonization
Vopak see its contribution to limit temperature rise by facilitating a change in demand resulting from de-carbonization efforts such as carbon capture and storage and by facilitating a change in the energy mix towards cleaner fuels like LNG.

Regulatory opportunities
One of the biggest opportunities arising from the legislation and regulations is carbon capture storage. Vopak and Gasunie jointly investigated the feasibility of developing a distribution hub for the handling and temporary storage of CO_2 in the Netherlands where gaseous and/or liquefied CO_2 can be received from CO_2 emitters and can be subsequently loaded in large seagoing vessels or transferred to pipeline networks for transportation to depleted offshore gas fields. A potential CO_2 distribution hub in the Rotterdam area could benefit from the presence of the Gate Terminal due to the availability of cold energy from this LNG terminal.

Other opportunities
The drive towards further reducing emissions has led to the development of new storage opportunities such as Vopak's current LNG activities. In addition, the recent developments in the use of biofuels may accelerate the introduction of second and third generation biofuels, such as oil from algae. For biofuels, we have expanded and are expanding our services in this specific field, which started already in 2007 with the construction of dedicated storage facilities in various countries.

Threats
The total energy market is projected to increase, however with changes to the energy mix as well as demand centers. This may impacts the type of infrastructure needs and location.

Sustainability reporting scope

We aim to be clear and transparent towards our stakeholders regarding our sustainability vision, our sustainability policy and our sustainability results. As in previous years, Vopak has requested its external auditor to provide limited assurance on its sustainability reporting.

This report on Vopak's sustainability performance is in accordance with the sustainability reporting guidelines of the Global Reporting Initiative (GRI). Our 2015 sustainability reporting follows the 'comprehensive' option of the GRI G4 reporting guidelines, which were created to promote globally uniform, measurable reports in the economic, social and environmental domains. The financial KPIs are reported in accordance with IFRS.

In defining the content of the Annual Report 2015, Vopak re-assessed the relevant KPIs related to Vopak's key focus areas and the comprehensive GRI G4 requirements and decided that some emission-related and some biodiversity-related indicators are included as additional indicators. As previously mentioned, we will update our materiality analysis on the basis of a new stakeholder dialogue in 2016.

Informing stakeholders about Vopak's sustainability performance has two benefits:
- It enhances the support for and the credibility with regard to the way Vopak manages its sustainability topics
- It allows for a dialogue with stakeholders and the communities in which Vopak operates, which helps us gain insights and improve our performance in the area of sustainability

Our interpretation of people, planet and profit, and our acknowledgement of their interdependence are measured in selected GRI Key Performance Indicators (KPIs) on which we report. These reflect our performance in areas that are material to Vopak and for which consistent and reliable information is internally available. These GRI G4 aspects reflect those issues that are relevant to our business and operations.

The table below reconciles the key focus areas to the aspects of GRI G4 in Vopak's own terminology. A number of GRI G4 indicators are reported for the 'observe' topics. The details of these indicators are shown in the GRI G4 table.

Reconciliation of key focus area to GRI G4

Key focus area	Corresponding GRI G4 aspect
1. Customer relationship management	Product and service labelling
2. Corporate governance	Governance
3. Reduction of energy consumption	Energy
4. Occupational health and safety management	Occupational health and safety, asset integrity and process safety
5. Risk and crisis management	Strategy and analysis
6. Prevention of soil pollution	Effluents and waste, emergency preparedness
7. Local community engagement	Local communities
8. Prevention of water pollution	Effluents and waste and (ecosystem services included) biodiversity
9. Talent attraction and retention	Employment, training and education, labor/management relations, diversity and equal opportunity
10. Prevention of spills	Effluents and waste
11. Prevention of stench and odors	Local communities

The purpose of the sustainability information in our Annual Report (including the GRI G4 index as published on our website), covering the financial year 2015, is to inform our stakeholders about our sustainability policy and performance, in connection with our main strategic objectives and targets. The GRI G4 index specifies the references to the indicators in scope, as well as any omissions and reasons therefore. This report specifically reviews developments and performance in 2015 and is based on topics identified as material for Vopak. Information that has a more static nature or is considered to have a lower reporting priority is included in the GRI G4 index on our website.

Reporting scope

Boundary settings

The reporting period covered by this Annual Report is the 2015 financial year. This report builds on the previous annual Sustainability Reports. In recognition of the fact that sustainability is a core element of our strategy and operations, we continue to combine our sustainability report with the Annual Report.

For sustainability reporting purposes, Vopak consolidates data from those terminals under its operational control unless acquired within the last 12 months and from terminals that report voluntarily although they are not under our operational control. Terminals under our operational control implies application of Vopak´s operational standards, adherence to Vopak´s Code of Conduct, and being part of the three-year cycle of Vopak´s Terminal Health Assessments (THA). Four terminals report voluntarily. These are the two LNG terminals - Gate Terminal in Rotterdam and Altamira-TLA Terminal in Mexico, Vopak Terminal Korea and Engro Vopak Terminal in Pakistan.

The table below reconciles the storage capacity reported in the Consolidated Financial Statements to that used for sustainability reporting purposes:

In million cbm

Total storage capacity according to Vopak Annual Report	**34.3**
Sabtank (Jubail)	-1.4
Sabtank (Yanbu)	-0.3
PCQ2 (Jubail)	-0.2
MOT	-1.1
Total excluded	-3.0
Total storage capacity according to the sustainability scope	**31.3**

Capacity developments

This Annual Report includes changes in our 2015 storage capacity in accordance with the following principles:
Greenfield: Undeveloped land that is acquired to build a new terminal is within the reporting scope from the first day of acquisition.
Brownfield: When an existing terminal is expanded, the entity is immediately within the scope of sustainability reporting.
Acquisition: When a terminal is acquired and operations are continued, there will be a grace period of one calendar year before the terminal is within the scope of sustainability reporting. During this year, all data must be reported and monitored in our internal reporting system.
Divestment: When terminals are closed or sold, they are no longer within the scope of sustainability reporting as of 1 January of that year.

Capacity expansions

Vopak's total capacity was expanded in 2015 by an increase in storage capacity at existing terminals and the addition of new terminals, divestments and acquisitions:

- Consolidated companies : -1,478,546 cbm
- Joint ventures : 1,986,332 cbm
- Total expansion : 507,786 cbm

Number of employees

The starting point of the Vopak sustainability program is that every person employed by a Vopak entity within this scope will be counted as one person (headcount).

All reported employees in the sustainability part of this Annual Report are based on actual headcount. The number of employees in other sections in this report is based on the full-time employee equivalent (FTE).

Safety extends to contractors

Please note that safety relates not only to Vopak employees, but also to our contractors.

Measurement: methods and standards

Within Vopak, we use internal standards for safety and incident reporting, environmental issues, technical design issues. Some of these standards are part of the reporting system that provides the basic data for our sustainability reporting. However, we also use specific external standards that give the methods for the calculation of specific parameters and standard conversion factors. Vopak applies the following external methods and standards:

Methods and standards

Safety	
Personnel safety	API RP 754
Process safety	API RP 754

Energy	
Conversion consumption to energy	Dutch list of fuels and standard CO_2 emission factors, version February 2013
Conversion natural gas consumption to energy	Specific conversion factors per country

Carbon	
Direct energy conversion to carbon emissions	Dutch list of fuels and standard CO_2 emission factors, version February 2013
Conversion electricity to carbon emissions	DEFRA Carbon factors 2015 and specific emission factors per country

SOx emissions	Specific emission factors per source stream
NOx emissions	IPCC guidelines for National Greenhouse Gas Inventories
Biodiversity	Definition Study Environmental Impact on surroundings of a tank terminal, Internal report of Wageningen University and TNO, Urban Development

In 2016 Vopak will review applied conversion factors.

Vopak story
Operational leadership

A new way how we learn and share knowledge.

We successfully launched our new learning management system - My Learning Operations (MLO) - in 2013. MLO was developed to group and standardize Vopak's global operational trainings programs. Our objective was to create a uniform way of further developing our people's skills and competencies, accessible when and where required. A lot has happened since then. Vopak has currently implemented MLO at all of its terminals and all operational staff worldwide are trained and tested in accordance with the exact same standards.

A uniform way of further developing our people's skills and competencies

Leveraging on **local expertise** supported by our global network

Vopak story Operational leadership

MLO is about ensuring the same standard of safe and flawless execution of our processes globally. MLO contains 16 modules related to safety-critical operational tasks and is made available through different learning packages, such as interactive e-learning, capability (field) assessments and classroom-based training.

The global virtual team

Over time, Vopak has developed a huge amount of knowledge and expertise with regard to establishing and implementing operational standards. We are proud to execute MLO as a global virtual team. This allows us to bring together experience and knowledge from all around the world. The learning material is developed and assigned to the global virtual team via the Learning Management System. The divisions are the linking pin for the involvement of the operational workforce in the process. In this way, Vopak makes optimal use of its global network to leverage on local expertise and to enforce uniform operational standards based on best practices.

Stories from our 'Super Users'

Pablo Santos
Operational Excellence Manager, Vopak Americas

"MLO really connects our people in the Americas to the rest of the Vopak network. The e-learning material is presented in a very accessible and practical way. This makes it easier to discuss safety issues and experiences. Within our division, we have also engaged other departments in the process. MLO is a very powerful tool to increase understanding of the global standards at our terminals."

Chong Hock Tan
Operations Efficiency Advisor, Vopak Asia

"Within Vopak Asia, we are constantly reviewing and seeking ways to improve the use of MLO at the terminals. As a result some of our terminals have become interested in developing their own learning modules based on the MLO framework. We are currently developing the first local training content."

Rens Klijn
Safety, Health, Environment & Quality (SHEQ) and Operations Officer, Vopak EMEA

"MLO has helped Vopak greatly to capture important safety critical and operational knowledge and share this among all our operators. Making the shift from traditional learning to interactive learning has been challenging in some locations. The successful rollout of MLO within EMEA can mainly be attributed to our local training coordinators. They have been very enthusiastic from the start about implementing MLO on their terminals and they are still constantly coordinating and supporting our operators in the learning process."

Irma van IJperen
Human Resources Program Coordinator, Vopak Netherlands

"In the Netherlands, we started with the assessments of the first global learning module 'Fundamentals on Safety'. Each employee was assessed and had to pass the test with a 100% score. This interactive way of learning was something new for our organization. Our local training coordinators did a great job in guiding our employees through the new process. After the Fundamentals, we rolled out seven training modules and we will continue to introduce new modules. Nowadays, taking a new module and doing a test afterwards has become common daily practice."

Guofeng Lin
Operations Excellence Officer, Vopak Asia

"We completed the translation of ten obligatory modules to Chinese and appointed one Subject Matter Expert at each location in 2015. The wheels are all in motion at our terminals. I am very happy that I can support and contribute to this project by being the link between our head office and our local organization."

Governance and **compliance.**

Vopak Terminal Eurotank, Belgium

Supervisory Board members

Mr Anton van Rossum (Chairman)

Chairman of the Selection and Appointment Committee and Member of the Remuneration Committee

Mr Anton van Rossum (Chairman)

Mr Anton van Rossum (Dutch, 1945) was previously Chairman of the Executive Committee (CEO) of Fortis NV/SA until the end of 2004 and Senior Partner McKinsey and Company Inc.
Mr Van Rossum was first appointed to the Supervisory Board on 27 September 2007. His current term ends in 2017. He was a member of the Board of Directors of Credit Suisse Group A.G. (till May 2015) and is member of the Supervisory Boards of Münchener Rückversicherungs-Gesellschaft, Rotterdam School of Management (Chairman) and Netherlands Economic Institute (Chairman). He does not own any Vopak shares.

Mr Mel Groot (Vice-chairman)

Member of the Audit Committee and Member of the Selection and Appointment Committee

Mr Mel Groot (Vice-chairman)

Mr Mel Groot (Dutch, 1959) is Chairman of the Executive Board of HAL Holding N.V. Mr Groot was first appointed to the Supervisory Board on 18 December 2014. His current term ends in 2018. He is a member of the Supervisory Boards of GrandVision N.V. and Anthony Veder Group N.V. Mr Groot is also non-executive director of Safilo SpA. He does not own any Vopak shares.

Mr Frans Cremers (Member)

Chairman of the Audit Committee

Mr Frans Cremers (Member)

Mr Frans Cremers (Dutch, 1952) was previously a member of the Executive Board and CFO of VNU N.V. Mr Cremers was first appointed to the Supervisory Board on 1 October 2004. His current term ends in 2016. He is a member of the Supervisory Boards of Unibail-Rodamco S.E. and SBM Offshore N.V. (Chairman). He is also a member of the Board of Directors of Stichting Preferente Aandelen Philips and Stichting Preferente Aandelen Heijmans. Mr Cremers is also a member of the Capital Market Committee of AFM. He does not own any Vopak shares.

Mr Carel van den Driest (Member)

Member Audit Committee

Mr Carel van den Driest (Member)

Mr Carel van den Driest (Dutch, 1947) is Director of Carelshaven B.V. Mr Van den Driest previously held the position of Chairman of the Executive Board of Royal Vopak and was appointed to the Supervisory Board for the first time on 27 April 2006. His current term ends in 2018. He is a member of the Supervisory Boards of Anthony Veder Group N.V. (Chairman), Van Oord N.V. (Chairman) and Teslin Capital Management B.V. (Chairman). He does not own any Vopak shares.

Mr Chun Kai Lam (Member)

Member of the Remuneration Committee

Mr Chun Kai Lam (Member) Until 25 February 2016

Mr Chun Kai Lam (Singaporean, 1947) was previously Venture Director Shell Eastern Petrochemical complex, Singapore (2007-2010) and CEO CNOOC-SHELL Petrochem Company, China (2000-2007). Mr Lam was first appointed to the Supervisory Board on 27 April 2011. Although his term ran until 2019, he decided to step down as per 25 February 2016. He is a member of the Supervisory Board of SinoChem International, China (Independent Director and Chairman Remuneration Committee). Mr Lam is also Executive Advisor to the CEO of Yokogawa Electric, Japan. He does not own any Vopak shares.

Mr Rien Zwitserloot (Member)

Chairman of the Remuneration Committee

Mr Rien Zwitserloot (Member)

Mr Rien Zwitserloot (Dutch, 1949) was previously Chairman of the Executive Board of Wintershall Holding A.G. Mr Zwitserloot was first appointed to the Supervisory Board on 1 October 2009. His current term ends in 2017. He was a member of the Supervisory Board of Energie Beheer Nederland B.V. (till April 2015) and is a member of the Supervisory Boards of TenneT Holding B.V., Amsterdam Capital Trading Group B.V., and Vroon Group B.V. He does not own any Vopak shares.

Supervisory Board report

Supervision

The Supervisory Board met seven times during 2015. It held six regular meetings, one additional meeting regarding a potential divestment opportunity and two conference calls regarding investment proposals. None of the Supervisory Board members were frequently absent from the Supervisory Board meetings. Average attendance at regular meetings was 98%, while attendance at the additional meeting was 100% and the average attendance on the two conference calls was 92%. When a Supervisory Board member was unable to join a conference call or meeting at the scheduled time, advance notice of absence was given and his input was obtained prior to the meeting or conference call. The Supervisory Board discussed Vopak's strategy during a two-day session held in Shanghai. The discussion focused, among others, on the strategy roadmap for 2014-2016 including the technology strategy. In 2015, the Supervisory Board visited the Caojing terminal in Shanghai and the Eurotank terminal in Antwerp.

The Supervisory Board discussed and approved the 2016 budget, quarterly reports and various investment proposals related to greenfield expansion and expansions at several existing locations. These also include investment proposals for terminals in Americas, the Netherlands and the EMEA region. The Supervisory Board also reviewed the progress of ongoing projects and the pipeline of new projects.

The Supervisory Board discussed a number of recurring topics at each meeting. These topics included health & safety, environmental and sustainability issues; the company's operational and financial objectives and financial performance; pensions; financing of the company; financial reports and succession planning for senior management.

External auditors were present at the meetings where the annual results and unaudited half-year results were discussed. The interim report and auditors reports issued by the external auditors were also reviewed during these meetings. The minutes of all the meetings of the Audit Committee, Remuneration Committee and the Selection and Appointment Committee were also shared with and reviewed by the Supervisory Board. The Supervisory Board discussed the operation of the company's risk management and control systems. In absence of the Executive Board members, the Supervisory Board discussed the performance of the Executive Board and the proposal by the Remuneration Committee for the remuneration of the Executive Board.

The Supervisory Board evaluated its own performance in December 2015 and that of the Board committees. The evaluation included topics such as the composition and desired profile of the Supervisory Board, its method and the relationship between the Executive Board and the Supervisory Board. The outcome of the evaluation of its performance was that it meets the governance requirements.

Composition of the Supervisory Board

The Supervisory Board consists of six members: Mr Van Rossum (Chairman), Mr Groot (Vice-chairman), Mr Cremers, Mr Van den Driest, Mr Lam (until 25 February 2016) and Mr Zwitserloot. For more information about the Supervisory Board members, reference is made to the Supervisory Board members section in this Annual Report.

All Supervisory Board members, except for one, as permitted by the Code, qualify as independent in the meaning of best practice provision III.2.2 of the Dutch Corporate Governance Code. Mr Groot does not satisfy all independence criteria.

Audit Committee

The Audit Committee met five times in 2015. The attendance rate was 93%. External auditors attended all of these meetings. A core task of the Audit Committee was to extensively review the financial reports and the budget before their consideration by the full Supervisory Board. The committee also discussed topics related to Vopak's financing structure, analyses of the financial ratios, pensions, status of legal claims and proceedings, tax matters, fraud and whistleblowing reports, reports on the risks associated with the company's operational, commercial, financial and other activities as well as the company's management reporting. It also discussed the dividend proposal for 2015 and the company's views on notifications from Dutch corporate governance platform organizations.

The Audit Committee considered the 2015 audit plan of the external auditor and the Internal Audit department's plan for 2016. The main topics of the audit plan include the materiality levels, the audit scope, the key audit risks and the key elements of the audit approach as well as the auditor's assessment of the risk of fraud within the company. The audit reports from Internal Audit performed during 2015 and the progress realized in implementing recommendations from audits, were also considered. The committee reviewed the risk management and internal control processes and discussed the recommendations in the management letters and the relationship with the external auditors.

The Audit Committee monitored auditor independence when non-audit services were provided. During 2015, only audit or audit-related services were provided by the group's external auditor.
In compliance with the Dutch Corporate Governance Code, regular meetings were held with the external auditor without the presence of the Executive Board members. Deloitte Accountants B.V. was appointed as the external auditor of the company to audit the annual financial statements of the company for the financial year ending 31 December 2015.

Finally, the Audit Committee assessed its own performance throughout the year and its regulations, supported by an extensive questionnaire that was discussed by all committee members.
The committee's performance met the requirements in all areas. During 2015, Mr Cremers continued to act as financial expert as defined in the relevant best practice provisions of the Dutch Corporate Governance Code.

Selection and Appointment Committee

The Selection and Appointment Committee met four times in 2015. The attendance rate was 100%. During these four meetings the Committee discussed in detail various relevant topics including diversity and gender balance. An important activity of the Committee is succession planning of senior management up to and including the members of the Executive Board. In this respect the Committee discussed extensively, among others, the rotation schedule, the future composition of the Supervisory Board and the specific profiles of the Supervisory Board members.
In 2015 the Selection and Appointment Committee performed an evaluation of the effectiveness of the Executive Board members as a team in leading the company and implementing the strategy.

Remuneration Committee

The Remuneration Committee met four times.
In addition, the committee held regular informal consultations and consulted professional internal and external advisors. For the following topics, which recur annually, proposals were developed and submitted to the Supervisory Board for approval:

1. the actual short-term incentive for 2014;
2. the targets for the short-term and long-term incentive plans 2015;
3. the annual base salary of Executive Board members per 2016;
4. the incentive plans opportunities and targets for the short-term and long-term incentive plans per 2016.

Furthermore, specific attention was given to the review of the performance criteria, financial and non-financial, for the short-term and long-term incentive plans 2016 onwards, to ensure proper alignment with the company's strategic objectives. Attention was given to the element of the quality of the financial incentive results in view of long-term value creation. From this perspective,
the Remuneration Committee developed a proposal for approval by the Supervisory Board to include a 10% discretionary range for the Supervisory Board to apply to the actual financial result for the long-term incentive plan, similar to the short-term incentive plan.

In addition, the peer group reference market for remuneration has been reviewed. This peer group is limited in size and has been amended over the years. To ensure a sustainable and reliable reference for the remuneration of the Executive Board in the next years, the Remuneration Committee decided changing the peer group benchmark into a job-level based compensation benchmark for a larger number of companies listed on the Dutch stock exchange for larger and medium sized-companies (AEX - AMX).

For further details on the remuneration policy, please refer to the Vopak website. For further details on the actual remuneration during 2015 and the shareholding positions of the Executive Board and the Supervisory Board, please refer to the Remuneration report.

The Supervisory Board would like to express its sincere appreciation to the Executive Board and all the company's employees for their efforts in 2015 and for the corresponding results. The Supervisory Board would like to express its sincere appreciation to the Executive Board and all the company's employees for their efforts in 2015 and for the corresponding results. Mr C.K. Lam has decided to step down as member of the Supervisory Board of Vopak as per 25 February 2016. Mr Lam's decision follows his assessment of a potential future conflict of interest with respect to a new position. The Supervisory Board would like to thank Mr Simon Lam for his valuable contribution and dedication to the company during his tenure and wish him all the very best for the future. The members of the Supervisory Board have signed the financial statements in order to comply with the statutory obligation pursuant to article 2:101 paragraph 2 of the Dutch Civil Code.

Rotterdam, 25 February 2016

The Supervisory Board
A. van Rossum (Chairman)
M.F. Groot (Vice-chairman)
F.J.G.M. Cremers
C.J. van den Driest
R.G.M. Zwitserloot

Remuneration report

This section of the Annual Report provides an overview of the implementation of Vopak's remuneration policy for the members of the Executive Board and the Supervisory Board during 2015.

Remuneration policy 2015

According to the remuneration policy, which was established in 2010 and has been applied since then, the Supervisory Board decides annually on a total remuneration package for the Executive Board. This package is composed of the following four elements:

1. An annual fixed base salary
2. A short-term variable remuneration
3. A long-term variable remuneration
4. A pension plan

The characteristics of the short-term and long-term variable remuneration plans are summarized in the following table in terms of the type of incentive (cash or shares), the performance criteria (financial and non-financial) and the annualized incentive opportunities related to the targets set at the beginning of the year.

Variable component	Type of incentive	Performance criterion	Incentive as % of annual base salary			
				Threshold	Target	Maximum
Short-term variable remuneration	Cash	50%[1]: Financial target (EBITDA) +/- 10% discretionary range on the financial incentive result	Chairman	15%	60%	90%
		50%[1]: Non-financial targets (personal and process safety, customer satisfaction and EB effectiveness)	Member	11.25%	45%	75%
Long-term variable remuneration	Shares (50%) Cash (50%)	Financial target (EPS) + implementation of the strategy	Chairman	40%	80%	120%
			Member	32.5%	65%	97.5%

1. 50% - 50% distribution at target level.

Compared to the policy in 2014, the incentive packages were increased following the decision taken by the Annual General Meeting in April 2015, to further align these packages with the packages of similair job levels at Dutch AEX and AMX companies. In addition, the pension plan has also been adjusted, on a cost-neutral basis, to accommodate the changes in the Dutch pension legislation.

For further details of the Remuneration policy 2015, please refer to the Vopak website.

Actual remuneration entitlements Executive Board 2015

The table below shows the actual remuneration to which each member of the Executive Board was entitled in 2015. The costs for the period incurred by the company for the remuneration of the Executive Board, including accrued amounts for the 2014-2016 and 2015-2017 long-term incentive plans, are disclosed separately at the end of this report.

	Annual base salary		Short-Term Incentive		Long-Term Incentive			Pension		Total	
In EUR thousands	2015	2014	2015[1]	2014	2015	2014		2015	2014	2015[1]	2014
E.M. Hoekstra	625	612	469	397	-	111	293	121	121	1,215	1,534
J.P. de Kreij	520	510	332	298	-	717	293	190	187	1,042	2,005
F. Eulderink	495	475	316	277	-	-	293	135	130	946	1,175
Total	**1,640**	**1,597**	**1,117**	**972**	**-**	**828**	**879**	**446**	**438**	**3,203**	**4,714**

1. The short-term incentive amounts 2015 do not include the incentive for the customer satisfaction part since the actual NPS result will become available in March 2016. The total actual amount will be presented at the Annual General Meeting 2016.

With regard to the long-term incentive, there was no pay-out of any incentive plan in 2015 as all current plans will vest in 2017 and beyond. In 2014, two long-term incentive plans vested with a pay-out in 2014 of the Share Matching Plan 2008-2013 (Mr Hoekstra: EUR 111,313, Mr De Kreij: EUR 717,229) and the Long Term Share Plan 2010-2013 (all EUR 293,324). Mr Eulderink did not participate in the Share Matching Plan since he was not appointed at that time and Mr Hoekstra received the incentive based on his previous position as Division President Asia.

Annual base salary 2015

Following general salary market developments and comparisons with similar positions in the AEX and AMX market in the Netherlands, the annual fixed base salaries of the Executive Board members were increased by 2% (Mr Hoekstra and Mr De Kreij) to 4% (Mr Eulderink) compared to 2014.

Short-term variable remuneration

Early in 2016, the achievements on the pre-set short-term incentive (STI) targets for 2015 were evaluated. The table below shows the results for each board member on the various performance criteria, both in target and actual percentage of the annual base salary.

STI 2015	Base salary	Target results								Total STI 2015			
In EUR thousands		Financial		Safety		Customer satisfaction[1]		Effectiveness		Opportunity		Actual	
	2015	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Maximum	In %	In EUR
E.M. Hoekstra	625	30%	60%	10%	5.0%	10%	AGM	10%	10%	60%	90%	75%	469
J.P. de Kreij	520	22.5%	52.5%	7.5%	3.75%	7.5%	AGM	7.5%	7.5%	45%	75%	63.8%	332
F. Eulderink	495	22.5%	52.5%	7.5%	3.75%	7.5%	AGM	7.5%	7.5%	45%	75%	63.8%	316

1. The actual short-term incentive 2015 including the result on customer satisfaction, will be presented at the Annual General Meeting 2016.

Financial

With regard to the financial target, the EBITDA -excluding exceptional items- for 2015 resulted in EUR 812 million, which exceeded the maximum of the ambitious target range set at the beginning of the year, despite the downward effect resulting from divested terminals in the course of the year.
All divisions outperformed their budget, with the exception of Asia including China. For details on the EBITDA development during 2015, we refer to the chapter Consolidated Financial Statements. Considering the quality of the EBITDA results of 2015, the Supervisory Board decided not to use the +/- 10% discretionary range on the financial incentive result.

Results on the pre-set non-financial performance targets for the short-term incentive, related to safety (personal safety and process safety), customer satisfaction and effectiveness of the Executive Board as a team, were as follows.

Safety

The safety targets consist of two elements.

The Total Injury Rate, measuring personal safety, slightly increased in 2015 and failed to meet the target. The increase mainly resulted from above target results of a few terminals. In addition, despite all efforts, for example in the area of safety training and safety observation rounds, a very unfortunate fatal accident occurred at one of the joint venture terminals in Japan in October 2015. As a consequence the personal safety incentive opportunity was not achieved.

Regarding the process safety, an increased attention on tank inspection programs, disciplined implementation of operational standards and follow-up on audits, significantly contributed to a reduction in the severity of incidents and a slightly better process safety performance compared to the target.

For further details on safety results please refer to the section Health and safety of the Sustainability chapter.

Customer satisfaction

In 2015, customer service improvement efforts have further increased in order to remain in the top league of service providers in the world. We intensified the service dialogues with customers and also other service providers to our customers operating in the same supply chain and having interactions with our terminals. The results are closely monitored and managed enabling us to meet and preferably exceed customers' expectations.

Since the customer survey measuring the Net Promoter Score runs until end of February 2016, actual data for the STI 2015 are not yet available and therefore not yet included in the STI actual amount. This part of the STI will be reviewed in March and reported at the Annual General Meeting in April 2016.

Team effectiveness

Based on an evaluation meeting with each member of the Executive Board, on the implementation and realization of the Agenda of the Executive Board of 2015, set at the beginning of the year, the Supervisory Board evaluated the team performance of the Executive Board as very good.

Long-term variable remuneration 2015

Last year, a new 'roof tile' plan structure of Long Term Share Plans started with the grant of the Long Term Share Plan 2014-2015. This year another 'roof tile' has been granted in terms of the Long Term Share Plan 2015-2017. This plan is similar to the previous plan however with an increased incentive opportunity for the CFO and COO (from 60% to 65% at target and 90% to 97.5% at maximum level).

Long Term Share Plan	Plan period and year of actual awards				
	2014	2015	2016	2017	2018
Long Term Share Plan 2014-2016				Awards	
Long Term Share Plan 2015-2017					Awards

Since no new plans were granted in 2011, 2012 and 2013, no plans vested in 2015, nor will vest in 2016. If the financial targets are met for the performance plan 2014-2016 and 2015-2017, the long-term incentive 2014-2016 will be paid-out in 2017 and the long-term incentive 2015-2017 in 2018. In order to bridge the gap between the last pay-out in 2014 and the next pay-out moment in 2017, it has been decided last year that the first pay-out in 2017 will be multiplied by three.

For further details on the Long Term Incentive Plans please refer to the Remuneration Policy on the Vopak website and note 6.2 to the Consolidated Financial Statements.

Share ownership

The share portfolios of each of the Executive Board members at year-end 2014 and 2015 are presented in the following table. The table distinguishes between privately invested shares acquired at the own cost and risk of the Executive Board members over the past years, and performance shares acquired on a net basis as rewards under the long-term incentive plans vested since 2011. The overview does not include potentially awarded shares under the Long Term Share Plans 2014-2016 and 2015-2017. These plans will vest respectively in 2017 and 2018.

In number of shares	Private invested shares year-end 2015	Rewarded performance shares year-end 2015	Total shares year-end 2015[1]	Total shares year-end 2014
E.M. Hoekstra	9,582	13,289	22,871	22,871
J.P. de Kreij	300,000	50,286	350,286	350,286
F. Eulderink	750	4,423	5,173	5,173

1. The market value of the Vopak share at end 2015 is EUR 39.67 per share.

The performance shares may be sold by the Executive Board members. However, the remaining value of the portfolio of performance shares must be at least equal to one annual base salary.

In accordance with the policy, Vopak did not provide any personal loans, advances or guarantees to the Executive Board members. Reference is also made to note 6.3 of the Consolidated Financial Statements.

Cost remuneration Executive Board 2015

The total cost for the company on Executive Board remuneration as recognized in the 2015 Consolidated Statement of Income increased from EUR 3.6 million to EUR 5.1 million in 2015. The amounts for annual base salary and pension are equal to the amounts to which the Executive Board members are entitled to for 2015. However, the short-term and long-term incentive amounts refer to the IFRS costs recognized by the company during the financial year 2015 for the short-term plan 2015 and long-term incentive plans 2014-2016 and 2015-2017.

Based on the latest estimates of the vesting percentages for the two plans, subject to the realization of the pre-set targets, the cost include the change in estimate for the accrued cost in 2014, the cost for the year 2015 as second year of the plan 2014-2016 and the first year of the plan 2015-2017. For further details on the cost of the Long Term Incentive Plans please refer to note 6.2 to the Consolidated Financial Statements.

	Annual base salary		Short-Term Incentive		Long-Term Incentive		Pension		Total	
In EUR thousands	2015	2014	2015[1]	2014	2015	2014	2015	2014	2015[1]	2014
E.M. Hoekstra	625	612	531	397	776	288	121	121	2,053	1,418
J.P. de Kreij	520	510	371	298	493	180	190	187	1,574	1,175
F. Eulderink	495	475	353	277	469	167	135	130	1,452	1,049
Total	**1,640**	**1,597**	**1,255**	**972**	**1,738**	**635**	**446**	**438**	**5,079**	**3,642**

1. The short-term incentive amounts 2015 are preliminary and based on the current estimate which is accrued for. The actual will be presented at the Annual General Meeting 2016.

Remuneration Supervisory Board 2015

In 2015, the renumeration of the members of the Supervisory Board was approved by the shareholders during the Annual General Meeting in 2015 for the two year period 2015 and 2016. The table below shows the amounts each member received in 2015, resulting in a total cost to the company of EUR 0.42 million, compared to EUR 0.39 million in 2014. The increase of the fees reflects the increasing governance responsibilities and market developments.

In EUR thousands	Supervisory Board	Audit Committee	Selection and Appointment Committee	Remuneration Committee	Total 2015	Total 2014
A. van Rossum	77.5	–	7.0	7.0	91.5	84.0
M.F. Groot	55.0	8.5	5.0	–	68.5	–
M. van der Vorm	–	–	–	–	–	63.5
F.J.G.M. Cremers	55.0	15.0	–	–	70.0	65.0
C.J. van den Driest	55.0	8.5	–	–	63.5	58.5
Chun Kai Lam	55.0	–	–	7.0	62.0	57.0
R.G.M. Zwitserloot	55.0	–	–	10.0	65.0	60.0
Total	**352.5**	**32.0**	**12.0**	**24.0**	**420.5**	**388.0**

In accordance with the policy, Supervisory Board members did not receive any fixed cost allowance or performance-related incentives.

The company reimbursed travel costs for Supervisory Board members living outside the Netherlands. In addition, for Supervisory Board members living outside Europe, an additional travel time allowance of gross EUR 2,500 is provided for each Supervisory Board meeting they attend in the Netherlands. The travel cost and allowance are not included in the table above.

Vopak did not provide any personal loans, advances or guarantees to Supervisory Board members. No Supervisory Board member held any Vopak shares at year-end 2014 and year-end 2015. Reference is also made to note 6.3 of the Consolidated Financial Statements.

Corporate Governance

Introduction

Vopak complies with the vast majority of the principles and best practices laid down in the Dutch Corporate Governance Code (the Code). The limited number of exceptions to the best practice provisions, has decreased by one to four, compared to 2014. The exceptions are explained in the following chapters. For our stakeholders, and in accordance with previous recommendations of the Monitoring Committee Corporate Governance Code (the Monitoring Committee), this section includes the various risks and ways in which Vopak manages these in our external accountability and reporting on risks and risk management.

Set-up and policy

Vopak aims to strike a sound balance between the interests of the company's various stakeholders. Integrity, openness, supervision, transparent reporting and accountability are the cornerstones of our corporate governance policy. The company has also developed a clear policy with regard to sustainability. For details of the Sustainability Policy, please refer to the Vopak website.

Vopak confirms that the principles reflected in the Code are in line with those applied by Vopak.

Vopak has a two-tier governance structure, consisting of an Executive Board and a Supervisory Board.

The Executive Board is responsible for the management of the company and for the realization of its strategic and other objectives. These include the objectives for health, safety, the environment (part of sustainability), quality, strategy and policy, as well as the related development of results.

The Supervisory Board reviews Vopak´s overall performance, including the policies pursued and results achieved by the Executive Board, the company´s financial situation, and its financial statements. The Supervisory Board also reviews the strategy of Vopak, as proposed by the Executive Board. Similarly, it approves important proposals for capital expenditure, acquisitions and divestments, changes in financial and other corporate policies and the annual budget. The Supervisory Board evaluates the performance of the Executive Board as a whole and that of its individual members, and proposes any changes to the composition of the Executive Board to the General Meeting. Similarly, the Supervisory Board reviews its own performance annually and proposes changes to the composition of the existing Supervisory Board members to the General Meeting. Finally, the Supervisory Board ensures that the company´s policies are formulated and pursued in the interest of all its stakeholders, including shareholders and employees, and that these policies are sustainable and meet the highest ethical standards.

As Vopak is defined as an international holding company within the context of the Dutch Large Companies Act, it is exempt from the provisions of this Act.

The Supervisory Board is carefully selected to include members with diverse backgrounds and experience in areas relevant to Vopak's core business and the foreign markets in which it operates. Their experience ranges from economic, financial, technical, operational and social areas, to political and business-related areas. The Supervisory Board, in performing its duties, focuses on the realization of the objectives of the company, the strategy and its implementation. The Supervisory Board appoints an Audit Committee, a Remuneration Committee and a Selection and Appointment Committee from among its members. In accordance with the provisions of the Code, Vopak has further specified the role and powers of these committees in specific regulations that apply to them.

In addition to the authority to appoint, suspend and dismiss members of the Executive Board and Supervisory Board, the General Meeting has other authorities such as passing resolutions for legal mergers and split-offs, adopting financial statements, and profit appropriation. Furthermore, the General Meeting determines the remuneration policy for the Executive Board and has to approve any significant amendments to the policy. The General Meeting also sets the remuneration of the members of the Supervisory Board. The remuneration of the members of the Executive Board is set by the Supervisory Board on the basis of a proposal from the Remuneration Committee, in accordance with the remuneration policy as amended by the 2015 Annual General Meeting. Vopak will continue to facilitate proxy voting. Dutch law provides for a mandatory registration date to exercise voting and attendance rights 28 days before the date of the General Meeting.

The Dutch Corporate Governance Code

Vopak has evaluated its corporate governance structure against the Dutch Corporate Governance Code (the Code) and concluded that it satisfies the principles and best practice provisions of the Code applied in 2015, with the exception of the following four items:

1. Best practice provision II.1.1 (appointment of Executive Board members for four years)

The term of Mr De Kreij's contract of employment is not in accordance with this provision. The contract was concluded for an indefinite period of time and before the Code came into effect.

2. Best practice provision II.2.5 (blocking period of five years for shares granted to the Executive Board without financial consideration)

The blocking period of five years is not included in the Long Term Incentive Plans (LTIPs) due to the parallel requirements of the members of the Executive Board to hold and maintain a material portfolio of ordinary shares in Vopak.

3. Best practice provision II.2.8 (maximum severance pay)

The contract of employment between Vopak and Mr De Kreij is not in accordance with this provision. In the event of his dismissal, Mr De Kreij will be contractually entitled to at least two years' salary. Such severance pay may also become due if Mr De Kreij cannot reasonably be asked to fulfill his duties as a result of changes in circumstances, for example if a public bid is made. The contract was concluded before the Code came into effect and rights acquired may not be impaired.

4. Principle III.3 and best practice provision III.3.1 (expertise and composition Supervisory Board)

These provisions relate to diversity and state that the Supervisory Board should strive for a diverse composition as to gender and age and should formulate concrete targets to achieve this.
The Supervisory Board of Vopak strives to achieve a diverse composition of its members and has formulated key elements of its membership profile. These elements are available in the Corporate Governance section of the Vopak website.

Vopak does not strictly follow the recommendation to set an explicit target for diversity in terms of gender or age and has not formulated concrete targets in this respect. The overriding principle for Vopak is that the Supervisory Board has a diverse composition of members taking into account various factors including a valuable contribution in terms of broad international management experience and knowledge of the oil, petrochemical or LNG industries in the regions in which Vopak is active, or other relevant business knowledge for the independent tank terminal business. Diversity in the broad sense continues to be a topic on the Supervisory Board agenda and is also discussed in the Selection and Appointment Committee meetings on a regular basis.

The number of exceptions has decreased by one compared to 2014. In view of the resignation of Mr Van der Vorm as a member of the Supervisory Board on 18 December 2014, the exception to best practice provision III.3.5 (composition) no longer applies.

Vopak has several regulations in place governing the performance of its various bodies and ensuring implementation of the rules applicable within Vopak. These regulations have been amended in line with the Code, recent legislative amendments and decisions made by the Supervisory Board.
The regulations can be found in the Corporate Governance section of the Vopak website.

These regulations concern:
- Regulations of the Executive Board
- Regulations of the Supervisory Board
- Regulations of the Audit Committee of the Supervisory Board
- Regulations of the Remuneration Committee of the Supervisory Board
- Regulations of the Selection and Appointment Committee of the Supervisory Board
- Regulations in respect of the ownership of and transactions in Vopak shares and certain other financial instruments as amended on the basis of the Financial Markets Supervision act. Vopak also maintains the Insider Lists specified by this Act
- Regulations on suspected irregularities ('whistleblower regulations')

The following items also appear on the Vopak website:
- Articles of Association
- Information on the members of the Executive Board and Supervisory Board and the composition of the core committees
- Profile of the Supervisory Board
- Retirement schedule for the Supervisory Board members
- Retirement schedule for the Executive Board members
- Policy related to bilateral contacts with shareholders
- Code of Conduct
- Sustainability Policy
- Corporate Governance Compliance Manual
- Remuneration report, containing the main points of the remuneration policy
- Corporate Governance Statement (the content of which forms part of this Annual Report and is deemed incorporated here by reference)

Anti-takeover measures

Vopak's principal defense against a (hostile) takeover is the ability to issue cumulative preference shares ('protective preference shares') to Stichting Vopak. Such defensive preference shares will be issued, in the event that Stichting Vopak exercises its option right. On 18 October 1999, the General Meeting decided to grant Stichting Vopak the right to take up protective preference shares up to a maximum nominal amount equal to 100% of the share capital issued at that time to third parties in the form of ordinary and financing preference shares, less one ordinary share. Vopak and Stichting Vopak further formalized their relationship with regard to the option right in an option agreement of 1 November 1999. This agreement was amended on 5 May 2004, whereby the original put option granted to Vopak was cancelled. In light of the possible introduction in the future of other classes of shares, the Extraordinary General Meeting of 17 September 2013 resolved to increase Stichting Vopak's right to acquire protective preference shares in such a way that it is not only related to share capital issued to third parties in the form of ordinary and financing preference shares at the time Stichting Vopak exercises this, but to all shares in the share capital of Vopak issued to third parties at such time, less one ordinary share. The option agreement with Stichting Vopak was amended on 17 September 2013 to reflect this change.

Exercise by Stichting Vopak of its option right in part does not affect its right to acquire the remaining protective preference shares under the option granted to Stichting Vopak. The option agreement provides that in the event that Stichting Vopak exercises its option right and the results thereof are fully or partially cancelled (for instance as a result of the cancellation of the protective preference shares issued), Stichting Vopak will continue to be able to exercise its option right.

The granting of the call option to Stichting Vopak has been entered in the Company Registry. The objective of Stichting Vopak is to promote the interests of Vopak and companies affiliated to the Vopak group. It does this in a way that safeguards the interests of Vopak and its stakeholders to the greatest possible extent and, to the best of its ability, it resists influences opposing those interests, which could impair the independence and/or continuity and/or identity of Vopak. It undertakes all actions relating to or conducive to these objectives. The board of Stichting Vopak therefore determines whether and when it is necessary to issue the protective preference shares. These measures can be taken for example (but not necessary limited to) in the event of a (hostile) takeover bid if the board of Stichting Vopak believes it is in the interest of Vopak and its stakeholders to establish its position in respect of the hostile party and its plans, and to create opportunities to seek alternative scenarios.

Information referred to in Section 1 of the Takeover Directive (Article 10) Decree

Capital structure

A description of Vopak's capital structure, the various classes of shares and the rights and obligations attached to them can be found in note 5.1 to the Consolidated Financial Statements.
At 31 December 2015, a total of 127,835,430 ordinary shares had been issued with a nominal value of EUR 0.50 each. No financing preference shares and no protective preference shares have been issued at 31 December 2015.

Restrictions on the transfer of shares

Vopak´s Articles of Association do not provide for a restriction on the transfer of ordinary shares. They do, however, provide for a restriction on the transfer of financing preference shares. Financing preference shares may only be transferred to natural persons, subject to specific exceptions involving legal entity holding the financing preference shares for the purpose of administration and other parties pursuant to Article 10A, paragraph 7 of the Articles of Association. With regards to the protective preference shares, the Articles of Association provide that any transfer requires approval of the Executive Board.

Major holdings subject to mandatory disclosure

More information on major shareholdings that are subject to mandatory disclosure pursuant to the Financial Markets Supervision Act can be found in the section Shareholder information.

System of control over employee share plans

Information on share plans can be found in note 6.2 to the Consolidated Financial Statements of this Annual Report.

Rules governing the appointment and dismissal of members of the Executive Board and Supervisory Board and the amendment of the Articles of Association

Under Vopak's Articles of Association, members of the Executive Board and Supervisory Board are appointed and dismissed by the General Meeting. The Supervisory Board makes a non-binding nomination for the appointment of members of the Executive Board. Upon the appointment of members of the Supervisory Board, the Supervisory Board may make a non-binding nomination.

The General Meeting may only resolve to amend the Articles of Association following a proposal from the Executive Board that is subject to approval by the Supervisory Board. Such a resolution of the General Meeting requires a majority of at least two-thirds of the number of votes validly cast.

Share issuance and repurchase

The General Meeting or the Executive Board, if so designated by the General Meeting, resolves or decides on the issuance of shares. Any share issuance is subject to approval by the Supervisory Board. At 31 December 2015, no authorization to issue shares had been granted to the Executive Board.

The Executive Board is authorized until 22 October 2016 to repurchase fully paid-up ordinary shares in Vopak´s capital, subject to approval by the Supervisory Board. Any repurchase must be limited to the maximum number held by virtue of the law and the Articles of Association (10% at 31 December 2015). Their purchase price must be between the nominal value of the ordinary shares and 110% of the average share price listed on the five most recent trading days prior to the date of the purchase.

Key agreements containing change-of-control provisions

Please refer to the change-of-control provision in connection with loans in note 5.6 to the Consolidated Financial Statements.

With respect to agreements entered into with members of the Executive Board and employees that provide for payment upon termination of their employment following a public bid, please refer to the description of the remuneration policy on the Vopak website and the Corporate Governance section, particularly the explanation of the exception from best practice provision II.2.8 of the Code.

Risks and risk management

The execution of Vopak's strategy based on the three pillars of growth leadership, operational leadership and customer leadership has led to the establishment of a well-diversified global terminal network, supporting our leadership position in the independent tank storage market. Critical to maintaining and expanding this well-diversified global network is our focus on not only improving the current business and capturing entrepreneurial opportunities, but also on ensuring that risks are effectively identified and consequently managed.

The Executive Board is facilitated in assessing the probability, impact and timing of opportunities and associated risks in their decision taking by thorough analyses that take into account all relevant perspectives. The main risks arising from these analyses are outlined below in the context of our three pillar strategy.

In acknowledging the dynamic nature of our business environment, plans are in place to not only capture the opportunities that dynamism brings, but also to mitigate related risks. Although we aim for all our mitigating actions to be successful, circumstances could nevertheless arise in which known and/or unknown risks do materialize and having a material impact on our results.

Risk-reward appetite

When formulating the company's strategy, the Executive Board defines an applicable risk-reward appetite for each strategic pillar and the risks related thereto. Our risk-reward appetite in 2015 is comparable to that of last year.

Risk category (COSO)	Strategic pillars Vopak	Vopak's risk-reward appetite
Strategic risks	Growth leadership Customer leadership	**Low to high:** dependent on the right balance between risk and long-term reward. Each growth opportunity is evaluated separately taking into account the specific facts and circumstances of the opportunity
Operational risks	Operational leadership	**Low:** on safety issues **Moderate:** on other areas/topics with alignment of targets and related cost, and a clear focus on sustainable EBIT growth
Compliance risks	Operational leadership	**Low:** full compliance with legal, regulatory and political environments
Financial reporting risks		**Low:** full compliance with financial reporting rules and regulations

Main risks

Our business is subject to risks and uncertainties. This section explains the main risks that we regard as most relevant to our business in the context of the three strategic pillars.

Information is also provided on the mitigating actions in place to assist in managing the risks. We are conscious that we may not be successful in deploying some or all of these mitigating actions and also that there may be other risks which are as yet unknown to Vopak and/or which are currently believed to be immaterial that may also impact our business. If this is the case, the risks may have a material adverse effect separately, or in combination, on our operating results, earnings, cash flow and financial condition.

Main risks per strategic pillar

Growth leadership	Operational leadership	Customer leadership
Changing markets	Safety and environmental incidents	Customer satisfaction improvement
Increasing competition	Permit compliance	
Expansion challenges	IT systems	
Time to permit		

People | Legal, compliance and other risks | Financial risks

Our risks described

Growth leadership

Changing markets

Our business model remains sound. Demand for storage continues to be robust. However, market dynamics in the energy and petrochemical landscape lead to increased volatility in certain product-market combinations in different regions. Vopak continues to see positive long-term developments based on in-depth analyses of various scenarios and global trends in the energy and chemical markets by our Global Sales & Marketing team in conjunction with the divisions and local teams, including but not limited to:

- US shale developments
- Expected Asian growth paths, including China
- Increasing role of gas as the cleanest fossil fuel (e.g. LNG is increasingly being used as a transportation fuel)
- The likelihood of further rationalization in the refinery and petrochemical sector
- Future oil price developments

Regional differences, changing product-market combinations and geopolitical developments such as those concerning the Middle East and Russia may present challenges to our business going forward.

We continue to execute our strategy of having a well-diversified global terminal network, in line with the strategic criteria updated last year for assessing both existing terminals and business development activities. These criteria are:

- Major hubs, supporting intercontinental product flows
- Import and distribution terminals in major markets with structural deficits
- Terminals facilitating growth in global gas markets
- Industrial and chemical terminals in the Americas, the Middle East and Asia

Divestments have taken place over the last 12 months ensuring that our network continues to be aligned with our strategy, supporting the long-term development of the company.

Increasing competition and overcapacity could affect our market position and earnings potential

In the current global marketplace, existing competitors and new entrants, combined with limited growth of the world economy, could negatively impact Vopak´s market position.

In certain product-market environments, we face increasing competition from the expansion of storage capacity by existing providers and new entrants, resulting in a substantial incremental supply of storage capacity and consequently a growing risk of overcapacity. This in turn puts pressure on occupancy rates, pricing and contract duration, particularly when contract renewals are due. We also recognize that 'newer' terminals can more easily achieve higher service levels with improved efficiency compared to terminals that were designed and constructed a number of years ago. These developments have been factored into our strategic realignment. We continue to have a strong focus on improving service levels while increasing our cost efficiency. Top quality service and cost efficiency serve as the cornerstones of our competitive position enabling our customers also to be more competitive in their overall supply chain.

At the terminal level, long-term focused terminal master plans are essential in guiding the terminal's future in terms of service requirements and corresponding expected earnings and investments required in the context of the local (competitive) environment. In developing and revising these plans, we continue to leverage off improvements made in recent years in asset integrity management, safety performance and service offering.
By optimizing our sustaining and improvement capex programs, the company has been able to reassess its cost base while ensuring that high safety and service levels are maintained and/or further enhanced.
Our focused productivity and organizational efficiency enhancements have the aim to not only increase earnings performance, where possible, but also to achieve higher customer satisfaction by providing high quality services. In summary, our terminal plans give direction to further enhancing the competitive position of a terminal, enabling our earnings potential to be captured within our service offering ambitions. In addition, it also safeguards a balanced risk-return profile, in line with the company's strategy.

Expansion brings additional challenges

Projects are only selected if they meet pre-specified criteria. Projects under construction can represent sizeable investments and are individually complex due to different business, financing, environmental, cultural and political circumstances. For joint ventures, alignment with and between the interests of partners is essential for success. Building and commissioning new terminals requires excellent project management both on the side of Vopak and on the contractor's side, access to a skilled workforce and ensuring that critical elements such as the required permits are obtained on time. Our chosen project partners, suppliers and joint venture partners have to be financially sound and are required to have high levels of integrity that match the Vopak values and our code of conduct.

These risks are mitigated through Vopak's standard project methodology, Vopak Project Management. This methodology was recently updated to reflect the latest insights and is in the process of being rolled out globally for consistent application throughout the company. The methodology comprises repeatable formulas with standard design criteria (Global Engineering). The standard also provides guidance on hiring specific experts, knowledge management, cascading information throughout the organization, peer reviews, strong relationship management and country studies. Our focus on a selected number of key strategic business development opportunities over the last year also helps ensure dedicated attention to chosen projects.

Functional guidance from divisions and global is provided at all stages of project development, from the initial investment proposal, to post-completion in the form of direct support or in a governance/guiding role. In addition, where possible and in line with our financing policy, we obtain non-recourse project financing which provides an 'outside' view on a project's soundness.
Readiness reviews at appropriate moments as well as post-completion reviews ensure that lessons learned are captured and shared throughout the organization.
The risk-return appetite for a particular project, which is based on a capital disciplined project-specific evaluation, will determine whether an investment decision is taken. In most cases, a healthy customer commitment (in terms of take-up, duration or pricing) is in place at the time of the investment decision.
In certain circumstances, where a healthy customer commitment for new projects is a challenge, experienced and dedicated commercial teams are in place globally, regionally and locally to focus on marketing this new capacity. However, business development projects that are constructed without upfront customer commitment run the risk of material uncontracted capacity at the date of their commissioning. For instance, our terminal in Jakarta with its lower than anticipated occupancy when becoming operational in 2012.

Permit lead time and renewal

Permits to operate, such as concessions from port authorities, renewals or revisions for permits and licenses for product storage from local and national governments, are essential to start or continue operating our terminals. We observe that authorities have increasingly demanding procedures and/or face uncertainties themselves due to recent failings/incidents in the industry and we could face long lead times to acquire or renew permits or concessions for our locations. For example, in China, we observe an increased focus on permits and permit renewal by the authorities. We actively monitor the status of the permits of our terminals and proactively start the process of renewals as needed. The Vopak values are used as our framework in dealing with authorities and organizations that are responsible for issuing permits.

Operational leadership

Safety and environmental risks remain a key focus area

Safety is non-negotiable. Vopak gives safety the highest priority. We care about people and the environment. Incidents can affect our 'License to Operate' and expose us to reputational risk. We continue to embed our high safety standards by means of structurally embedded programs such as operator skills, safety awareness and behavioral programs and the monitoring of these programs. Ensuring an optimal balance between manpower requirements and the level of activity undertaken is also critical to maintaining a high safety focus. Looking forward, our innovation ambitions could result in further streamlining of our day-to-day activities enabling even more focus on the critical elements of our processes.

We recognize that implementing a consistently high safety culture, regardless of geographic location, is an active challenge. We continue to strive relentlessly for high safety standards throughout the company, which is also manifested in our annual Global SHE Day. All wholly-owned terminals and most joint ventures, participate in this day. Our annual Global SHE Day in 2016 will be held on 25 May. The objective of this day is to reinforce our message that safety is the cornerstone of our business and is applicable to all stakeholders without exception. This includes, for example, contractors, surveyors, transportation companies, suppliers, business partners and barging and shipping companies. We not only extend our safety requirements to direct suppliers but also to indirect ones such as sub-contractors of our main contractors.

The message of safety is enforced throughout the company in an integrated manner with all office staff (in addition to the operational staff) being required to complete the periodic safety fundamentals exam on an annual basis with a 100% pass rate. Moreover, the importance of safety is further reinforced by means of including safety targets in our short-term incentive plans.

Our Terminal Health Assessment (THA) program, covering every terminal on a three-year cycle with qualified assessors, is a way to monitor that our operating standards are implemented and adhered to at every terminal. The results of each assessment are shared up to the Executive Board level. In addition, our structured approach to asset integrity, focusing on maintenance and sustaining capex programs, keeps our assets in the required condition to ensure optimal performance while reducing safety and environmental risks.

100% Operating compliance is non-negotiable

Compliance with environmental and operational permits, laws and regulations regardless of the location is critical for our 'License to Operate', ensuring business continuity for our daily operations both at the terminal as well as at the product level in a specific terminal. In addition, fines and penalties in relation to non-compliance can be sizeable. Understanding the compliance requirements is critical but often a challenge as interpretations can vary, governments are becoming stricter and, particularly in the more developing countries, regulations are changing frequently. It is the responsibility of each individual terminal to have processes in place to ensure that the correct monitoring takes place and that the required documentation and reporting are performed. Divisions and global support this process where necessary and external specialists are often called in to support the compliance process and/or to ensure completeness.

Additional information on the broader legal and compliance risks is provided in a separate legal section.

Information Technology is increasingly fundamental to our business

Information Technology and innovation are major catalysts for improving our service level, creating process efficiencies in our business, and creating opportunities for customer service improvements and organizational changes. It is increasingly recognized that IT is no longer simply a 'support' function, it is an integral part of our core business processes and the

way 'we do things'. Our legacy systems, used by the majority of our terminals, are due to be replaced over a predefined time period ensuring not only optimal performance and business continuity but also the necessity to keep up with innovations in the industry as well as the demands of customers and supply chain partners. A global IT program (MOVES) is in place to specifically ensure that our IT ambitions are managed on time, in an integrated manner (with other system replacements) and without disruption to the business while bringing Vopak globally to the next level in IT maturity. A challenge faced in this process is ensuring that the existing IT environment continues to deliver what the business requires while a new environment is being developed parallel to this existing environment. Critical to the program's success is the fully aligned partnership between IT and the business. The recent introduction of the 'IT Investment Committee' as an advisory committee to the ICT Board and the Executive Board assists in this process ensuring both alignment and prioritization of available resources.
The Global Standardized Project management approach (referred to under expansion) is also applied for our IT projects. We recognize that successful change management is a critical factor.

IT security is increasingly a threat for all companies, including Vopak. Our information security policy requires that controls, processes and tools are implemented and maintained ensuring business continuity as well as the safeguarding of confidential and sensitive information. Implementation of ISO 27001, the standard for providing the requirements for an information security management system (ISMS) and monitoring compliance thereof provides the basis of how we address these risks. A global security self-assessment has also been executed during 2015 to establish a global overview of risks associated with security. Based on the results of this assessment, action plans are developed and executed together with divisional and local IT owners. External service providers are also called in to 'test' our systems. Monitoring continues by our global office under the guidance of a dedicated security officer and CIO.

Another step taken in further strengthening not only IT security but the whole IT environment is the implementation of COBIT 4 as a framework for IT controls and monitoring.

Customer leadership

Improving customer satisfaction is critical

Consistent provision of high-quality services is fundamental to the success of our commercial strategy. We recognize that the quality and safety of our service are distinctive factors for which customers choose Vopak. We therefore continue to give our full attention to our customers when doing business and performing operational activities.
We measure, monitor and evaluate our service KPIs and use an annual customer satisfaction survey 'Net Promoter Score' and 'Vopak Service Quality Index', to track changes in the perception of our service level and to identify areas for improvement. We aim to provide an even better service through a globally led sales approach, training courses, competence management, standardizing processes and further improving our information systems.
A customer-focused service culture is also embedded by means of a customer satisfaction target for employees in our short-term incentive plans.

People

Employing the right people with the right skills in the right location; increasingly international pool of senior management

People are a key asset and we recognize that it is important to retain those employees, that are critical at all levels of our organization, to our success now and in the future. Motivation and retention is achieved through balanced remuneration packages and an environment which empowers and supports development. We expect our leaders to have the skills for coaching and development of staff and are adapting our management programs to assist in this globally.

As a global company operating in different cultures and regions, we recognize the difficulty in attracting employees with the right competencies in a number of our locations that are further afield. A global HR system, focusing on competency and skills management, managing performance based on a worldwide talent management strategy and leadership and management development, all help in addressing this challenge. Our structured succession planning and effective use of the strength of Vopak´s network enable us to bring in the required resources when needed; for example a project manager, a terminal manager or country manager. This fluid movement of people across the globe is critical for spreading and embedding the Vopak values; the framework within which all our staff are expected to operate. It also enables local management to be developed, enabling the senior management pool to become increasingly international. This fluid movement of staff between regions and roles also enables our future leaders to develop broad skill sets and competencies, again helping employee retention but also enabling the company to leverage off this broadly developed workforce in addressing business challenges across the globe.

Every two years, an employee engagement survey is carried out for the whole company. This provides the necessary insight into how our employees perceive their jobs and the company and what is important to them with respect to the organization. We learn from their responses in order to make improvements, enabling us to meet the requirements/expectations of our employees.

Legal, compliance and other risks

Legal and compliance

Risks of non-compliance are broader than those mentioned under operational excellence. We can be held liable for any non-compliance with laws and regulations - national and international. Examples are specific laws and regulations relating to the administration and tracking of 'controlled products' (the United Nations lists these products) and US/European sanctions that are in place regarding doing business with certain countries. This risk is mitigated by monitoring and adapting to the changes in legal systems, regulatory controls and practices in the countries in which we operate. Our procedures and controls for ensuring compliance are updated and communicated promptly throughout the organization. Where needed, 'alerts' are made to bring specific attention to topics and awareness sessions are held at various levels of the organization.

Specifically with regard to compliance with sanction laws and regulations, we recognize that the associated risk of inadvertent non-compliance should be further mitigated by the implementation of additional related controls. In response, we have further enhanced the rigor of our compliance framework and have started the implementation of additional controls in the course of 2015. Furthermore, we have conducted targeted reviews of the potential for compliance shortfalls, and will continue to do so in 2016. The findings of the reviews conducted in 2015 are limited.

Non-compliance with the local customs rules can lead to large exposures for the company although we do not take title to the product. This risk is managed by ensuring that appropriate controls are in place and that the correct level of attention is given to this topic by management. Our Key Control Framework, implemented at all our terminals, provides the basis for those controls to be in place for each of our processes.

Global Internal Audit, through the execution of its annual audit plan, reviews adherence to this framework. Deviations are addressed in the audit report and a timely follow-up of the recommendations is mandatory.

We observe an increase in attention to bribery prevention across the globe from all stakeholders. In particular the UK Bribery Act and the US Foreign Corrupt Practices Act have caused many companies to refine their policies, including ourselves.
We continue to emphasize adherence to our Code of Conduct and to roll out anti-bribery training programs for our employees. The whistleblower procedure of the company enables individuals to raise items of concern in a confidential manner. All whistleblower notifications are promptly investigated and reported to the Executive Board.

A Compliance Committee is established for advising the Executive Board and guiding the way in which we deal with compliance matters at all levels of the company. A framework is set out detailing the expectations with respect to ownership, accountability and the monitoring thereof. The role of the company's Disclosure Committee has been sharpened over the course of this year in order to ensure that we are continually aware of and address all considerations from a number of angles with respect to our capital markets communications.
The review of the committee structure has also led to the establishment of a Risk Committee, described briefly below in the risk management section.

Insurable risks

Vopak´s enterprise risk management approach offers insight into the potential exposure the company could face. Our insurance policy aims to strike the right balance between arranging insurance cover for Vopak´s risks and financing adverse implications ourselves, or transferring such risks to external insurance companies. The principal factors underlying our insurance policy are risk tolerance and risk transfer costs. On this basis, Vopak has purchased worldwide insurance cover for such risks as environmental and third-party liability, property damage and business interruption. The financial credit ratings of the insurance companies involved are reviewed on a regular basis and, where appropriate, risks are spread across several insurance companies.

Financial risks

The economic developments of all companies that are relevant for our network are monitored on a regular basis. The consequences of potential risks are analyzed. The natural hedges resulting from our global operations between the main currencies are continuously reviewed and measures have been taken to limit the exposure.

Our financial risks are discussed in detail in Section 5.6-5.8 to the Consolidated Financial Statements.

Refinancing and liquidity risks

Vopak is a capital-intensive company. Vopak's funding strategy is focused on ensuring continuous access to capital markets so that funding capital is available at a time of our choice and at acceptable cost. This is reflected in our strategic finance funding policy in which we seek to have a balanced and well-spread debt maturity profile with appropriate terms and conditions that match Vopak's solid credit quality. The development of our Senior Net Debt : EBITDA ratio is continuously monitored and discussed in the Strategic Finance Committee, the Executive Board, the Audit Committee and the Supervisory Board to ensure that the company remains within its covenant ratios.

Subsidiaries are funded centrally. Joint ventures are funded by debt on a non-recourse project financing basis where possible. Group liquidity requirements are monitored continuously. Long-term liquidity risks are reviewed each quarter and before every significant investment. Active cash management takes place on a daily basis. As disclosed in note 5.6 to the Consolidated Financial Statements, the company has ready access to substantial liquidity facilities.

Risk management

Our well-diversified global terminal network enables us to spread the risks of political, geographical and economic volatility in an entrepreneurial manner.
In addition, the provision of our services for a broad range of liquid bulk products to both an international and local customer base also acts as a natural risk mitigator. Nevertheless, being aware of the risks that we face, identifying these risks and taking mitigating measures is critical and all layers of the organization are involved in our risk management processes; local terminal management, divisional management, global functions, the Strategy Committee and the Executive Board. The total process is guided and overseen by the Global Risk Function who also reports the results to the recently established Risk Committee.

The Risk Committee, consisting of a number of Global Directors, acts as an advisory committee to the Executive Board and assesses the risks identified by the business. In addition, the Risk Committee also considers risks from a 'top-down' perspective. The existing Compliance Committee and Disclosure Committee have also been recently reviewed with the intention to sharpen their role in the organization as advisory bodies providing advice and guidance to the Executive Board.

The ultimate responsibility for an effective risk management lies with the Executive Board.
The Audit Committee is involved in the process by supervising the activities of the Executive Board with respect to the operation of the internal risk management and control systems, including the supervision of the enforcement of relevant primary and secondary laws and regulations, and supervising the codes of conduct.

Internal control framework

Our risk management framework

Risk management and internal control approach

The Executive Board, under guidance of the Supervisory Board, holds the ultimate responsibility for Vopak´s risk management and internal control structure. Divisional management teams, together with the management of the terminals, are responsible for implementing the strategy, achieving results, identifying underlying opportunities and risks that may affect the success of the strategy and for ensuring effective operations with the required controls in place. Divisions act as a second line of defense with Managing Directors being responsible for the implementation of management controls at the source. All areas of the organization are expected to act in accordance with the policy and standards set by the Executive Board, in which they are supported by global functional departments. A Key Control Framework is in place to set the internal control standards with respect to all key processes. A specific group of representatives from the Global Control & Business Analysis department and from all divisions is responsible for the ongoing application and enhancement of internal control procedures.

In addition, an assessment of the internal control structure takes place once a year by terminal and divisional managers completing a Control Risk Self-Assessment, the results of which are analyzed by Global Internal Audit and reported to the Executive Board who in turn discusses the findings and action plans with the divisions.

Key to our control process is the regular reporting cycle. Reports are prepared by subsidiaries and joint ventures alike using a clearly defined, mandatory process with regular consultations across the management layers involved. The reports and related discussions are not limited to the financial results but also cover key operational, human resources and commercial performance indicators including those that can be referred to as sustainability related. The identification and mitigation of risks is included in the reports on a biannual basis. Division teams accordingly have risk management integrated into their own strategic, tactical and operational business activities. Opportunities and risks are assessed and follow-up actions to mitigate risks are discussed as part of the standard management review cycles between divisions and terminals and likewise between global and divisions.

Internal audit to preserve and create value

Management review cycle

The Executive Board reviews and approves the annual budget and two-year plans for each division. These budgets contain clear objectives for each of the three strategic pillars, risks and opportunities, activities and performance indicators. It also designates the managers with ultimate responsibility. To reduce execution risk, the Executive Board discusses the conditions (enablers) with the divisions. Progress in relation to the budget and ambitions is monitored throughout the year through quarterly meetings held between the Executive Board, Global Control & Business Analysis and the division management teams.

Role of Internal Audit

The Executive Board, bearing the ultimate responsibility for the proper functioning of risk management and the internal control structure, discusses outcomes and effectiveness of these two topics with the Audit Committee and the Supervisory Board biannually as part of their review of the company's performance. The Executive Board is assisted and advised by the company's Risk Committee with respect to the 'risk' topic and by Internal Audit with respect to internal controls.

Vopak's Global Internal Audit department can be seen as undertaking a balance between value preservation and value creation activities. Independent objective assurance activities relating to the application and effective working of governance, risk management and internal controls fall under the category of value preservation whereas value creation refers to the advising activities designed to add value and improve the company's operations. With reference to the internal control framework, Internal Audit, in accordance with its Audit Charter, takes on a third line of defense role executing audits of an operational, IT and compliance nature with the audit of financial external reports being the responsibility of the external auditor of the group. The Vopak Internal Audit Charter has been endorsed by the Executive Board and the Audit Committee and the role and activities of Internal Audit are in line with the international internal auditing standards.

Internal Audit uses a risk-based approach in developing and executing the annual audit plan. Progress in relation to the plan is reported on a periodic basis to the Executive Board and the Audit Committee with the results of all audits executed being discussed each quarter. Follow-up and closure of the audit findings is the responsibility of divisional management with formal reporting to Internal Audit on a biannual basis.

Letters of Representation and In-Control Statement

The Executive Board requires terminal management, Divisional Finance Directors, Division Presidents and Global Directors to sign Letters of Representation at the end of each half year and full year representing the key elements of control and full disclosure of deviations if applicable. The results of this process are evaluated each period and provide input for the In-Control Statement issued by our Executive Board.

For our In-Control Statement, we refer to the Executive Board declaration, included directly after the Financial Statements.

Shareholder information

In EUR	2015	2014
Share price at 1 January	43.09	42.52
Highest share price	54.12	44.21
Average closing share price	44.02	39.41
Lowest share price	34.47	32.44
Share price at 31 December	39.67	43.09
Free float	51.6%	51.4%
Average number of shares traded per day	422,273	294,709
Market capitalization at year-end	5,071,231,508	5,508,428,679

Share price movement in 2015
In %

Share price movement 2003 - 2015
In EUR

Information per ordinary share of EUR 0.50

In EUR	2015	2014
Earnings	2.21	1.94
Earnings -excluding exceptional items-	2.55	2.31
Equity attributable to holders of ordinary shares	15.75	13.78
Dividend (proposal 2015)	1.00	0.90
Payout ratio	45%	46%
Payout ratio -excluding exceptional items-	39%	39%

Shares outstanding

	2015	2014
Basic weighted average number of ordinary shares	127,622,305	127,515,368
Weighted average number of ordinary shares including dilutive effect	127,761,760	127,576,173
Number of ordinary shares at year-end	127,835,430	127,835,430
Total number of shares outstanding	**127,835,430**	**127,835,430**
Ordinary shares [1]	127,545,430	127,625,430
Total voting rights at year-end	**127,545,430**	**127,625,430**

1. Excluding treasury shares in 2015: 290,000 and in 2014: 210,000.

Investor Relations

Vopak is transparent and non-selective in disclosing information to investors and other stakeholders. Our objective is to provide information to stakeholders about developments at Vopak and to ensure that this information is equally and simultaneously accessible to all parties. Information is made available through annual and semi-annual reports, trading updates, press releases, presentations and on the Vopak website.

Members of the Executive Board and the Investor Relations department held approximately 300 meetings during (reverse) roadshows with shareholders and interested investors during 2015 and organized field trips to terminals. Vopak held press conferences coinciding with the publication of its annual and half-year results, and organized meetings with financial analysts following the publication of the annual and half-year results. The publication of first and third quarter results was followed by a telephone conference with analysts. These sessions could be followed via the company´s website in either a video or audio webcast, and information presented at these meetings was also published on the company´s website. Vopak complies with the rules and regulations of the Dutch Financial Markets Authority (AFM) and International Financial Reporting Standards (IFRS), as endorsed by the European Union, in all its publications.

Stock exchange listing

Vopak shares are listed on the Euronext stock exchange in Amsterdam, the Netherlands, and Vopak is a constituent of the Amsterdam Exchange Index (AEX), ticker symbol VPK (ISIN nr. NL0009432491). Options on Vopak shares are also traded on Euronext Amsterdam.

Silent periods

Silent periods are the periods prior to the publication of financial results. In principle, no meetings are held with and no presentations are given to financial analysts and investors during this period. No other communication with analysts and investors takes place, unless it relates to the factual clarification of previously disclosed information. The length of the silent period is four weeks prior to full-year results (and publication of the Annual Report), the half-year results and Q1 and Q3 statements.

Bilateral contacts

Vopak may engage in bilateral contacts with existing and potential shareholders. The main objective would be to explain Vopak's strategy and operational performance and answer questions. Vopak takes the Dutch Corporate Governance Code (December 2008) into account when engaging in bilateral contacts with shareholders.

The following guidelines have been established:

- A dialogue with shareholders outside the context of a formal shareholders' meeting can be useful for both investors and Vopak
- Vopak reserves the right to determine, at its sole discretion, whether it will accept invitations from shareholders, or parties representing shareholders, to engage in such a dialogue. Vopak may ask for further clarification of the views, aims and investment objectives of such shareholders before accepting or rejecting any invitation to engage in a dialogue outside the context of a formal shareholders' meeting
- Vopak communicates as openly as possible to maximize transparency
- Responses to third-party publications, such as analyst reports or draft reports, are only given by referring to public information and published guidance. Comments on these reports are given only with regard to incorrect factual information
- Vopak’s contacts with investors and sell-side analysts will at all times comply with the applicable rules and regulations, in particular those concerning selective disclosure, price sensitive information and equal treatment

Dividend policy

Barring exceptional circumstances, the principle underlying Vopak's dividend policy for ordinary shares is to pay an annual cash dividend of 25% to 50% of the net profit -excluding exceptional items- attributable to holders of ordinary shares.

The net profit -excluding exceptional items-, which is the basis for dividend payments, may be adjusted for the financial effects of one-off events such as changes in accounting policies, acquisitions or reorganizations.

In setting the dividend amount, Vopak takes into account desired capital ratios and financing structure, as well as the flexibility it requires to successfully pursue its growth strategy. At the same time, Vopak aims to pursue a consistent dividend policy for its shareholders.

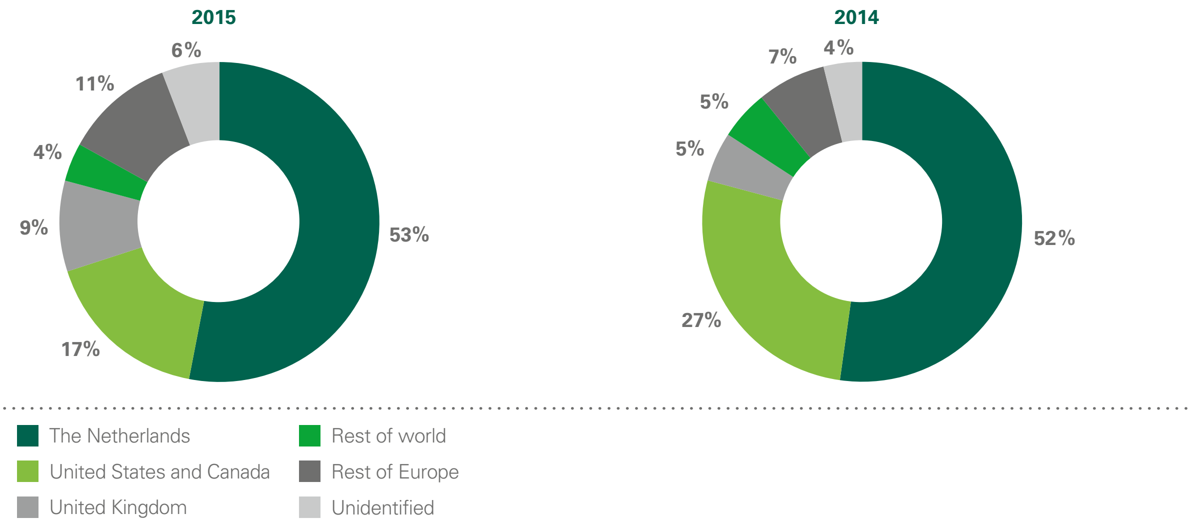
Investors and their advisors can put their questions directly to Chiel Rietvelt, Head of Investor Relations, tel. +31 (0)10 400 2776.
E-mail: chiel.rietvelt@vopak.com

Royal Vopak shareholders

Pursuant to the Financial Supervision Act, a shareholding of 3% or more in a Dutch company must be disclosed. Vopak has received the following notifications concerning such holdings of shares as at February 2016.

	Ordinary shareholdings	Date of notification
HAL Trust	48.15%	01-01-15
Oppenheimer Funds, Incl.	3.71%	01-01-15

Geographical distribution of holders of ordinary shares outstanding



Financial calendar

2016		2017	
20 April 2016	Publication of 2016 first-quarter results	17 February 2017	Publication of 2016 annual results
20 April 2016	Annual General Meeting	19 April 2017	Publication of 2017 first-quarter results
22 April 2016	Ex-dividend quotation	19 April 2017	Annual General Meeting
25 April 2016	Dividend record date	21 April 2017	Ex-dividend quotation
28 April 2016	Dividend payment date	24 April 2017	Dividend record date
16-17 June 2016	Capital Markets Days	26 April 2017	Dividend payment date
19 August 2016	Publication of 2016 half-year results	25 August 2017	Publication of 2017 half-year results
07 November 2016	Publication of 2016 third-quarter results	06 November 2017	Publication of 2017 third-quarter results

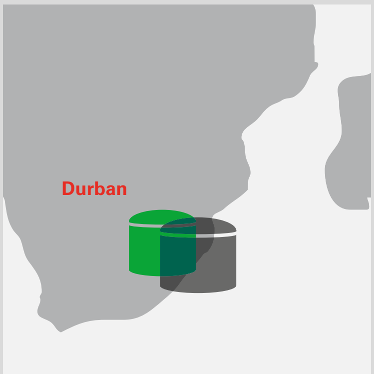
Vopak story
Growth leadership

Investing in deficit markets facilitating security of supply

According to Erik Kleine, Managing Director of Vopak in South Africa, Vopak is in a unique position in South Africa where many factors that contribute positively to our business have come together over the last three years: "the South African fuel market is growing rapidly with the growth of the middle class and the ensuing growth of the passenger car market. In addition, the growing mining and industrial sectors are also contributing to this growth".

Uniquely positioned next to the injection station of the new pipeline

Completing the project **without any lost-time injuries**



Vopak story Growth leadership

Security of supply
"At the same time, the country's refining sector is struggling to keep up with this market growth, as refineries are aging, have considerable reliability issues and face increasing competition from the large export refineries in the Middle East and the Indian sub-continent. These refineries are able to produce more cost efficiently and they also produce cleaner fuels." Vopak's upgraded and expanded infrastructure facilitates South Africa's increasing demand for petroleum products and related imports and thus improves the security of the fuel supply.

Strategic location
Durban is South Africa's largest port and one of the largest ports on the African continent. Besides being strategically located in this port, Vopak is also uniquely positioned as its terminal is right next to the injection station of the newly constructed fuel pipeline running for 550 kilometers from Durban to Johannesburg, South Africa's main economic hub.

Geared to market demand
These dynamics have contributed to the transformation of Vopak's Durban Terminal in phases from a small terminal, mainly facilitating import and export of chemicals to an import and distribution terminal for fuels, while continuing to serve its traditional chemical producing customers. According to Hans Dilweg, project director: "We are reconstructing the whole shop while staying open for business."

Project
"Because we are constrained in our expansion by the available land in the port, we first had to demolish 10,000 cbm of the existing smaller tanks and build larger fuel tanks of 64,000 cbm. This 'Fuel 2' project was commissioned safely in September 2015 and was officially inaugurated by Dutch Prime Minister Mark Rutte during his visit to South Africa in November 2015".

"One of the biggest challenges of the Fuel 2 project was maintaining our safety standards during construction, when we had more than 500 construction workers from many different contractors working in a small work area on a daily basis", according to Hans Dilweg. "We are therefore proud of our achievement of completing the project after 1.5 million man hours without any lost-time injuries."

"We then proceeded to demolish another 10,000 cbm of old tanks and build 60,000 cbm of new tanks, plus a complete new road loading station for fuel trucks. This 'Fuel 3' project will be ready for operation at the end of 2016. By then, we will have doubled the storage capacity at Vopak in Durban from 120,000 cbm to 240,000 cbm, supported by the continued strong market demand for Vopak's services in South Africa", according to Erik Kleine.

"As part of these projects, we installed infrastructure to pump petroleum products directly into the pipeline to Johannesburg, which is operated by the state-owned company Transnet with which we have an excellent relationship. The ability to pump from our tanks into the pipeline is a major differentiator for our customers."

"We are very proud of these achievements. Especially successfully executing the construction and at the same time managing to increase our customer's satisfaction, showing that the shop really did stay open while it was being refurbished!"

Financial **Statements.**

Gate Terminal, the Netherlands

Financial Statements

Consolidated Financial Statements and notes

Consolidated Financial Statements

Consolidated Statement of Income

In EUR millions	Note	2015	2014
Revenues	2.3	1,386.0	1,322.5
Other operating income	2.4	106.1	26.4
Total operating income		**1,492.1**	**1,348.9**
Personnel expenses	2.5	358.3	340.2
Depreciation and amortization	3.6	256.0	239.2
Impairment	3.7	3.7	40.4
Other operating expenses	2.6	378.9	335.1
Total operating expenses		**996.9**	**954.9**
Operating profit		**495.2**	**394.0**
Result of joint ventures and associates using the equity method	2.7	54.0	74.5
Group operating profit		**549.2**	**468.5**
Interest and dividend income	5.10	10.7	7.9
Finance costs	5.10	- 115.9	- 97.7
Net finance costs		**- 105.2**	**- 89.8**
Profit before income tax		**444.0**	**378.7**
Income tax	7.1	- 117.3	- 83.1
Net profit		**326.7**	**295.6**
Net profit attributable to non-controlling interests	5.4	- 44.5	- 45.2
Net profit attributable to owners of parent		**282.2**	**250.4**
Net profit attributable to holders of financing preference shares		-	- 3.3
Net profit attributable to holders of ordinary shares		**282.2**	**247.1**
Basic earnings per ordinary share (in EUR)	8.1	**2.21**	**1.94**
Diluted earnings per ordinary share (in EUR)	8.1	**2.21**	**1.94**

Consolidated Statement of Comprehensive Income

In EUR millions	Note	2015	2014
Net profit		**326.7**	**295.6**
Exchange differences and effective portion of hedges on net investments in foreign activities	5.2, 5.4	- 14.6	54.3
Use of exchange differences and effective portion of hedges on net investments in foreign activities	5.2	0.8	–
Effective portion of changes in fair value of cash flow hedges	5.2, 5.4	26.2	- 44.1
Effective portion of changes in fair value of cash flow hedges joint ventures and associates	5.2	13.3	- 23.9
Use of effective portion of cash flow hedges to statement of income	5.2	- 5.1	- 0.7
Use of effective portion of cash flow hedges joint ventures and associates	5.2	–	0.3
Total of items that may be reclassified to statement of income in subsequent periods		**20.6**	**- 14.1**
Remeasurement of defined benefit plans	7.2, 8.4	72.2	- 114.4
Total of items that will not be reclassified to statement of income in subsequent periods		**72.2**	**- 114.4**
Other comprehensive income, net of tax		**92.8**	**- 128.5**
Total comprehensive income		**419.5**	**167.1**
Attributable to:			
Holders of ordinary shares		369.9	106.3
Holders of financing preference shares		–	3.3
Owners of parent		**369.9**	**109.6**
Non-controlling interests		49.6	57.5
Total comprehensive income		**419.5**	**167.1**

Items are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in note 7.1.

Consolidated Statement of Financial Position

In EUR millions	Note	31-Dec-15	31-Dec-14
ASSETS			
Intangible assets	3.2	89.8	91.5
Property, plant and equipment	3.3	3,496.0	3,622.4
- Joint ventures and associates	3.4	1,068.1	942.2
- Finance lease receivable	8.2	29.3	34.4
- Loans granted	8.2	9.8	23.4
- Other financial assets		1.0	0.9
Financial assets		1,108.2	1,000.9
Deferred taxes	7.2	13.9	52.7
Derivative financial instruments	5.9	119.4	19.4
Other non-current assets	8.3	28.6	28.0
Total non-current assets		**4,855.9**	**4,814.9**
Trade and other receivables	4.2	232.0	263.9
Loans granted	8.2	85.9	10.8
Prepayments		14.2	27.1
Derivative financial instruments	5.9	16.5	8.1
Cash and cash equivalents	5.5	109.9	182.0
Assets held for sale	3.5	182.8	101.6
Total current assets		**641.3**	**593.5**
Total assets		**5,497.2**	**5,408.4**
EQUITY			
Issued capital	5.1	63.9	63.9
Share premium	5.1	194.4	194.4
Treasury shares	5.1	- 9.4	- 6.5
Other reserves	5.2	- 127.7	- 143.0
Retained earnings	5.3	1,888.2	1,649.4
Equity attributable to owners of parent		**2,009.4**	**1,758.2**
Non-controlling interests	5.4	151.0	144.6
Total equity		**2,160.4**	**1,902.8**
LIABILITIES			
Interest-bearing loans	5.5	2,304.0	2,183.5
Derivative financial instruments	5.9	91.7	125.8
Pensions and other employee benefits	8.4	126.1	216.3
Deferred taxes	7.2	206.2	223.0
Provisions	8.5	26.1	19.0
Other non-current liabilities		7.5	7.7
Total non-current liabilities		**2,761.6**	**2,775.3**
Bank overdrafts and short-term borrowings	5.5	98.6	112.3
Interest-bearing loans	5.5	2.9	152.5
Derivative financial instruments	5.9	8.1	10.2
Trade and other payables	4.3	308.7	374.7
Taxes payable		64.1	56.7
Pensions and other employee benefits	8.4	1.5	1.7
Provisions	8.5	28.1	20.2
Liabilities related to assets held for sale	3.5	63.2	2.0
Total current liabilities		**575.2**	**730.3**
Total liabilities		**3,336.8**	**3,505.6**
Total equity and liabilities		**5,497.2**	**5,408.4**

Consolidated Statement of Changes in Equity

In EUR millions	Note	Issued capital	Share premium	Treasury shares	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
		Equity attributable to owners of parent							
Balance at 31 December 2013		**84.6**	**215.2**	**- 10.8**	**- 116.4**	**1,636.9**	**1,809.5**	**118.0**	**1,927.5**
Net profit		–	–	–	–	250.4	250.4	45.2	295.6
Other comprehensive income, net of tax		–	–	–	- 26.4	- 114.4	- 140.8	12.3	- 128.5
Total comprehensive income		**–**	**–**	**–**	**- 26.4**	**136.0**	**109.6**	**57.5**	**167.1**
Dividend paid in cash	5.3, 5.4	–	–	–	–	- 120.5	- 120.5	- 36.0	- 156.5
Capital injection	5.4	–	–	–	–	–	–	5.6	5.6
Capital reduction	5.1, 5.3	- 20.7	- 22.6	–	–	- 0.7	- 44.0	–	- 44.0
Acquisition non-controlling interest subsidiaries	5.3, 5.4	–	–	–	–	- 2.4	- 2.4	- 0.5	- 2.9
Sale treasury shares	5.1	–	1.8	2.9	–	–	4.7	–	4.7
Release revaluation reserve	5.2, 5.3	–	–	–	- 0.2	0.2	–	–	–
Measurement of equity-settled share-based payment arrangements	5.3, 6.2	–	–	–	–	1.0	1.0	–	1.0
Vested shares under equity-settled share-based payment arrangements	5.1, 5.3	–	–	1.4	–	- 1.1	0.3	–	0.3
Total transactions with owners		**- 20.7**	**- 20.8**	**4.3**	**- 0.2**	**- 123.5**	**- 160.9**	**- 30.9**	**- 191.8**
Balance at 31 December 2014		**63.9**	**194.4**	**- 6.5**	**- 143.0**	**1,649.4**	**1,758.2**	**144.6**	**1,902.8**
Net profit		–	–	–	–	282.2	282.2	44.5	326.7
Other comprehensive income, net of tax		–	–	–	15.5	72.2	87.7	5.1	92.8
Total comprehensive income		**–**	**–**	**–**	**15.5**	**354.4**	**369.9**	**49.6**	**419.5**
Dividend paid in cash	5.3, 5.4	–	–	–	–	- 118.1	- 118.1	- 52.0	- 170.1
Capital injection	5.4	–	–	–	–	–	–	8.8	8.8
Purchase treasury shares	5.1	–	–	- 2.9	–	–	- 2.9	–	- 2.9
Release revaluation reserve	5.2, 5.3	–	–	–	- 0.2	0.2	–	–	–
Measurement of equity-settled share-based payment arrangements	5.3, 6.2	–	–	–	–	2.3	2.3	–	2.3
Total transactions with owners		**–**	**–**	**- 2.9**	**- 0.2**	**- 115.6**	**- 118.7**	**- 43.2**	**- 161.9**
Balance at 31 December 2015		**63.9**	**194.4**	**- 9.4**	**- 127.7**	**1,888.2**	**2,009.4**	**151.0**	**2,160.4**

Consolidated Statement of Cash Flows

In EUR millions	Note	2015	2014
Cash flows from operating activities (gross)	2.9	**867.2**	**786.6**
Interest received	5.10	4.4	3.5
Dividend received	5.10	1.0	0.5
Income tax paid		- 104.6	- 51.8
Cash flows from operating activities (net)		**768.0**	**738.8**
Investments:			
Intangible assets	3.2	- 11.4	- 13.2
Property, plant and equipment	3.3	- 335.5	- 505.5
Joint ventures and associates	3.4	- 121.5	- 40.2
Loans granted	8.2	- 101.9	- 14.6
Other non-current assets		- 0.2	- 1.5
Acquisitions of subsidiaries including goodwill	3.1	–	- 78.4
Acquisitions of joint ventures and associates	3.4	- 10.6	- 52.2
Total investments		**- 581.1**	**- 705.6**
Disposals and repayments:			
Intangible assets	3.2	–	0.1
Property, plant and equipment	3.3	2.0	7.0
Loans granted	8.2	20.8	10.1
Finance lease receivable	8.2	10.1	5.3
Assets held for sale/divestments	3.1	297.6	–
Total disposals and repayments		**330.5**	**22.5**
Cash flows from investing activities (excluding derivatives)		**- 250.6**	**- 683.1**
Settlement of derivatives (net investment hedges)		- 25.9	- 10.9
Cash flows from investing activities (including derivatives)		**- 276.5**	**- 694.0**
Financing:			
Repayment of interest-bearing loans	5.5	- 154.7	- 3.2
Proceeds from interest-bearing loans	5.5	81.6	249.3
Finance costs paid		- 106.8	- 87.1
Settlement of derivative financial instruments		9.0	2.0
Dividend paid in cash	5.3	- 114.8	- 114.8
Dividend paid to non-controlling interests	5.4	- 52.0	- 36.0
Dividend paid on financing preference shares	5.3	- 3.3	- 5.7
Paid share premium financing preference shares		- 23.3	- 33.0
Withdrawal financing preference shares	5.1	- 20.7	–
Purchase treasury shares	5.1	- 2.9	–
Sale treasury shares	5.1	–	5.0
Proceeds and repayments in short-term financing	5.5	- 175.5	- 61.6
Cash flows from financing activities		**- 563.4**	**- 85.1**
Net cash flows		**- 71.9**	**- 40.3**
Exchange differences		1.3	7.6
Net change in cash and cash equivalents due to assets held for sale		- 0.7	–
Net change in cash and cash equivalents (including bank overdrafts)		**- 71.3**	**- 32.7**
Net cash and cash equivalents (including bank overdrafts) at 1 January		**138.6**	**171.3**
Net cash and cash equivalents (including bank overdrafts) at 31 December	5.5	**67.3**	**138.6**

Section 1 Basis of preparation

Taking into account the characteristics of Vopak's business, the notes have been grouped into eight thematic sections rather than in consecutive order based on line items in the consolidated primary statements. Each note of a section starts with the Group's accounting policies as well as critical accounting estimates and judgments.

This section contains the disclosures relevant for understanding the basis of preparation of the consolidated financial statements:
- Reporting entity
- Statement of compliance
- Functional and presentation currency
- Basis of measurement
- Changes in accounting policies for 2015
- Going concern
- Basis of consolidation
- Foreign currency translation
- Hyperinflation accounting
- Accounting policies, not attributable to a specific section
- Use of critical accounting estimates and judgments
- Financial risk management

Note 1.1 Basis of preparation

Reporting entity
Koninklijke Vopak N.V. (Royal Vopak) has its registered office in Rotterdam (The Netherlands). Vopak is listed on the Euronext Amsterdam. The consolidated financial statements of the company for the year ending on 31 December 2015 contain the financial figures of the company and its subsidiaries (jointly referred to as the 'Group'), as well as the interests of the Group in joint ventures and associates.

Vopak is the world's largest independent tank storage provider, specialized in the storage and handling of liquid chemicals, gasses and oil products.

Statement of compliance
The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). The accounting policies based on IFRS, as described below, have been applied consistently for the years 2015 and 2014 by all entities. There were no material changes in the accounting policies applied compared to previous year.

The financial statements were approved by the Executive Board and the Supervisory Board on 25 February 2016 and are subject to adoption by the shareholders during the Annual General Meeting.

Functional and presentation currency
The consolidated financial statements are presented in euros (EUR), which is Vopak's functional and presentation currency. All amounts have been rounded to the nearest EUR million, unless otherwise indicated.

Basis of measurement
The consolidated financial statements are based on the historical cost basis except for the following assets and liabilities, which are measured at fair value: derivative financial instruments and assets available for sale.

Changes in accounting policies for 2015
The Group has not applied any new accounting standards in 2015.

Several amendments to IFRS apply for the first time in 2015; however, these do not materially impact the Group's consolidated financial statements.

Going concern
The Executive Board has assessed the going concern assumptions, during the preparation of the Group's consolidated financial statements. The Executive Board believes that no events or conditions give rise to doubt about the ability of the Group to continue in operation in the next reporting period. This conclusion is drawn based on knowledge of the Group, the estimated economic outlook and identified risks and uncertainties in relation thereto. Furthermore, this conclusion is based on a review of the budget, including expected development in liquidity and capital, current credit facilities available including contractual and expected maturities and covenants. Consequently, it has been concluded that it is reasonable to apply the going concern concept as the underlying assumption for the financial statements.

Basis of consolidation
Subsidiaries are entities controlled by the Group. Vopak controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases, using consistent accounting policies.

Non-controlling interests in equity and in results are presented separately. Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with shareholders. For purchases of non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of the net asset of the subsidiary is recorded in equity. Gains or losses on disposals of non-controlling interests are also recorded in equity.

Upon initial recognition a non-controlling interest is measured at its proportionate interest in the fair value of the net assets acquired or full fair value, which is elected on a transaction-by-transaction basis.

Upon ***loss of control***, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

The Group's interests in equity-accounted investees comprise interests in joint ventures and associates.

A ***joint venture*** is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to the joint venture assets and obligations for the joint venture liabilities. ***Associates*** are entities in which the Group has significant influence, but no control or joint control, over the financial and operating policies.

Transactions eliminated on consolidation: all inter-company balances and transactions, including unrealized gains and losses on transactions, are eliminated on consolidation. Unrealized gains arising from transactions with joint ventures and associates are eliminated to the extent of the Group's interest in the equity. Unrealized losses are eliminated in the same manner as unrealized gains, but only to the extent that there is no evidence of impairment.

For a list of the principal subsidiaries, joint ventures and associates please refer to note 8.11 of this report.

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured in the currency that applies to the primary economic environment in which the entity operates (the functional currency).

Foreign currency transactions are translated into the functional currency using the exchange rate at the dates of the transactions or valuation where items are remeasured. 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 statement of income, except when deferred in other comprehensive income as qualifying cash flow hedges and net investment hedges.

Upon consolidation the assets and liabilities of non-euro entities, including goodwill and fair value adjustments at the time of the acquisition, are translated into euro at the year-end rates of exchange (closing exchange rates). The items of the statement of income of foreign activities, excluding foreign operations in hyperinflationary economies, are translated at the average exchange rates for the reporting period. The resulting translation differences of the net investments in foreign activities are recognized as foreign currency translation reserve (translation reserve) within other comprehensive income. The same applies to exchange differences arising from loans drawn and other financial instruments to the extent that these hedge the currency risk related to the net investment.

Upon disposal of all or part of an interest in, or upon liquidation of, an entity, cumulative currency translation differences related to that entity are recognized in income. When the Group disposes of only part of its interest in a subsidiary with a foreign operation, while retaining control, the relevant portion of the cumulative amount is not transferred to profit or loss but reattributed to non-controlling interests. Upon disposal of a foreign activity with a non-controlling interest the cumulative amount relating to the non-controlling interests, shall be derecognized, but shall not be reclassified to profit or loss. A share capital or share premium distribution by an entity is not considered to be a partial disposal when the Group retains its relative share in the entity.

The following main exchange rates are used in the financial statements:

	Closing exchange rate		Average exchange rate	
EUR 1.00 is equivalent to	2015	2014	2015	2014
US dollar	1.09	1.21	1.11	1.33
Singapore dollar	1.54	1.60	1.53	1.68
Chinese yuan	7.09	7.54	6.98	8.19
Australian dollar	1.49	1.48	1.48	1.47
Pound sterling	0.74	0.78	0.73	0.81
Brazilian real	4.30	3.23	3.69	3.12

The results and financial position of our terminal in Venezuela are translated from bolivar to euros for the reporting periods presented based on the closing exchange rate at year-end applied by the company because the entity has the currency of a hyperinflationary economy, the bolivar, as its functional currency.

Hyperinflation accounting

Vopak applies hyperinflation accounting only for the Puerto Cabello Terminal in Venezuela.The effects of this hyperinflation accounting on the consolidated financial figures of the Group are limited. In 2015 as well as in 2014, the operations in Venezuela represent less than 1% of the total assets and less than 1.5% of the Group Operating Profit of Vopak. The terminal in Venezuela is fully licensed, operates in accordance with the Vopak Standards and has a solid performance.

The index used to apply hyperinflation accounting is the monthly Consumer Price Index ('CPI') published by the Banco Central de Venezuela.

Accounting policies, not attributable to a specific section

The Group's significant accounting policies related to IAS 1 minimum presentation items are described in the relevant individual notes to the consolidated financial statements or otherwise stated below. A list of the notes is shown in the overview on page 122.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is 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.

Cash flow statement

The cash flow statement is prepared based on the indirect method. Cash flows denominated in foreign currencies are translated at average exchange rates. Exchange and translation gains and losses on cash and cash equivalents (including current liabilities arising from credit facilities) are presented separately.

The consolidated statement of cash flows shows the Group's cash flows from operating, investing and financing activities for the year. The cash outflow from dividends paid to non-controlling interests is included as a cash flow from financing activities as per 2015. This revised presentation reflects more clearly the nature of the cash flow and is fully aligned with the internal management scoping in this respect. In previous years this cash flow was shown under the cash flow from operating activities (2014: total cash outflow of EUR 36.0 million), the comparative figures have been adjusted accordingly.

Company statement of income

An abridged company statement of income is presented in accordance with Section 402 of Book 2 of the Dutch Civil Code.

Use of key accounting estimates and judgments

Preparing the consolidated financial statements means that the Group must use insights, estimates and assumptions that could affect the reported assets and liabilities and the information provided on contingent assets and liabilities as at the statement of financial position date as well as the reported income and expenses. The actual results may ultimately differ from these estimates. The estimates and the underlying assumptions are reviewed on a regular basis. Adjustments are made in the period in which the estimates were reviewed if the adjustment affects that period, or in the relevant period and the future periods if the adjustment affects both the current and future periods.

Management insights, estimates and assumptions that have a major impact on the financial statements are:

- Assets held for sale (note 3.5)
- Useful life and residual value of property, plant and equipment (note 3.6)
- Impairment tests (note 3.7)
- Determining the recoverable value of our associate Vopak Terminal Haiteng (note 3.7)
- Derivative financial instruments (note 5.9)
- Deferred tax (note 7.2)
- Pension and other employee benefits (note 8.4)
- Provisions (note 8.5)

Financial risk management

The Group is exposed to a number of financial risks inherent in its day-to-day operations. These risks are connected with the effects of movements in exchange rates and interest rates. The Group is also exposed to credit risk and liquidity risk.

Risks are identified by Global Treasury, the central treasury department, and discussed in detail with the CFO. The Executive Board provides written principles for overall risk management as well as written policies covering specific areas such as foreign exchange risk, interest risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. Reports on risk and risk management are submitted on a regular basis.

Hedging alternatives are discussed by the Operational Finance Committee, a body comprising representatives from the various financial disciplines at the head office, prior to approval for the transactions being requested from the Executive Board.

In order to control the risks attached to fluctuations in foreign currencies and interest rates, Vopak uses derivative financial instruments in accordance with a financial policy approved by the Executive Board. This financial policy is designed to control the effects of such risks on cash flows, equity and results. Speculative positions are not allowed. The main derivative financial instruments used by the Group are forward exchange contracts, interest rate swaps and cross currency interest rate swaps.

The areas involving the most significant financial risks are trade and other receivables, foreign currency exchange risk arising from future commercial transactions, recognized assets and liabilities and net investments in foreign operations, net finance costs resulting from fluctuations in market interest rates and liquidity risks. Information about the Group's objectives, policies and processes for measuring and managing the risk exposures related to these items is included in the following notes:

- Trade and other receivables and related credit risk (note 7.2)
- Liquidity risk (note 5.6)
- Currency risk (note 5.7)
- Interest rate risk (note 5.8)
- Credit risk (note 8.9)

The Group has not identified additional financial risk exposures in 2015 compared to the previous year, and the approach to capital management and risk management activities remained unchanged compared to the prior year.

The Group is exposed to risk in relation to the translation of the results of foreign operations, which is not mitigated. This risk is described in the following note:

- Translation and operational currency risk (note 2.8)

Section 2 Group operating performance

This section comprises notes which provide specifications and explanations related to the Group's operating performance for the year, including disclosures on segmentation.

The following notes are presented in this section:

- 2.1 Segment information
- 2.2 Exceptional items
- 2.3 Revenues
- 2.4 Other operating income
- 2.5 Personnel expenses
- 2.6 Other operating expenses
- 2.7 Result of joint ventures and associates
- 2.8 Translation and operational currency risk
- 2.9 Cash flows from operating activities (gross)

Note 2.1 Segment information

Accounting policies

The accounting policies of the reportable segments are the same as the Group's accounting policies described throughout the notes when relevant.

Reportable segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Board, which is the chief operating decision maker, and are based on geographical markets. Business activities that cannot be allocated to any other segment are reported under Non-allocated. These include primarily the global LNG activities, head office costs and expenses related to other interests. The global LNG activities are presented separately under Non-allocated.

The operating segments Asia and China have been aggregated into the reportable segment 'Asia' as their terminal portfolio's have similar economic characteristics, among others in the area of profitability, and provide similar services to a similar type of customer.

Statement of income

In EUR millions	Revenues [1] 2015	Revenues [1] 2014	Depreciation and amortization 2015	Depreciation and amortization 2014	Result of joint ventures and associates 2015	Result of joint ventures and associates 2014	Group operating profit 2015	Group operating profit 2014
Netherlands	487.9	442.1	97.3	86.7	2.5	2.5	181.2	166.0
Europe, Middle East & Africa	251.5	257.6	46.5	50.0	21.1	17.9	81.6	68.3
Asia	379.4	370.1	64.5	55.9	46.9	39.0	224.4	235.3
of which Singapore	*266.5*	*258.8*	*39.3*	*34.4*	*0.8*	*0.7*	*154.6*	*160.4*
Americas	266.7	253.1	42.0	42.1	0.2	0.1	80.6	63.0
of which United States	*168.8*	*145.9*	*24.7*	*23.1*	–	–	*58.6*	*37.1*
Non-allocated	0.5	6.1	5.7	4.5	33.6	28.0	- 12.3	- 9.0
of which global LNG activities	–	*3.9*	–	*0.1*	*33.4*	*28.1*	*30.7*	*23.0*
Total excluding exceptional items	**1,386.0**	**1,329.0**	**256.0**	**239.2**	**104.3**	**87.5**	**555.5**	**523.6**
Exceptional items:								
Netherlands							- 2.8	- 5.0
Europe, Middle East & Africa							- 38.8	- 19.9
Asia							- 17.5	- 11.6
Americas							54.1	- 11.7
Non-allocated							- 1.3	- 6.9
Total including exceptional items							**549.2**	**468.5**
Reconciliation consolidated net profit [2]								
Group operating profit							549.2	468.5
Net finance costs							- 105.2	- 89.8
Profit before income tax							**444.0**	**378.7**
Income tax							- 117.3	- 83.1
Net profit							**326.7**	**295.6**

1. There are no single external customers which represent 10% or more of the Group's total revenues.
2. As the Group neither allocates interest expenses to segments, nor accounts for taxes in them, there is no segmented disclosure of the net profit.

Statement of financial position at 31 December

In EUR millions	Assets of subsidiaries 2015	Assets of subsidiaries 2014	Joint ventures and associates 2015	Joint ventures and associates 2014	Total assets 2015	Total assets 2014	Total liabilities 2015	Total liabilities 2014
Netherlands	1,439.7	1,431.0	1.7	0.9	1,441.4	1,431.9	117.9	100.8
Europe, Middle East & Africa	903.9	879.3	282.6	312.0	1,186.5	1,191.3	204.5	204.5
Asia	1,139.1	1,172.9	614.0	501.4	1,753.1	1,674.3	324.2	293.9
of which Singapore	*680.8*	*688.7*	*1.5*	*1.0*	*682.3*	*689.7*	*263.7*	*235.9*
Americas	731.9	800.4	1.2	1.5	733.1	801.9	195.7	176.2
of which United States	*357.1*	*392.4*	–	–	*357.1*	*392.4*	*144.2*	*123.8*
Non-allocated	214.5	182.6	168.6	126.4	383.1	309.0	2,494.5	2,730.2
of which global LNG activities	*1.2*	*2.3*	*169.5*	*117.1*	*170.7*	*119.4*	*2.3*	*5.1*
Total	**4,429.1**	**4,466.2**	**1,068.1**	**942.2**	**5,497.2**	**5,408.4**	**3,336.8**	**3,505.6**

Investments [1]

In EUR millions	Intangible assets 2015	Intangible assets 2014	Property, plant and equipment 2015	Property, plant and equipment 2014	Other non-current assets 2015	Other non-current assets 2014	Joint ventures and associates 2015	Joint ventures and associates 2014	Total 2015	Total 2014
Netherlands	1.7	1.7	109.0	213.2	–	–	–	–	110.7	214.9
Europe, Middle East & Africa	1.6	1.4	101.6	108.4	–	–	22.4	0.2	125.6	110.0
Asia	0.4	0.1	71.2	87.5	–	1.4	95.7	34.1	167.3	123.1
of which Singapore	*0.1*	*0.1*	*53.9*	*51.1*	–	*0.4*	–	*0.3*	*54.0*	*51.9*
Americas	0.2	0.4	51.8	92.5	0.2	0.1	–	–	52.2	93.0
of which United States	*- 0.1*	*0.1*	*30.1*	*30.0*	–	–	–	–	*30.0*	*30.1*
Non-allocated	7.5	9.6	1.9	3.9	–	–	3.4	5.9	12.8	19.4
of which global LNG activities	–	–	–	*1.7*	–	–	*3.4*	*5.5*	*3.4*	*7.2*
Total	**11.4**	**13.2**	**335.5**	**505.5**	**0.2**	**1.5**	**121.5**	**40.2**	**468.6**	**560.4**

1. Excluding loans granted, finance lease receivable and acquisition of subsidiaries, joint ventures and associates.

Note 2.2 Exceptional items

Group policy

The items in the statement of income include items that are exceptional by nature from a management perspective. These exceptional items include impairments, reversed impairments, additions to and releases from provisions for restructuring, results on assets sold, gains on the sale of subsidiaries, joint ventures and associates, any other provisions being formed or released and any significant change in estimates. The Group does not apply a threshold for impairments, reversal of impairments, disposal of investments and discontinued operations. For the other items, the Group considers an event exceptional when the effect exceeds the threshold of EUR 2.75 million (2014: EUR 2.0 million).The material exceptional items are disclosed separately in the notes when relevant in order to increase transparency.

Exceptional items

An overview of all exceptional items is presented in the table below.

In EUR millions	Note	2015	2014
Gains on assets held for sale	2.4	77.4	–
Claims settlement	2.4, 2.6	- 18.9	3.3
Transaction expenses divestments UK	2.6	- 5.0	–
Impairments	3.7	- 5.8	- 40.4
Reversal impairments	3.7	2.1	–
Write-off receivables	2.6	- 4.1	–
Vopak 400 years	2.5, 2.6	- 1.4	–
Reorganization costs	2.5, 2.6	–	- 5.8
Demolition provision	2.6	–	3.6
Change in estimated foreign exchange rate Venezuela		–	- 2.9
Others		- 0.3	0.1
Operating profit		**44.0**	**- 42.1**
Impairments joint ventures and associates	3.7	- 64.1	- 16.1
Reversal impairments joint ventures and associates	3.7	13.8	3.8
Result joint ventures and associates	2.7	–	- 0.7
Group operating profit		**- 6.3**	**- 55.1**
Finance costs	5.10	- 2.3	0.2
Profit before income tax		**- 8.6**	**- 54.9**
Tax on above-mentioned items	7.1	- 21.9	7.7
Write-off tax receivables	7.1	- 13.4	–
Total effect on net profit		**- 43.9**	**- 47.2**

For more information on the individual exceptional items, including their nature, we refer to the corresponding notes.

Consolidated Statement of Income excluding exceptional items (non-IFRS) [1]

In EUR millions	2015	2014
Operating profit	**451.2**	**436.1**
Result of joint ventures and associates using the equity method	104.3	87.5
Group operating profit	**555.5**	**523.6**
Net finance costs	- 102.9	- 90.0
Profit before income tax	**452.6**	**433.6**
Income tax	- 82.0	- 90.8
Net profit	**370.6**	**342.8**
Net profit attributable to non-controlling interests	- 45.3	- 45.3
Net profit attributable to owners of parent	**325.3**	**297.5**
Net profit attributable to holders of financing preference shares	-	- 3.3
Net profit attributable to holders of ordinary shares	**325.3**	**294.2**
Basic earnings per ordinary share (in EUR)	**2.55**	**2.31**
Diluted earnings per ordinary share (in EUR)	**2.55**	**2.31**

1. Classification of items as exceptional is unaudited.

Note 2.3 Revenues

Accounting policies

Revenue represents the fair value of the consideration received or receivable for services provided in the normal course of business, stated net of discounts, and value added taxes. When it is probable that the future economic benefits will flow to the Group, the recognition in the statement of income is in proportion to the stage of the rendered performance as at the end of the reporting period. 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. 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.

Revenues

In EUR millions	2015	2014
Storage services	1,105.6	1,043.9
Product movements	111.8	111.8
Storage and handling related services	130.2	126.6
Other services	38.4	40.2
Revenues	**1,386.0**	**1,322.5**

Note 2.4 Other operating income

Accounting policies

Gains on the sale of assets are deemed realized at the time the benefits and the risks of the assets are entirely borne by the buyer and there is no uncertainty as to whether the agreed payment is received. Gains on the sale of subsidiaries are realized at the time control is no longer exercised.

Other operating income

In EUR millions	2015	2014
Management fee joint ventures and associates	16.1	13.9
Gains on sale of property, plant and equipment	1.4	4.6
Gains on assets held for sale	77.4	–
Other	11.2	7.9
Total	**106.1**	**26.4**

The divestments that were completed during 2015 resulted in an exceptional gain on divestment, of which EUR 77.4 million is recognized under Other operating income. Fore more information, we refer to note 3.1.

In 2015 exceptional items were recognized in Other for the amount of EUR 2.9 million mainly relating to a successful settlement of a legal case in the Americas division.

Other in 2014 includes an exceptional item of EUR 3.3 million due to the cancellation of a contract at Sakra (Singapore).

Note 2.5 Personnel expenses

Accounting policies

Short-term employee benefits: wages, salaries, social security contributions, annual leave and sickness absenteeism, bonuses and non-monetary benefits are recognized in the year in which the related services are rendered by employees.

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognizes a restructuring provision that involves the payment of termination benefits.

The Group recognizes a provision for *bonus plans* where contractually obliged or where there is a past practice that has created a constructive obligation.

For the accounting policies related to share-based compensation and other types of remuneration and pensions and other employee benefits reference is made to the notes 6.2 and 8.4.

Personnel expenses

In EUR millions	Note	2015	2014
Wages and salaries		263.8	268.8
Social security charges		34.6	34.7
Contribution to pension schemes (defined contribution)		10.2	9.9
Pension charges (defined benefit plans)	8.4	37.3	25.7
Long-term incentive plans	6.2	7.7	3.0
Early retirement		5.2	7.4
Other personnel expenses		30.1	30.2
Capitalized personnel expenses		- 30.6	- 39.5
Total		**358.3**	**340.2**

In 2014, the personnel expenses included costs related to the organizational alignment (EUR 5.3 million).

Average number of employees (in FTEs)

During the year under review, the Group employed an average of 4,037 employees and temporary staff (2014: 4,362). The movements in the number of own employees at subsidiaries (in FTEs) were as follows:

In FTEs	2015	2014
Number at 1 January	**3,860**	**4,010**
Joiners	290	310
Leavers	- 344	- 429
Acquisition	–	47
Deconsolidation	- 167	- 78
Number at 31 December	**3,639**	**3,860**

Note 2.6 Other operating expenses

Accounting policies

Operating expenses are recognized in the income statement when incurred. They are caused by a decrease in future economic benefits related to a decrease of an asset or an increase of a liability that has arisen and can be measured reliably.

Losses on the sale of assets are presented under Other operating expenses and are recognized as soon as they are foreseen. Identification and selection costs relating to new storage capacity to be built are recognized in the statement of income in the year in which the costs are incurred.

Leased assets, of which the benefits and risks remain substantially with the lease provider, are regarded as operating leases. Payments made for operating leases are charged to the statement of income on a straight-line basis over the term of the lease. If an operating lease is terminated early, any financial obligation or penalty owed to the owner will be taken to the statement of income in the period in which the lease was terminated.

Other operating expenses

In EUR millions	2015	2014
Maintenance	56.7	54.7
Energy and utilities	49.9	48.6
Operating lease	52.8	49.7
Environmental, safety and cleaning	32.9	30.3
Advisory fees	24.3	22.1
Insurance	23.5	23.4
Rents and rates	22.6	20.5
Third party logistics	14.4	18.2
IT	17.0	15.0
Other	84.8	52.6
Total	**378.9**	**335.1**

2015

In 2015, exceptional items were recognized as other operating expenses for the amount of EUR 32.4 million. The total amount of exceptional items primarily relates to the following:

In relation to the company's 400th anniversary, which will be celebrated in 2016, EUR 1.4 million of exceptional items were already recognized in 2015 (of which EUR 0.2 million under Personnel expenses). Furthermore transaction expenses related to the divestment of the UK assets (EMEA division) led to an exceptional expense of EUR 5.0 million.

In addition, an amount of EUR 4.1 million was recognized as write-off of various other receivables. The larger part of this write-off related to a dispute with a contractor for the amount of EUR 3.2 million in the Asia division.

During 2015, the EMEA division recognized an exceptional loss of EUR 13.1 million in relation to claim settlements as a result of the divestment of the UK assets and various legal cases. The Americas division recognized an exceptional loss of EUR 8.7 million in relation to legal cases for which it is estimated that the likely outcome of the court case will not be positive for Vopak.

Reference is also made to note 8.5.

2014

In 2014, an exceptional item was recognized for the reversal of the provision for the demolishment of Terminal Sydney A in Australia (EUR 3.6 million). Early 2016, the Group divested its remaining and fully depreciated assets of Terminal Sydney A for a negligible amount.

Note 2.7 Result of joint ventures and associates

Accounting policies

Joint ventures and associates are accounted for using the equity method, which involves recognition in the consolidated statement of income of Vopak's share of the net result of the joint ventures and associates for the year. When the share in the losses exceeds the carrying amount of an equity-accounted company (including any other receivables forming part of the net investment in the company), the carrying amount is written down to nil and recognition of further losses is discontinued, unless we have incurred legal or constructive obligations relating to the company in question.

Result of joint ventures and associates

In EUR millions	Note	2015	2014
Result of joint ventures and associates	3.4	104.3	86.8
Impairments joint ventures and associates (exceptional items)	3.4, 3.7	- 64.1	- 16.1
Reversal of impairments joint ventures and associates	3.4, 3.7	13.8	3.8
Total		**54.0**	**74.5**

Joint ventures are an important part of the Group. Summarized financial information of our joint ventures and associates on an IFRS basis is presented in note 3.4. In addition, the effects of unaudited non-IFRS proportionate consolidation on the statement of financial position and statement of income of the Group are presented under 'Proposed Profit Appropriation' accompanying this report.

Note 2.8 Translation and operational currency risk

The Group is exposed to a low level of currency risk on the transaction level, since operating income and operating expenses are, as a rule, largely denominated in the same currency. However, in some countries (in particular, in Latin America and Asia), a substantial portion of the income flow is in US dollars whereas the operating expenses are denominated in local currencies. In these countries, the aim is to hedge the transaction risk naturally. Any material net transaction position can be hedged in full by means of forward exchange contracts.

The Group is, however, exposed to risk in relation to translation of income statements and net assets of foreign entities into euros, since a significant portion of the Group's results is generated in foreign entities.

In Venezuela, the Group is exposed to exchange controls and currency exchange rate fluctuations. The country of Venezuela currently operates a number of alternative exchange mechanisms, the official CENCOEX rate (VEF 6.3 per US dollar), 'SICAD' and 'SIMADI'. The latter was newly introduced in the first quarter of 2015.

Vopak applies the SIMADI exchange rate of VEF 198.72 per US dollar at year-end 2015 (2014: VEF 50.0 per US dollar based on SICAD II). In this multiple foreign exchange rate system, Vopak is exposed to the risk that the SIMADI rate will further devalue. Because the Venezuelan bolivar denominated assets, liabilities, income and expenses of our Venezuelan operations are translated into euros for consolidation purposes, a further devaluation of the Venezuelan bolivar going forward could result in lower translated results, assets and liabilities in Vopak's consolidated figures, which are presented in euros.

Sensitivity to exchange rates arising from the translation of the results of foreign currency operations

The translation risk of converting the net result of foreign entities into euros mainly concerns the Singapore dollar and the US dollar. The sensitivity to these currencies, based on a reasonable change at the reporting date, is as follows:

A 10 dollar cent change in the EUR/USD exchange rate approximately affects Vopak's figures as follows (based on figures for 2015, excluding exceptional items):
- Revenues would differ by EUR 18.5 million (2014: EUR 15.5 million)
- Group operating profit before depreciation and amortization (EBITDA) would differ by EUR 11.9 million (2014: EUR 8.3 million)

- Group operating profit (EBIT) would differ by EUR 9.1 million (2014: EUR 5.8 million)
- Net profit would differ by EUR 6.9 million (2014: EUR 4.3 million)

A 10 dollar cent change in the EUR/SGD exchange rate approximately affects Vopak's figures as follows (based on figures for 2015 excluding exceptional items):
- Revenues would differ by EUR 17.5 million (2014: EUR 15.4 million)
- Group operating profit before depreciation and amortization (EBITDA) would differ by EUR 12.3 million (2014: EUR 11.4 million)
- Group operating profit (EBIT) would differ by EUR 9.8 million (2014: EUR 9.3 million)
- Net profit would differ by EUR 5.6 million (2014: EUR 5.3 million)

Accounting estimates and judgments
As a result of the country of Venezuela having introduced a number of alternative currency exchange mechanisms (CENCOEX , SICAD and SIMADI), depending on the type of transaction, Vopak continues to assess the appropriate rate at which to translate the results and net assets of its Venezuelan terminal to euros.

Due to the exceptional situation where three different exchange rates exist, management has to apply judgment to assess which rate applies to the company. Based on the current facts and circumstances, management has assessed the most appropriate exchange rate during 2015. It was concluded that the SIMADI rate is the most likely exchange rate at which future dividends can be remitted and consequently for translating the financial figures of our Venezuela terminal to euros.

Although our operation in Venezuela is subject to exchange controls, the impact on the company is limited. The total cash and cash equivalents balance per year-end 2015, in Venezuela is limited (EUR 0.3 million). This is caused, among others, by pursuing continuous growth opportunities causing cash balances to be continuously reinvested in the company.

Note 2.9 Cash flows from operating activities (gross)

In EUR millions	Note	2015	2014
Net profit		**326.7**	**295.6**
Adjustments for:			
- Depreciation and amortization	3.6	256.0	239.2
- Impairment	3.7	3.7	40.4
- Net finance costs	5.10	105.2	89.8
- Income tax	7.1	117.3	83.1
- Movements in other non-current assets		0.8	1.2
- Movements in other long-term liabilities		- 0.6	7.7
- Movements in provisions excluding deferred taxes		41.7	- 7.3
- Movements in non-controlling interests	5.4	8.8	5.6
- Dividend received from joint ventures and associates	3.4	92.7	91.8
- Result joint ventures and associates	2.7	- 54.0	- 74.5
- Measurement of equity-settled share-based payment arrangements	5.3	2.3	1.0
- Result on sale of property, plant and equipment	2.4	- 0.3	- 4.1
- Result on sale of assets held for sale	2.4	- 77.4	–
Total adjustments		**496.2**	**473.9**
Realized value adjustments of derivative financial instruments		17.4	- 18.1
Movements in other current assets (excluding cash and cash equivalents)		46.8	32.7
Movements in other current liabilities (excluding bank overdrafts and dividends)		- 15.1	- 11.3
Effect of changes in exchange rates on other current assets and liabilities		- 4.8	13.8
Cash flows from operating activities (gross)		**867.2**	**786.6**

Section 3 Strategic investments and divestments

This section presents details on the core operating assets that form the basis for the activities of the Vopak group, including the main developments with regards to these assets during the financial years presented.

The following notes are presented in this section:

- 3.1 Acquisition and divestment of subsidiaries
- 3.2 Intangible assets
- 3.3 Property, plant and equipment
- 3.4 Joint ventures and associates
- 3.5 Assets held for sale
- 3.6 Depreciation and amortization
- 3.7 Impairment tests and impairments

Note 3.1 Acquisition and divestment of subsidiaries

Accounting policies

Business combinations

Acquired businesses are recognized in the consolidated financial statements from the acquisition date, which is the date when the Group effectively obtains control of the acquired business. Businesses that are divested or wound up are recognized in the consolidated financial statements until the date of divestment or winding-up. Comparative figures are not restated for businesses acquired, divested or wound up.

When the Group obtains control of a business, the acquisition method is applied. The identifiable assets, liabilities and contingent liabilities, are measured at fair value at the acquisition date. Identifiable intangible assets are recognized if separable or if they arise from contractual or other legal rights. Deferred tax related to fair value adjustments is also recognized.

Any excess of the fair value of the consideration transferred, the recognized amount of any non-controlling interests and the fair value of any existing equity interest in the acquired entity over the fair value of identifiable assets, liabilities and contingent liabilities, is recognized as goodwill. When the excess is negative, a bargain purchase gain is recognized in the statement of income at the acquisition date.

If parts of the consideration are conditional upon future events (contingent consideration) or satisfaction of agreed terms, these parts are recognized at fair value at the acquisition date. Transaction costs that the Group incurs in connection with the business combination are expensed as incurred in Other operating expenses.

Changes in ownership interests without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of the net asset of the subsidiary is recorded in equity. Gains or losses on disposals of non-controlling interests are also recorded in equity.

Divestments

Gains or losses on the divestments or winding-up of subsidiaries, joint ventures or associates are measured as the difference between the consideration received adjusted for directly related divestment or winding-up costs and the carrying amount of the net assets at the time of disposal or winding-up including any carrying amount of allocated goodwill.

When the Group disposes of only part of its interest in a subsidiary with a foreign operation, while retaining control, the relevant portion of the cumulative currency translation reserve is not transferred to profit or loss but reattributed to non-controlling interests. On disposal of a foreign activity with a non-controlling interest the cumulative amount relating to the non-controlling interests shall be derecognized, but shall not be reclassified to profit or loss. A share capital or share premium distribution by an entity is not considered to be a partial disposal when the Group retains its relative share in the entity.

Acquisitions

There were no acquisitions of subsidiaries in 2015. In 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).

Divestments

The table below provides an overview of the divestments completed during 2015 and the results realized on these divestments. The majority is recognized in Other operating income.

In EUR millions	2015
Vopak Terminal Galena Park/Vopak Wilmington Terminals (United States)	59.9
Vopak Finland	17.8
Vopak Sweden	1.4
Plot of land in Marmara (Turkey)	–
Others	0.4
Total	**79.5**

The above-mentioned divestments are in line with Vopak's earlier decision to divest around 15 primarily smaller terminals. The total net cash proceeds (excluding tax effects) from these divestments amounted to EUR 297.6 million. The gains on divestment are recognized as other operating income. Reference is also made to note 2.2.

United States

Vopak completed the divestment of three wholly-owned terminals and a plot of land in the United States on 27 February 2015. The terminals involved were: 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 was located in Perth Amboy, New Jersey.

This divestment has resulted in a pre-tax exceptional gain of EUR 59.9 million. This transaction also resulted in a tax charge of EUR 24.3 million. In total this divestment led to a net exceptional gain of EUR 35.6 million.

Finland

Vopak completed the divestment of its two terminals in Finland, Vopak Terminal Mussalo and Vopak Terminal Hamina on 15 July 2015. The exceptional gain on the divestment was EUR 17.8 million.

Sweden

Vopak completed the divestment of the Swedish entity Vopak Sweden AB on 10 June 2015. The divested entity consisted of four terminals: Vopak Terminal Gothenburg, Vopak Terminal Gävle, Vopak Terminal Malmö and Vopak Terminal Södertälje.

A small reversal of an impairment was recognized at the date of divestment for the amount of EUR 2.1 million. The divestment also resulted in some additional expenses and tax. As such the total net gain in relation to the divestment amounted to EUR 1.3 million.

Turkey
Vopak completed the divestment of its land position in Turkey on 22 January 2015. The effect of this divestment on the statement of income was negligible.

2014 Divestment
The concession for the terminal in Peru ended on 2 September 2014 and Vopak decided not to participate in the tender for the next concession period. The terminal was handed back to Petroperu. The financial effects of this event were limited as the fixed assets were fully depreciated.

We refer to note 3.5 for information on the subsidiaries and joint ventures classified as 'held for sale' at year-end.

Note 3.2 Intangible assets

Accounting policies

Intangible assets include goodwill, capitalized software costs, contractual relationships, concessions and favorable leases ensuing from business combinations. Goodwill represents the difference between the purchase price and Vopak's share in the fair value of the acquired identifiable assets, liabilities and contingent liabilities of the company acquired at the time Vopak obtains control (acquisition method). Goodwill is carried at cost less accumulated impairments.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ('CGUs'; normally an individual terminal), or groups of CGUs, which are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Vopak group at which the goodwill is monitored for internal management purposes. Goodwill is monitored by the management at the operating segment level and is therefore allocated to the operating segments.

Software is carried at historical cost, net of straight-line amortization based on its expected useful life and any potential impairment.

Other intangible assets are carried at their initial fair value at the time of the acquisition, net of straight-line amortization and impairments.

Other items are mainly licenses that are carried at historical cost, net of straight-line amortization.

Movements in intangible assets

In EUR millions	Note	Goodwill	Software	Other	Total
Purchase price of operating assets		33.7	83.3	20.2	137.2
Accumulated amortization and impairment		- 5.3	- 63.2	- 9.9	- 78.4
Carrying amount in use		**28.4**	**20.1**	**10.3**	**58.8**
Purchase price under construction		–	8.8	–	8.8
Carrying amount at 31 December 2013		**28.4**	**28.9**	**10.3**	**67.6**
Movements:					
Acquisitions		15.0	–	4.7	19.7
Additions		–	13.2	–	13.2
Disposals		–	–	- 0.1	- 0.1
Reclassification to assets held for sale	3.5	–	–	- 0.1	- 0.1
Amortization	3.6	–	- 7.4	- 1.6	- 9.0
Impairment	3.7	- 2.9	- 1.1	–	- 4.0
Exchange differences		3.3	0.3	0.6	4.2
Carrying amount at 31 December 2014		**43.8**	**33.9**	**13.8**	**91.5**
Purchase price of operating assets		52.8	93.3	23.0	169.1
Accumulated amortization and impairment		- 9.0	- 72.8	- 9.2	- 91.0
Carrying amount in use		**43.8**	**20.5**	**13.8**	**78.1**
Purchase price under construction		–	13.4	–	13.4
Carrying amount at 31 December 2014		**43.8**	**33.9**	**13.8**	**91.5**
Movements:					
Additions		–	11.4	–	11.4
Reclassification to assets held for sale	3.5	- 2.5	- 1.1	- 0.1	- 3.7
Amortization	3.6	–	- 7.7	- 1.4	- 9.1
Impairment	3.7	–	- 0.1	–	- 0.1
Exchange differences		0.3	- 0.2	- 0.3	- 0.2
Carrying amount at 31 December 2015		**41.6**	**36.2**	**12.0**	**89.8**
Purchase price of operating assets		44.5	94.5	19.2	158.2
Accumulated amortization and impairment		- 2.9	- 69.6	- 7.2	- 79.7
Carrying amount in use		**41.6**	**24.9**	**12.0**	**78.5**
Purchase price under construction		–	11.3	–	11.3
Carrying amount at 31 December 2015		**41.6**	**36.2**	**12.0**	**89.8**

Note 3.3 Property, plant and equipment

Accounting policies

Property, plant and equipment are broken down into their components and carried at historical cost, net of accumulated straight-line depreciation and less any impairment losses. Interest during construction is capitalized (see also note 5.10). Historical cost includes the initial acquisition cost plus other direct acquisition costs (such as unrecoverable taxes or transport) and construction costs that can be allocated directly (such as hours of own employees and advisory fees). To the extent that dismantling obligations exist at the end of the useful life, these estimated costs and any amendments thereto are included in the cost of the assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. Costs of repairs and maintenance that do not increase the future economic benefits are regarded as expenses.

Movements in property, plant and equipment

In EUR millions	Note	Land	Buildings	Tank storage terminals	Machinery and equipment	Total
Purchase price of operating assets		47.5	241.6	4,343.5	202.8	4,835.4
Accumulated depreciation and impairment		–	- 113.1	- 1,803.9	- 124.9	- 2,041.9
Carrying amount in use		**47.5**	**128.5**	**2,539.6**	**77.9**	**2,793.5**
Purchase price under construction		47.6	13.7	437.4	14.7	513.4
Carrying amount at 31 December 2013		**95.1**	**142.2**	**2,977.0**	**92.6**	**3,306.9**
Movements:						
Acquisitions		16.5	1.5	40.8	7.7	66.5
Additions		- 0.6	29.5	466.4	10.2	505.5
Disposals		–	- 0.8	- 1.9	- 0.2	- 2.9
Reclassification to assets held for sale	3.5	- 23.8	- 2.6	- 38.5	- 5.4	- 70.3
Transfer to finance lease receivable	8.2	–	–	- 35.9	–	- 35.9
Reclassification		–	- 5.3	8.0	- 2.7	–
Depreciation	3.6	–	- 13.6	- 203.2	- 13.4	- 230.2
Impairment	3.7	–	- 3.5	- 26.0	–	- 29.5
Exchange differences		11.3	8.1	87.9	5.0	112.3
Carrying amount at 31 December 2014		**98.5**	**155.5**	**3,274.6**	**93.8**	**3,622.4**
Purchase price of operating assets		53.4	269.0	4,940.7	226.8	5,489.9
Accumulated depreciation and impairment		–	- 129.7	- 2,039.2	- 139.1	- 2,308.0
Carrying amount in use		**53.4**	**139.3**	**2,901.5**	**87.7**	**3,181.9**
Purchase price under construction		45.1	16.2	373.1	6.1	440.5
Carrying amount at 31 December 2014		**98.5**	**155.5**	**3,274.6**	**93.8**	**3,622.4**
Movements:						
Additions		- 4.5	25.9	304.7	9.4	335.5
Disposals		–	- 1.0	- 0.7	–	- 1.7
Reclassification to assets held for sale	3.5	- 1.1	- 11.4	- 214.6	- 4.9	- 232.0
Reclassification		–	- 0.9	0.2	0.7	–
Depreciation	3.6	–	- 11.0	- 220.5	- 15.4	- 246.9
Impairment	3.7	- 0.2	–	- 3.2	- 0.2	- 3.6
Exchange differences		2.4	5.5	12.2	2.2	22.3
Carrying amount at 31 December 2015		**95.1**	**162.6**	**3,152.7**	**85.6**	**3,496.0**
Purchase price of operating assets		45.1	263.5	4,967.5	208.6	5,484.7
Accumulated depreciation and impairment		- 0.2	- 129.8	- 2,098.9	- 126.3	- 2,355.2
Carrying amount in use		**44.9**	**133.7**	**2,868.6**	**82.3**	**3,129.5**
Purchase price under construction		50.2	28.9	284.1	3.3	366.5
Carrying amount at 31 December 2015		**95.1**	**162.6**	**3,152.7**	**85.6**	**3,496.0**

The Group leased assets with a total book value of EUR 13.8 million at 31 December 2015 (2014: EUR 18.3 million), of which substantially all risks and rewards lie within the Group. The related finance lease obligation for the amount of EUR 13.9 million (2014: EUR 18.3 million) was recognized under interest-bearing loans (see note 5.5).

Note 3.4 Joint ventures and associates

Vopak's interest in the principal joint ventures and associates consists of 28 (2014: 28) unlisted joint ventures and 4 (2014: 4) unlisted associates. Although the Group conducts a large part of its activities by means of these joint ventures and associates, none of these entities are currently individually material for the Group. The nature of, and changes in, the risks associated with its interests in joint ventures and associates is primarily linked to the region and/or the activities. For the disclosure of the nature, extent and financial effects of our joint ventures, we make a distinction in the activities of the division Europe, Middle East & Africa (mainly oil storage terminals), LNG (joint ventures with long-term contracts), and Asia (mainly industrial terminals).

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

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

We refer to note 8.11 for an overview of the principal joint ventures and associates.

Accounting policies

Joint ventures and associates are accounted for using the equity method, which involves recognition in the consolidated statement of income of Vopak's share of the net result of the joint ventures and associates for the year. Accounting policies of joint ventures and associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Vopak's interest in a joint venture or associate is carried in the statement of financial position at its share in the net assets of the joint venture or associate together with goodwill paid on acquisition, less any impairment loss. When the share in the losses exceeds the carrying amount of an equity-accounted company (including any other receivables forming part of the net investment in the company), the carrying amount is written down to nil and recognition of further losses is discontinued, unless we have incurred legal or constructive obligations relating to the company in question.

Group's share of the total comprehensive income and the carrying amount

The Group's share in the total comprehensive income and the net assets of the joint ventures and associates is as follows:

		Joint ventures		Associates		Total	
In EUR millions		2015	2014	2015	2014	2015	2014
Vopak's share in net assets		805.5	737.2	63.1	10.8	868.6	748.0
Goodwill on acquisition		67.4	63.5	6.2	–	73.6	63.5
Carrying amount at 1 January		**872.9**	**800.7**	**69.3**	**10.8**	**942.2**	**811.5**
Share in profit or loss	2.7	103.5	85.1	0.8	1.7	104.3	86.8
Impairments	2.7, 3.7	- 64.1	- 16.1	–	–	- 64.1	- 16.1
Reversal of impairments	2.7, 3.7	13.8	3.8	–	–	13.8	3.8
Net profit		**53.2**	**72.8**	**0.8**	**1.7**	**54.0**	**74.5**
Other comprehensive income	5.2	14.1	- 23.5	–	–	14.1	- 23.5
Comprehensive income		**67.3**	**49.3**	**0.8**	**1.7**	**68.1**	**51.0**
Dividends received	2.9	- 92.7	- 86.7	–	- 5.1	- 92.7	- 91.8
Investments		99.1	40.2	22.4	–	121.5	40.2
Acquisitions		10.6	2.3	–	55.8	10.6	58.1
Reclassification to assets held for sale		- 36.9	–	–	–	- 36.9	–
Exchange differences		50.8	67.1	4.5	6.1	55.3	73.2
Carrying amount at 31 December		**971.1**	**872.9**	**97.0**	**69.3**	**1,068.1**	**942.2**
Vopak's share in net assets		889.5	805.5	90.4	63.1	979.9	868.6
Goodwill on acquisition		81.6	67.4	6.6	6.2	88.2	73.6
Carrying amount at 31 December		**971.1**	**872.9**	**97.0**	**69.3**	**1,068.1**	**942.2**

The other comprehensive income is related to the effective portion of changes in the fair value of cash flow hedges within the joint ventures, which are recognized through the consolidated statement of comprehensive income.

For more information on the impairments recognized on the investments in joint ventures and associates, we refer to note 3.7.

Acquisitions and divestments

2015

Saudi Arabia

Our associate Jubail Chemicals Storage and Services Company (JCSSC) entered into two agreements with Sadara Chemical Company (Sadara) for the provision of liquid product storage and handling services at the King Fahd Industrial Port (KFIP) in Jubail, Kingdom of Saudi Arabia, on 2 November 2015. The agreements with JCSSC will allow for the storage and export of Sadara's liquid products from the Kingdom.

As part of the Tank Storage Construction Agreement, JCSSC has acquired, as per 30 November 2015, from Sadara for approximately SAR 1.76 billion (EUR 431.6 million) a tank farm that has been constructed by Sadara at PCQ-2. This 348,000 cbm tank farm, which has partially been commissioned, supplements the 220,000 cbm port terminal and related port facilities that are under construction. Under the Terminal Services Agreement, JCSSC will provide Sadara with liquid product storage and handling services at KFIP for an initial term of 20 years.

The aforementioned transaction is accounted for as an acquisition of assets at the level of the associate and does not directly effect the carrying value of the associate in the Consolidated Statement of Financial Position of the Group.

The Netherlands

Vopak's interest in the joint venture Gate Terminal B.V. increased to 50% via an acquisition of an additional 2.4% share for EUR 10.6 million.

United Kingdom

For the details on the reclassification as held for sale of our investment in the joint venture Thames Oilport we refer to note 3.5.

2014

China

The Group acquired a 30% equity interest in the associate Zhangzou Gulei Haiteng Jetty Investment Management Company Limited, consisting of 890,000 cbm storage capacity for petrochemical products, on 28 September 2014. Long-term contracts have been signed for this industrial terminal to serve two petrochemical plants via pipelines. Furthermore, the Group increased its equity interest in the joint venture Vopak Terminal Ningbo Co. Ltd. from 37.5% to 50%.

The Netherlands

Vopak's interest in Gate Terminal B.V. increased from 47.5% at the end of 2013 to 47.6% due to a capital contribution in which not all shareholders participated. Furthermore, the Group divested its 50% interest in real estate of its headquarters in Rotterdam. This resulted in a reversal of an impairment of EUR 3.8 million.

Summarized information of joint ventures and associates on a 100% basis

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

Summarized statement of total comprehensive income

In EUR millions	EMEA joint ventures		Asia joint ventures		LNG joint ventures		Other joint ventures		Total joint ventures		Total associates	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenues	225.0	206.9	349.0	268.2	214.2	226.5	32.3	32.6	820.5	734.2	45.1	17.5
Operating expenses	- 103.4	- 100.8	- 116.9	- 98.3	- 33.5	- 60.4	- 13.6	- 11.4	- 267.4	- 270.9	- 16.5	- 4.6
Depreciation, amortization and impairment	- 164.7	- 49.9	- 104.8	- 77.7	- 44.4	- 41.2	- 5.5	0.2	- 319.4	- 168.6	- 18.3	- 4.3
Operating profit (EBIT)	**- 43.1**	**56.2**	**127.3**	**92.2**	**136.3**	**124.9**	**13.2**	**21.4**	**233.7**	**294.7**	**10.3**	**8.6**
Net finance costs	- 4.8	- 6.0	- 30.6	- 10.0	- 44.6	- 46.1	- 4.6	- 6.3	- 84.6	- 68.4	- 7.4	- 2.2
Income tax	- 4.7	- 4.4	- 26.2	- 28.4	- 28.6	- 23.8	- 1.4	- 1.3	- 60.9	- 57.9	- 0.5	- 0.7
Net profit	**- 52.6**	**45.8**	**70.5**	**53.8**	**63.1**	**55.0**	**7.2**	**13.8**	**88.2**	**168.4**	**2.4**	**5.7**
Other comprehensive income	0.3	0.3	8.4	- 4.6	17.3	- 38.4	2.2	- 5.6	28.2	- 48.3	–	–
Total comprehensive income	**- 52.3**	**46.1**	**78.9**	**49.2**	**80.4**	**16.6**	**9.4**	**8.2**	**116.4**	**120.1**	**2.4**	**5.7**
Vopak's share of net profit	- 15.1	17.9	31.9	20.5	33.4	28.1	3.0	6.3	53.2	72.8	0.8	1.7
Vopak's share of other comprehensive income	0.1	0.1	4.0	- 2.3	8.8	- 18.5	1.2	- 2.8	14.1	- 23.5	–	–
Vopak's share of total comprehensive income	**- 15.0**	**18.0**	**35.9**	**18.2**	**42.2**	**9.6**	**4.2**	**3.5**	**67.3**	**49.3**	**0.8**	**1.7**

Summarized statement of financial position at 31 December

In EUR millions	EMEA joint ventures		Asia joint ventures		LNG joint ventures		Other joint ventures		Total joint ventures		Total associates	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Non-current assets	750.6	1,010.7	2,061.7	1,728.3	1,163.4	1,133.9	98.1	104.0	4,073.8	3,976.9	1,097.9	504.9
Cash and cash equivalents	29.4	94.9	143.2	150.9	158.1	70.2	15.8	42.1	346.5	358.1	38.2	19.8
Other current assets	27.5	66.8	84.9	64.0	21.3	25.0	13.1	10.9	146.8	166.7	71.7	54.0
Total assets	**807.5**	**1,172.4**	**2,289.8**	**1,943.2**	**1,342.8**	**1,229.1**	**127.0**	**157.0**	**4,567.1**	**4,501.7**	**1,207.8**	**578.7**
Financial non-current liabilities	49.5	184.7	797.6	767.1	736.2	763.9	80.9	85.7	1,664.2	1,801.4	402.3	310.5
Other non-current liabilities	69.2	121.1	34.8	37.5	246.0	252.9	19.8	22.1	369.8	433.6	19.7	17.9
Financial current liabilities	72.2	76.7	52.3	24.4	60.9	62.1	5.0	4.8	190.4	168.0	343.7	–
Other current liabilities	61.4	74.1	139.2	163.6	107.4	28.3	15.4	18.8	323.4	284.8	117.0	31.8
Total liabilities	**252.3**	**456.6**	**1,023.9**	**992.6**	**1,150.5**	**1,107.2**	**121.1**	**131.4**	**2,547.8**	**2,687.8**	**882.7**	**360.2**
Net assets	**555.2**	**715.8**	**1,265.9**	**950.6**	**192.3**	**121.9**	**5.9**	**25.6**	**2,019.3**	**1,813.9**	**325.1**	**218.5**
Vopak's share of net assets	230.1	283.1	549.8	442.1	107.6	68.6	2.0	11.7	889.5	805.5	90.4	63.1
Goodwill on acquisition	17.1	16.5	2.6	2.4	61.9	48.5	–	–	81.6	67.4	6.6	6.2
Vopak's carrying amount of net assets	**247.2**	**299.6**	**552.4**	**444.5**	**169.5**	**117.1**	**2.0**	**11.7**	**971.1**	**872.9**	**97.0**	**69.3**

Contingent assets and liabilities

Our LNG joint venture in Altamira received a material claim in 2014, which was revoked in 2015. For an overview of the contingent liabilities relating to our joint ventures and associates, reference is made to note 8.8 'Contingent assets and contingent liabilities'.

Note 3.5 Assets held for sale

Accounting policies

Non-current assets and disposal groups are classified as held for sale when their carrying amount is to be recovered principally through a sales transaction and a sale is considered highly probable at the end of the reporting period. They are stated at the lower value of the carrying amount and the fair value less expected selling costs. When the criteria for the held for sale classification have been met, the non-current assets subject to depreciation and amortization are no longer depreciated or amortized. In addition, equity accounting for joint ventures and associates ceases once classified as held for sale.

Key accounting estimates and judgments

At the end of the reporting period, management has to assess if the value of the assets will be recovered principally through a divestment transaction rather than through continuing use and what the likelihood is that an asset will be divested within a year. This assessment is based on the facts and circumstances at that date. These facts and circumstances may change and could result in a situation where assets are divested, which were not classified as held for sale at year-end.

When classifying non-current assets as held for sale, management makes estimates of their fair value (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 possibly 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.

Assets and liabilities classified as held for sale

In EUR millions	31-Dec-15	31-Dec-14
Property, plant and equipment	108.3	98.6
Joint ventures	37.0	–
Other non-current assets	5.4	0.1
Current assets	32.1	2.9
Total assets held for sale	**182.8**	**101.6**
Provisions	30.6	–
Current liabilities	32.6	2.0
Total liabilities related to assets held for sale	**63.2**	**2.0**
Net assets held for sale of disposal groups	**119.6**	**99.6**

In 2014, the Group initiated a divestment program of around 15 primarily smaller terminals, with the objective of further aligning our global network. This program resulted in various divestments in 2015.

For the divestments realized during 2015, we refer to note 3.1.

2015

UK Assets

Vopak reached agreement on the sale of all of its UK assets (EMEA division) to Macquarie Capital and Greenergy on 19 December 2015. Macquarie Capital will acquire 100% of the shares of the three wholly-owned terminals: Vopak Terminal London, Vopak Terminal Teesside and Vopak Terminal Windmill. Greenergy will acquire Vopak Holding UK, comprising Vopak's 33.3% investment in the joint venture Thames Oilport (former Coryton refinery).

Vopak completed the sale of Vopak Holding UK, comprising Vopak's 33.3% investment in the joint venture Thames Oilport (former Coryton refinery) to Greenergy on 29 January 2016. The second transaction, comprising the sale of the UK terminals, is expected to be completed by the end of Q1 2016.

The UK activities comprise less than 4% of the 2015 Group operating profit before depreciation and amortization (EBITDA) -excluding exceptional items- and including the net result of joint ventures and associates. The three terminals and the investment in the joint venture Thames Oilport are classified as held for sale per year-end 2015.

This divestment is expected to generate a net cash inflow of approximately GBP 300 million. The total exceptional gain will be approximately GBP 200 million and will be recognized in 2016. The final proceeds will be determined as per the completion date.

In relation to this divestment EUR 5.0 million of transaction expenses has been recognized in the income statement. In line with the treatment of the results of divestments, these expenses have been classified as an exceptional item under Other operating expenses. Reference is als made to note 2.6.

2014

At year-end 2014, the terminals Wilmington, Galena Park and a plot of land in Perth Amboy (all in the US) were classified as held for sale following the assessment of the Group's management, in December 2014, to sell these assets. Per year-end 2014, the assets held for sale also contained a plot of land in Yalova (Turkey). These divestments were completed during 2015.

Note 3.6 Depreciation and amortization

Accounting policies

The expected useful life of software is subject to a maximum of seven years. Amortization of other intangible assets and licenses is based on the term of the validity of the contract or term of the validity period and varies from 5-30 years.

Depreciation on property, plant and equipment is computed from the date the asset is available for use, using the straight-line method over the expected useful life and taking the estimated residual value into account. The useful life of the main assets is as follows: for buildings 10-40 years, for main components of tank storage terminals 10-40 years, for IT hardware 3-5 years, for machinery, equipment and fixtures 3-10 years. Land is not depreciated.

The residual value and useful life of intangible assets and property, plant and equipment are reviewed annually and adjusted if necessary.

Key accounting estimates and judgments

Property, plant and equipment form a substantial part of the total assets of the company, while periodic depreciation charges form a substantial part of the annual operating expenses. The useful life and residual value determined by the Board based on its estimates and assumptions have a major impact on the measurement and determination of results of the property, plant and equipment. The useful life of property, plant and equipment is partly estimated based on their useful productive lives, experiences related to such assets, the maintenance history and the period during which the company has the economic benefits from the utilization of the assets. Periodic reviews show whether changes have occurred in estimates and assumptions as a result of which the useful life and/or residual value need to be adjusted. Such an adjustment will be made prospectively.

Depreciation and amortization

In EUR millions	Note	2015	2014
Amortization intangible assets	3.2	9.1	9.0
Depreciation property, plant and equipment	3.3	246.9	230.2
Total		**256.0**	**239.2**

Note 3.7 Impairment tests and impairments

Accounting policies

The carrying amount of goodwill is tested for impairment annually in the fourth quarter (unless there is reason to do so more frequently), while all assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amounts for those assets may not be recoverable. If assets are determined to be impaired, the carrying amounts of those assets are written down to their recoverable amount, which is the higher of fair value less costs of disposal and value in use.

Impairments of a cash-generating unit are allocated to the assets of the cash-generating unit on a proportionate basis. Impairments of intangible assets and property, plant and equipment are presented in the statement of income under Impairment. Impairments, except those related to goodwill, are reversed as applicable to the extent that the events or circumstances that triggered the original impairment have changed.

All financial assets, including joint ventures and associates, are reviewed for impairment. If there is objective evidence of impairment as a result of one or more events after initial recognition, an impairment loss is recognized in the statement of income. The impairments for joint ventures and associates and loans granted are presented under Result of joint ventures and associates using the equity method and Finance costs respectively.

Estimates used to measure the recoverable amount

Value in use is determined as the amount of estimated discounted future cash flows. For this purpose, assets are grouped into cash-generating units based on separately identifiable and largely independent cash flows. The cash flow projections are based on group operating profits and sustaining capital expenditures of the approved budget for the coming year and the two subsequent planning years. Cash flows beyond the previously mentioned period of three years are extrapolated, using a stable or decreasing growth rate, unless an increasing rate can be substantiated. Given that the cash flows are estimated before taxes, the discount rates used to calculate the present value of the cash flows are pre-tax rates based on the risk-free rates for 15-year bonds issued by the government in the relevant market, adjusted for a risk premium and specific risks relating to the countries and risks specific to the assets. The 15-year bonds period reflects the average remaining useful life of the principal assets. As a company based in Europe, the Group assumes the long-term market equity risk premium to be 5.5% (2014: 5.5%).

Key accounting estimates and judgments

Impairment analyses

In performing the impairment test, management makes an assessment of whether the cash-generating unit will be able to generate positive net cash flows that are sufficient to support the value of the intangible assets, property, plant and equipment, and financial assets.

For value in use, the assessment is based on estimates of future expected cash flows (value in use) made on the basis of the budget for the coming year and two subsequent plan years. In addition to these, the other key assumptions used are discount rates and expected growth rates. Fair value less cost of disposal is primarily based either on market-multiples or (indicative non-)binding bids.

When the fair value less cost of disposal of a terminal is based on (preliminary) offers received from interested parties, management has assessed that these offers are a good reflection of the fair value of the terminals concerned and assumed that it is probable that these terminals will be sold in the near future resulting in a situation where the carrying amount will be recovered principally through a sale instead of by continuing use. A change in one of these assumptions could potentially lead to a future impairment.

Vopak Terminal Haiteng (China)

The consequences of the incident that occurred in April 2015 at the production facility of the customer of our associate Vopak Terminal Haiteng, as disclosed earlier in 2015, are still under investigation. However based on the current facts and circumstances available, including the estimated long-term demand for the product manufactured at the facility and the technological state of the facility/terminal, management has assessed that it is most likely that the facility will be taken into operation again. The date on which the facility, on which the terminal is dependent, will be taken into production again is currently still unknown, but not expected before 2017.

If due to any reason the production facility will not be taken into operation again, this may result in a significant impairment on our investment in the associate Vopak Terminal Haiteng, which is an industrial terminal. The maximum risk exposure amounts to the group's equity investment in the company of EUR 61.6 million per year-end 2015. Furthermore, changes in the facts and circumstances applicable to this situation going forward, could potentially lead to one-off and/or exceptional losses in the coming year within the aforementioned range of the maximum exposure.

Impairment test results

The following table provides an overview of the total impairments and reversal of impairments, which are exceptional items, per asset category.

In EUR millions	Note	2015	2014
Goodwill subsidiaries	3.2	–	2.9
Other intangible assets	3.2	0.1	1.1
Property, plant and equipment	3.3	5.7	29.5
Reversal impairment property, plant and equipment	3.3	- 2.1	–
Assets held for sale	3.5	–	6.9
Impairment		**3.7**	**40.4**
Joint ventures and associates	3.4	64.1	16.1
Reversal impairment joint ventures and associates	3.4	- 13.8	- 3.8
Total		**54.0**	**52.7**

Goodwill

A summary of the carrying amount of goodwill by geographical area, which is equal to the operating segments (CGUs), is presented below.

In EUR millions	2015	2014
Europe, Middle East & Africa	1.8	4.3
Asia	23.8	22.5
Americas	16.0	17.0
Carrying amount at 31 December	**41.6**	**43.8**

No impairments were recognized on goodwill in 2015. The 2014 goodwill impairment of EUR 2.9 million relates to our cancelled development project in France.

Assumptions applied

The recoverable value of an operating segment which includes goodwill is based on the value in use. In the impairment tests, the growth factor for years four and five were based on a conservative rate of 2% (2014: 2%) for all operating segments. The pre-tax discount rate used depends on the (average) risk profile of the cash-generating unit and was 12.75% for Asia, 10.5% for Americas and 10.6% for the other segments. The operating profit included in the calculations is based on the approved budget for 2016 and the subsequent plan years.

Sensitivity

The value in use calculations indicated sufficient headroom, such that a reasonably possible change to key assumptions would not result in a material impairment of the related goodwill.

Other intangible assets

No material impairments were recognized on intangible assets in 2015. In 2014, an impairment of EUR 1.1 million was recognized in the non-allocated segment for cancelled software development projects.

Property, plant and equipment

Cancelled projects

2015

The cancellation of a terminal automation project (Netherlands) and the cancellation of business development projects (EMEA) led to a total impairment of EUR 5.7 million.

2014

The Group conducted a business review of the expansion projects under consideration in 2014. This resulted in an aggregated impairment for cancelled projects in the amount of EUR 22.4 million, of which EUR 4.0 million relates to Intangible assets.

Terminals in operation

For a very limited number of terminals in operation, management has determined that the value in use is lower than the carrying amount. For these individual terminals, the fair value less cost of disposal has been calculated in order to assess whether this value exceeds the value in use and the carrying amount of the assets. For terminals or assets which are actively being marketed by the company, the fair value less cost of disposal is based primarily on offers received from interested parties (level 2 fair value). For the other terminals the fair value less cost of disposal is primarily based on the estimated normalized EBITDA and on transaction multiples observable in the M&A markets for comparable terminals (level 2 fair value).

The above-mentioned appoach did not result in any impairment on the terminals in operation in 2015. The impairment of EUR 2.7 million in the division Netherlands and the impairment of EUR 3.0 million in the division EMEA relate to obsolete property, plant and equipment components.

In 2014, an impairment was recognized for the amount of EUR 10.3 million for our operations in Sweden (EMEA division) based on preliminary offers received from third parties. The completion of the divestment in 2015 resulted in a partial reversal of impairment for the amount of EUR 2.1 million. This amount is included in the total amount for impairments on Property, plant and equipment.

For more information on the divestment of the operations in Sweden, reference is made to note 3.1.

Joint ventures and associates

2015

Vopak Terminal Jakarta (Indonesia)

The Group partially impaired its 49% equity share in the joint venture Vopak Terminal Jakarta (Asia division) in 2012 because the progress of deregulation of the subsidized fuel distribution was progressing much slower than originally assumed. As disclosed in the 2012 Annual Report, this was considered a timing issue.

A reversal of an impairment of EUR 9.7 million was recognized for this terminal in 2015. This reversal of an impairment results from the structural performance improvements of the terminal, aided among others by favorable market conditions and the economic reforms in Indonesia.

Vopak Terminal Dongguan (China)

In 2014, this project in Dongguan (Asia division) was already impaired by EUR 16.1 million to the estimated recoverable value of nil based on a fair value less cost of disposal calculation (level 2 fair value). This project is faced with a longer-term negative timing effect in the industrial developments in the region, compared to initial expectations.

The group provided additional funds of EUR 3.8 million to the joint venture Vopak Terminal Dongguan during 2015.These additions to the total net-investment in the joint venture have been fully impaired, as they were used for funding the pre-operating losses of the company. Of this impairment EUR 2.9 million has been recognized under the finance costs and EUR 0.9 million as operating expenses. This split recognition is related to the different nature of these impaired receivables. As at year-end 2015, the net-investment in the joint venture amounted to nil and the group has no receivables on the joint venture.

On the reporting date, Vopak has not incurred any legal obligations with regard to this joint venture, except for the financial guarantee of EUR 33.2 million as disclosed in note 8.8. This guarantee exposes the group in event of default by the joint venture. As management has assessed that it is not likely that such a default will occur, no liabilities were recognized per year-end 2015 in relation to this financial guarantee. Additional funding which could be provided by the Group going forward, may result in relatively small additional impairments in 2016, depending on the facts and circumstances applicable at that date.

The Group is in the process of divesting this joint venture. Consequently, the project has been excluded from the 'Growth Perspective' overview.

Thames Oilport (United Kingdom)

Vopak, Greenergy and Shell UK Limited acquired the former Coryton refinery (UK) in June 2012. The objective of the partners was to demolish the refinery, develop and invest in an import and distribution terminal called Thames Oilport (part of the EMEA division) to be managed by Vopak, and sell surplus land available.

Vopak and its partners conducted a thorough assessment of this project, including the analyses of the economic circumstances, the key market developments in the South East of the UK, the European refinery sector developments and the total development costs of the project. The partners concluded that under all scenarios 403 acres of land will not be required and accordingly decided to offer this land for sale. Vopak conducted its own in-depth analysis of the financial consequences of the decision to offer the land for sale and recognized an impairment on the book value of its equity participation in the joint venture of EUR 40.6 million during the first half of 2015.

A substantial part of this impairment related to the planned demolition of the assets on the land for sale. The other part related to the value in use of the entity, which is below the remaining carrying value of the assets.

Vopak's interest in the joint venture Thames Oilport will be divested together with the other UK assets. The consideration agreed with the acquiring party exceeds the carrying value of the group's equity share after impairment, resulting in a partial reversal of impairment for the amount of EUR 4.0 million in the second half of 2015. In total an impairment of EUR 36.6 million was recognized on the joint venture in 2015.

Vopak SDIC Yangpu Terminal (China)
During 2015, an impairment was recognized on the joint venture Vopak SDIC Yangpu Terminal (part of Asia Division) for EUR 15.0 million because the carrying amount exceeded the estimated recoverable value. The recoverable value was based on the value in use, using a pre-tax discount rate of approximately 11% and management's best estimate of the future cash flows of the terminal, for which the budget for the coming year and two subsequent plan years were the basis.

This terminal was commissioned in the third quarter of 2015. The terminal currently has healthy occupancy levels and is benefiting from the current contango in the market for petroleum products. However, due to uncertainties around the developments in the Chinese economy and the regional business developments in combination with the current short-term contracts, an impairment has been recognized.

Nippon Vopak (Japan)
During 2015, it became apparent that the recoverable value of Vopak's equity participation in the joint venture Nippon Vopak (part of Asia division) is below the carrying value of the joint venture. Consequently, an impairment was recognized for the amount of EUR 8.5 million.

2014
The Dutch real estate joint ventures (part of the non-allocated operating segment) sold their office buildings to a third party in December 2014, resulting in a reversal of impairment at the level of the joint venture of EUR 3.8 million (Vopak's share). As Vopak remains one of the main tenants, the transaction has the characteristics of a sale-and-lease-back transaction. This led to a deferred gain of EUR 5.3 million, which is being released to the statement of income on a straight-line basis during the contractual term of the lease contracts.

As mentioned earlier, an impairment on the joint venture Vopak Terminal Dongguan was recognized for the amount of EUR 16.1 million in 2014.

Section 4 Working capital

This section presents details on the working capital items that the Group uses for operating our assets and providing services to our clients.

This section comprises notes to understand the development in working capital:
- 4.1 Changes in working capital
- 4.2 Trade and other receivables and related credit risk
- 4.3 Trade and other payables

Note 4.1 Changes in working capital

The cash flow movements of the working capital are presented in the following table.

In EUR millions	2015	2014
Movements in other current assets (excluding cash and cash equivalents)	46.8	32.7
Movements in other current liabilities (excluding bank overdrafts and dividends)	- 15.1	- 11.3
Total	**31.7**	**21.4**

Note 4.2 Trade and other receivables and related credit risk

Trade and other receivables are exposed to credit risk which could result in impairment losses. This note includes general information about trade and other receivables as well as specifications and explanations of the related risk.

Accounting policies

Trade and other receivables are recognized initially at fair value. Subsequent to initial recognition receivables are measured at amortized cost, using the effective interest method, less any provision for impairment.

Impairment losses are recognized when objective evidence indicates that a receivable is impaired. This is based on an individual review for impairment due to insolvency of the customer, past due amounts and taking into account any retention right on product stored for this customer.

The creation and release of a provision for impaired trade receivables are recognized under Other operating expenses.

Other receivables include, among others, the dividend receivables from joint ventures and associates for which the decision about dividend distribution was taken before year-end 2015.

Trade and other receivables

In EUR millions	2015	2014
Trade debtors gross	104.9	122.6
Provision for impairment of trade debtors	- 2.9	- 4.6
Trade debtors net	**102.0**	**118.0**
Taxes receivable	26.2	45.4
Other receivables	103.8	100.5
Total	**232.0**	**263.9**

There was no indication as at the statement of financial position date that these receivables will not be recovered, other than as already provided for.

Trade receivables

At 31 December 2015, net trade receivables of EUR 36.2 million (2014: EUR 50.1 million) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2015			2014		
In EUR millions	Gross	Provision	Net	Gross	Provision	Net
Not past due	65.8	–	65.8	67.9	–	67.9
Past due up to 3 months	27.4	0.1	27.3	36.7	0.4	36.3
Past due 3 to 6 months	4.0	–	4.0	4.7	0.4	4.3
Past due more than 6 months	7.7	2.8	4.9	13.3	3.8	9.5
Total	**104.9**	**2.9**	**102.0**	**122.6**	**4.6**	**118.0**

Movements in the provision for impairment of trade receivables are as follows:

In EUR millions	2015	2014
Balance at 1 January	**4.6**	**2.7**
Impairments	1.3	2.3
Reversal of impairments	- 3.4	- 0.7
Receivables written off during the year as uncollectible	–	- 0.1
Exchange differences	0.4	0.4
Balance at 31 December	**2.9**	**4.6**

Exposure to bad debts is mostly related to rendering services to international manufacturers and traders. The value of the products stored for these customers usually exceeds the value of the receivables and Vopak generally has the right of retention.

Historically, amounts written off as uncollectible have been relatively low, which is also the case in 2015.

Other receivables

The total dividend receivable from joint ventures and associates amounted to EUR 3.7 million at the end of 2015 (2014: EUR 19.8 million). There are also no amounts overdue nor impaired for the other items of Other receivables.

Note 4.3 Trade and other payables

Accounting policies

Trade and other payables are measured at amortized cost, using the effective interest method.

Trade and other payables

In EUR millions	2015	2014
Trade payables	40.1	51.8
Accrued expenses	102.0	104.1
Deferred revenues	35.8	60.6
Accrued interest expenses	6.7	6.1
Wage tax and social security charges	6.4	6.5
Other creditors	117.7	145.6
Total	**308.7**	**374.7**

Section 5 Capital structure

The notes in this section provide insight into the capital structure, financing items and financial risk management of the company.

In this section, the following notes are presented:

Equity:
- 5.1 Issued capital, share premium, treasury shares and capital management
- 5.2 Other reserves
- 5.3 Retained earnings
- 5.4 Non-controlling interests

Borrowings:
- 5.5 Interest-bearing loans and net debt
- 5.6 Liquidity risk
- 5.7 Currency risk
- 5.8 Interest rate risk
- 5.9 Derivative financial instruments
- 5.10 Net finance costs

EQUITY

Note 5.1 Issued capital, share premium, treasury shares and capital management

Accounting policies

Treasury shares are deducted from the share capital at their nominal value of EUR 0.50 per share. Differences between this amount and the amount paid to acquire or the amount received for disposing of treasury shares are deducted directly in equity.

Share capital

The company´s authorized share capital amounted to EUR 190,800,000, as at 31 December 2015 divided into 140,000,000 ordinary shares, 190,800,000 protective preference shares and 50,800,000 cumulative finance preference shares, all with a nominal value of EUR 0.50 each.

The issued share capital at 31 December 2015 consisted of 127,835,430 ordinary shares, of which 290,000 shares are held in the treasury stock in connection with existing commitments under the long-term incentive plans. No cumulative finance preference shares were issued at year-end 2015.

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

	Numbers				Amounts in EUR millions		
	Issued ordinary shares	Financing preference shares	Total shares	Treasury shares	Issued capital	Share premium	Treasury shares
Balance at 31 December 2013	**127,835,430**	**41,400,000**	**169,235,430**	**- 402,400**	**84.6**	**215.2**	**- 10.8**
Capital reduction	–	- 41,400,000	- 41,400,000	–	- 20.7	- 22.6	–
Sale treasury shares	–	–	–	98,534	–	1.8	2.9
Vested shares under equity-settled share-based payment arrangements	–	–	–	93,866	–	–	1.4
Balance at 31 December 2014	**127,835,430**	**–**	**127,835,430**	**- 210,000**	**63.9**	**194.4**	**- 6.5**
Purchase treasury shares	–	–	–	- 80,000	-	-	- 2.9
Balance at 31 December 2015	**127,835,430**	**–**	**127,835,430**	**- 290,000**	**63.9**	**194.4**	**- 9.4**

On 19 August 2014, the Supervisory Board approved the proposal of the Executive Board to repurchase the outstanding financing preference shares of EUR 44 million on 2 January 2015, of which EUR 0.7 million was distributed from retained earnings. This liability was recognized under Trade and other payables in the consolidated statement of financial position per year-end 2014 and was fully repaid early 2015.

Capital management

A solid capital structure supports Vopak's objective to create long-term shareholder value while meeting the agreed covenants (see note 5.5) and other requirements with its other capital providers. Vopak aims to maintain a healthy financial position through capital-disciplined investment decisions, effective working capital management, long-term funding and a balanced dividend policy and is continuously reviewing its capital structure options - including but not limited to equity(-linked) or other (debt) capital instruments - to effectively finance the future growth that Vopak aims for.

Note 5.2 Other reserves

Movements in other reserves were as follows:

In EUR millions	Translation reserve	Revaluation reserve derivatives	Revaluation reserve assets	Transaction reserve NCI	Total other reserves
Balance at 31 December 2013	**- 27.0**	**- 95.8**	**5.1**	**1.3**	**- 116.4**
Exchange differences on net investments	117.7	–	–	–	117.7
Effective part of hedges of net investments	- 78.0	–	–	–	- 78.0
Tax effect on exchange differences and hedges	2.6	–	–	–	2.6
Movements in effective part of cash flow hedges	–	- 59.3	–	–	- 59.3
Tax effect on movements in cash flow hedges	–	14.9	–	–	14.9
Use of effective part of cash flow hedges (to statement of income)	–	- 1.0	–	–	- 1.0
Tax effect on use of cash flow hedges	–	0.3	–	–	0.3
Movements in effective part of cash flow hedges joint ventures	–	- 23.9	–	–	- 23.9
Use of effective part of cash flow hedges joint ventures (to statement of income)	–	0.4	–	–	0.4
Tax on use of effective part of cash flow hedges joint ventures (to statement of income)	–	- 0.1	–	–	- 0.1
Depreciation on revaluation of assets	–	–	- 0.3	–	- 0.3
Tax effect on depreciation on revaluation of assets	–	–	0.1	–	0.1
Balance at 31 December 2014	**15.3**	**- 164.5**	**4.9**	**1.3**	**- 143.0**
Exchange differences on net investments	42.4	–	–	–	42.4
Effective part of hedges of net investments	- 65.2	–	–	–	- 65.2
Tax effect on exchange differences and hedges	3.2	–	–	–	3.2
Use of exchange differences on net investments (to statement of income)	- 9.7	–	–	–	- 9.7
Use of exchange differences on net investments joint ventures (to statement of income)	11.2	–	–	–	11.2
Tax on release exchange differences and hedges	- 0.7	–	–	–	- 0.7
Movements in effective part of cash flow hedges	–	34.5	–	–	34.5
Tax effect on movements in cash flow hedges	–	- 8.4	–	–	- 8.4
Use of effective part of cash flow hedges (to statement of income)	–	- 6.5	–	–	- 6.5
Tax effect on use of cash flow hedges	–	1.4	–	–	1.4
Movements in effective part of cash flow hedges joint ventures	–	13.3	–	–	13.3
Depreciation on revaluation of assets	–	–	- 0.3	–	- 0.3
Tax effect on depreciation on revaluation of assets	–	–	0.1	–	0.1
Balance at 31 December 2015	**- 3.5**	**- 130.2**	**4.7**	**1.3**	**- 127.7**

The translation reserve includes all exchange differences resulting from the translation of the financial statements of foreign entities. It also includes the exchange differences on liabilities and the effective currency component of fair value changes of derivative financial instruments (net of tax), to the extent that they hedge the net investments of the Group in foreign entities and hedge accounting is applied.

The revaluation reserve derivatives contains the effective part of the accumulated change in the fair value of the cash flow hedges, net of tax, in respect of which the hedged future transaction has not yet taken place. The schedule for use is as follows:

In EUR millions	2016	2017	2018	2019	2020	> 2020	Total
Use of revaluation reserve derivatives	16.5	80.1	17.2	86.7	63.1	- 133.4	130.2

Note 5.3 Retained earnings

Movements in retained earnings were as follows:

In EUR millions	2015	2014
Balance at 1 January	**1,649.4**	**1,636.9**
Dividend paid in cash	- 118.1	- 120.5
Remeasurements of defined benefit plans	72.2	- 114.4
Capital reduction	–	- 0.7
Acquisition non-controlling interest subsidiaries	–	- 2.4
Vested shares under equity-settled share-based payment arrangements	–	- 1.1
Measurement of equity-settled share-based payment arrangements	2.3	1.0
Release of revaluation reserve due to depreciation	0.2	0.2
Net profit attributable to owners of parent	282.2	250.4
Balance at 31 December	**1,888.2**	**1,649.4**

Of the retained earnings, EUR 1,473.5 million (2014: EUR 1,257.7 million) can be distributed freely (see note 4 to the Company Financial Statements). The dividend paid in cash per ordinary share in 2015 was EUR 0.90 (2014: EUR 0.90).

For the proposed dividend per share, we refer to the paragraph note 8.4.

Note 5.4 Non-controlling interests

Statement of changes in non-controlling interests:

In EUR millions	2015	2014
Balance at 1 January	**144.6**	**118.0**
Net profit	44.5	45.2
Dividend	- 52.0	- 36.0
Capital injection	8.8	5.6
Acquisitions	–	- 0.5
Movements in effective part of cash flow hedges	0.1	0.3
Exchange differences	5.0	12.0
Balance at 31 December	**151.0**	**144.6**

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

	NCI %		Profit allocated to NCI (in EUR millions)		Dividends paid to NCI (in EUR millions)		Accumulated NCI (in EUR millions)	
	2015	2014	2015	2014	2015	2014	31-Dec-15	31-Dec-14
Total			**44.5**	**45.2**	**52.0**	**36.0**	**151.0**	**144.6**
of which Vopak Terminals Singapore Pte. Ltd.	*30.5%*	*30.5%*	*39.4*	*41.3*	*46.8*	*29.8*	*88.4*	*97.5*

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

In EUR millions	31-Dec-15	31-Dec-14
Total non-current assets	537.9	530.4
Cash and cash equivalents	29.9	68.6
Other current assets	25.0	31.4
Total assets	**592.8**	**630.4**
Current liabilities	82.5	178.9
Total non-current liabilities	220.6	131.9
Total liabilities	**303.1**	**310.8**
Total net assets	**289.7**	**319.6**

In EUR millions	2015	2014
Revenues	266.5	258.8
Net profit	129.1	135.5
Other comprehensive income	12.7	31.3
Total comprehensive income	**141.8**	**166.8**
Operating cash flow	168.5	192.7
Increase/decrease (-) in cash and cash equivalents	- 38.7	52.9

BORROWINGS

Note 5.5 Interest-bearing loans and net debt

Accounting policies

Interest-bearing loans are initially measured at fair value and subsequently at amortized cost, applying the effective interest method unless the interest rate has been converted in a hedge relation from fixed to floating by means of a fair value hedge. In that case, the carrying amount is adjusted for the fair value changes caused by the hedged risk.

Fees paid on the establishment of 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 drawdown 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 pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Net debt reconciliation

In EUR millions	Cash and cash equivalents	Short-term borrowings	Interest-bearing loans	Net interest-bearing debt
Carrying amount at 31 December 2013	**171.3**	**–**	**- 1,996.0**	**- 1,824.7**
Cash flows	- 41.9	- 68.9	- 115.6	- 226.4
Acquisition/divestment	1.6	–	–	1.6
Fair value gains and losses	–	–	0.5	0.5
Other non-cash movements	–	–	- 2.1	- 2.1
Exchange differences	7.6	–	- 222.8	- 215.2
Carrying amount at 31 December 2014	**138.6**	**- 68.9**	**- 2,336.0**	**- 2,266.3**
Cash flows	- 71.9	12.9	235.6	176.6
Other non-cash movements	- 0.7	–	- 2.0	- 2.7
Exchange differences	1.3	–	- 204.5	- 203.2
Carrying amount at 31 December 2015	**67.3**	**- 56.0**	**- 2,306.9**	**- 2,295.6**
Current assets	109.9	–	–	109.9
Non-current liabilities	–	–	- 2,304.0	- 2,304.0
Current liabilities	- 42.6	- 56.0	- 2.9	- 101.5
Carrying amount at 31 December 2015	**67.3**	**- 56.0**	**- 2,306.9**	**- 2,295.6**

Financial ratios reconciliation

In EUR millions	Note	2015	2014
EBITDA		**805.2**	**707.7**
-/- Result joint ventures and associates		104.3	87.5
Gross dividend received from joint ventures and associates		107.9	122.4
-/- Exceptional items		- 6.3	- 55.1
Acquisitions full year adjustment		–	1.2
-/- Divestments full year adjustment		10.3	0.1
EBITDA for ratio calculation		**804.8**	**798.8**
Net interest-bearing debt		**- 2,295.6**	**- 2,266.3**
Derivative financial instruments (currency)		124.7	22.2
Credit replacement guarantees	8.8, 8.9	- 119.0	- 107.8
-/- Subordinated loans		- 94.1	- 87.0
-/- Others		–	- 4.1
Senior net debt for ratio calculation		**- 2,195.8**	**- 2,260.8**
Financial ratios			
Senior net debt : EBITDA		2.73	2.83
Interest cover [1]		7.7	8.9

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

The fair value of the interest-bearing loans is disclosed in note 8.9.

Interest-bearing loans by currency

	Local currency		Euro	
In millions	2015	2014	2015	2014
Euro (EUR)	184.1	337.5	184.1	337.5
US dollar (USD)	1,827.9	1,906.2	1,677.9	1,569.8
Pound sterling (GBP)	35.0	35.0	47.6	45.1
Canadian dollar (CAD)	25.0	25.0	16.7	17.8
Singapore dollar (SGD)	350.0	365.0	227.5	227.7
Japanese yen (JPY)	20,000.0	20,000.0	153.1	138.1
Total			**2,306.9**	**2,336.0**

The interest-bearing loans mainly consist of unsecured Private Placements (PPs) in the US and Asian market. The US PPs consist of various financing programs entered into in 2001, 2007, 2009 and 2012. The Revolving Credit Facility (RCF) amount to EUR 1.0 billion, of which EUR 100 million had been drawn at year-end 2015. For further details on currency and interest rate risks, please see notes 5.7 and 5.8 and 8.9.

Average remaining maturities and main covenant ratios

	USPPs	Other PPs	RCFs and other long-term loans	Total
Amount drawn at 31 December 2015 (in EUR millions)	1,812.2	299.3	195.4	2,306.9
Average remaining terms (in years)	7.3	13.8	3.3	7.8
Required ratios				
Senior net debt : EBITDA (maximum)	3.75	3.75	3.75	
Interest cover (minimum) [1]	3.50	3.50	3.50	

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

With a Senior net debt : EBITDA ratio of 2.73 and an interest cover ratio of 7.7, Vopak comfortably met the applicable financial ratios as at 31 December 2015.

The loans mentioned in the table above include bank loan facilities of Vopak Terminals Singapore Pte Ltd. (VTS) for the amount of SGD 200 million, comprising of a fully drawn fixed-interest rate loan of SGD 100 million and a Revolving Credit Facility of SGD 100 million. Of the latter facility SGD 25 million is drawn. These loans are provided on the basis of VTS's credit standing and is subject to a Debt : Equity ratio, which may not exceed 1.5 : 1; the ratio between EBITDA and the net finance costs should amount at least 4 : 1; and shareholders' equity must amount to at least SGD 250.0 million. These ratios were also comfortably met. The unused amount of this bank loan facility amounts to SGD 75 million per year-end 2015.

Cash and cash equivalents

In EUR millions	2015	2014
Cash and bank	91.1	102.5
Short-term deposits	18.8	79.5
Total	**109.9**	**182.0**

Cash and cash equivalents include all cash balances and short-term deposits, which are immediately redeemable. The effective interest rate on short-term deposits at year-end 2015 was 1.84% (2014: 0.5%); these deposits have an average term of 64 days (2014: 28 days) and are subject to limited value changes.

The reconciliation with the Consolidated Statement of Cash Flow and the net debt reconciliation is as follows:

In EUR millions	2015	2014
Cash and cash equivalents	109.9	182.0
Bank overdrafts	- 42.6	- 43.4
Total	**67.3**	**138.6**

The cash and cash equivalents were at the free disposal of the Group as at 31 December 2015 as well as at 31 December 2014.

Note 5.6 Liquidity risk

The primary objective of liquidity management is providing sufficient cash and cash equivalents at all times to enable Vopak to meet its payment obligations.

Vopak is a capital-intensive company. The financing policy is directed at establishing and maintaining an optimal financing structure that takes due account of the current asset base and the current and future investment program. Vopak seeks access to the capital markets and flexibility at acceptable finance costs. The liquidity requirements are monitored continuously and funding is planned in such a way as to avoid excessive short-term financing needs. The long-term liquidity risk is assessed prior to every major investment obligation and the current financing policy is reviewed on the basis of this assessment and adjusted where necessary. The Group works actively to maintain and further develop the already established diversified funding base, with regard to the number of markets and the number of investors.

Global Treasury acts as an in-house bank that allocates funds, which are raised centrally, internally within the Group. Surplus cash held by the operating entities over and above balances required for working capital management is transferred to Global Treasury and operating companies are funded by a combination of equity and inter-company loans. An exception to this are the bank loans of Vopak Terminals Singapore Pte. Ltd. (SGD 200 million, of which SGD 75 million unused), which was raised locally. Joint ventures and associates, where possible, are funded optimally with debt on a non-recourse basis for Vopak, with account being taken of local circumstances and contractual obligations. Active cash management is a daily responsibility and the liquidity requirements are identified each quarter based on thorough scenario planning. Global Treasury invests surplus cash in interest-bearing current accounts and deposit accounts.

The current EUR 1.0 billion revolving credit facility (RCF) provides flexibility to finance Vopak´s long-term growth strategy. Of this RCF, EUR 100 million was used at year-end 2015. At 31 December 2015, the Group also had unused lines of credit of EUR 147 million that are available to meet short-term liquidity needs. There are no significant restrictions on the use of these facilities.

The next table analyses the Group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. Derivative financial instruments are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The table also analyzes the maturity profile of financial assets in order to provide a complete view of the contractual commitments and liquidity. The amounts disclosed in the table are the contractual undiscounted cash flows. The financial guarantees and securities (see note 8.8) are included for their full amount and it is assumed that these can be called within one year.

	< 1 year		1-2 years		2-5 years		> 5 years	
In EUR millions	2015	2014	2015	2014	2015	2014	2015	2014
Cash and cash equivalents	109.9	182.0	–	–	–	–	–	–
Trade and other receivables	232.0	263.9	–	–	–	–	–	–
Loans to joint ventures and associates	85.9	9.6	–	–	–	19.6	2.0	2.0
Other loans	–	1.2	–	–	–	–	7.8	1.8
Finance lease receivable	4.9	4.8	5.0	5.0	27.2	15.6	74.9	92.2
Total undiscounted financial assets (excluding gross settled derivatives)	**432.7**	**461.5**	**5.0**	**5.0**	**27.2**	**35.2**	**84.7**	**96.0**
Bank overdrafts	42.6	43.4	–	–	–	–	–	–
Redemption of interest-bearing loans	2.9	152.5	157.3	2.4	697.6	704.1	1,449.1	1,477.0
Short-term borrowings	56.0	68.9	–	–	–	–	–	–
Interest payments	100.8	90.2	98.0	88.6	242.1	244.4	317.8	347.7
Interest rate swaps	- 13.5	- 3.5	- 12.5	- 4.7	- 17.7	- 7.7	80.1	93.5
Trade and other creditors (excluding non-financial instruments)	164.2	203.9	–	–	–	–	–	–
Financial guarantees and securities	195.9	148.0	–	–	–	–	–	–
Total undiscounted financial liabilities (excluding gross settled derivatives)	**548.9**	**703.4**	**242.8**	**86.3**	**922.0**	**940.8**	**1,847.0**	**1,918.2**
Derivative financial instruments outflow	–	- 58.2	- 156.1	–	- 403.4	- 388.7	- 359.0	- 529.8
Derivative financial instruments inflow	–	62.0	184.1	–	483.4	413.3	375.7	523.8
Total undiscounted gross settled derivatives	**–**	**3.8**	**28.0**	**–**	**80.0**	**24.6**	**16.7**	**- 6.0**
Liquidity movements	**- 116.2**	**- 238.1**	**- 209.8**	**- 81.3**	**- 814.8**	**- 881.0**	**- 1,745.6**	**- 1,828.2**

The lenders have the right to demand complete repayment of the outstanding amounts in case any person or any group of persons acting together, except for the shareholders with a shareholding of more than 5% as per the end of 2010, acquires control of more than 50% of the voting rights of Koninklijke Vopak N.V. (Change of Control clause).

Note 5.7 Currency risk

The Group is exposed to foreign currency exchange risks arising mainly from the US dollar (USD) and Singapore dollar (SGD). Foreign currency exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

The primary objective of the currency risk policy is to protect the value of Vopak´s cash flows. Account is taken of future cash flows from investments and disposals as well as cash flows from operating and financing activities. Each quarter, currency risks are identified and the hedging strategy is reviewed and subsequently presented to the Executive Board for approval. The main derivative financial instruments used by the Group to hedge currency risks are forward exchange contracts and cross currency interest rate swaps.

The risks associated with commercial transaction positions arising from operating activities are limited for Vopak, since operating income and operating expenses are, as a rule, largely denominated in the same currency. However, in some countries (in particular, in Latin America), a substantial portion of the income flow is in US dollars whereas the operating expenses are denominated in local currencies. In these countries, the aim is to hedge the transaction risk naturally. Any material net transaction position can be hedged in full by means of forward exchange contracts.

The main foreign currency risk results from investments in foreign operations of which the net assets are exposed to foreign currency translation risk. The Group result is also impacted by translating the result of foreign currency operations, which is described in note 2.8.

Translation risk arising from the investments in foreign operations

Net investments in foreign activities are, in principle, hedged by loans in the same currency and forward exchange contracts, while applying hedge accounting. The amount of the hedge is determined mainly by the expected net financing position : EBITDA ratio of subsidiaries for the next three years and hedging costs. In certain situations, such as in the event of new investments, the decision may be made to hedge more than would be possible based on the optimal net financing position : EBITDA ratio. In such situations, the nominal value of the hedge might exceed the carrying amount of the underlying net investment. As was the case in the previous year, there were no hedges that exceeded the carrying amount of the underlying assets in the 2015 financial year.

Due to the Private Placements in foreign currency, the Group is exposed to currency risk. It is the Group's policy to hedge this exposure to leave the Group with no material risks by making use of foreign currency contracts and cross-currency swaps.

When applying hedge accounting, the effective part of the movements in fair value of the forward exchange contracts is recognized in the translation reserve (equity component) to the extent that they relate to the hedging of net investments in foreign activities. Reversal through the statement of income takes place proportionately if all or part of the underlying position is sold. Both the ineffective part and the interest component are recognized directly in the statement of income. All currency hedges for 2015 and 2014 were effective (between 80% and 125%).

The market value of the currency part of derivative financial instruments at 31 December 2015 and 31 December 2014 in order of maturity date is shown below:

		31 December 2015			31 December 2014		
In EUR millions	Maturity	Assets [1]	Liabilities [1]	Notional amount	Assets [1]	Liabilities [1]	Notional amount
Forward foreign currency contracts [2]	< 1 year	2.5	2.4	250.1	0.4	4.0	301.7
Total net investment hedges		**2.5**	**2.4**	**250.1**	**0.4**	**4.0**	**301.7**
Forward foreign currency contracts	< 1 year	14.0	5.7	931.0	3.9	5.4	533.8
Cross currency swaps [3]	< 1 year	–	–	–	3.7	–	58.2
Cross currency swaps [3]	1-5 years	108.0	–	559.5	24.6	–	388.7
Cross currency swaps [3]	> 5 years	39.9	23.3	359.0	29.2	35.3	529.8
Total cash flow hedges		**161.9**	**29.0**	**1,841.4**	**61.4**	**40.7**	**1,510.5**
Total derivative financial instruments		**164.4**	**31.4**	**2,091.5**	**61.8**	**44.7**	**1,812.2**

1. At fair value.
2. Foreign currency forwards accounted for as hedges on net investments.
3. Cross currency swaps accounted for as cash flow hedges are used to hedge currency (2015: USD 1 billion and JPY 16 billion; 2014: USD 1.1 billion and JPY 16 billion) on fixed debt denominated in foreign currency.

We refer to note 5.9 for a reconciliation between the amounts presented in the table above and the amounts recognized in the Consolidated Statement of Financial Position.

Sensitivity of exchange rate changes of financial instruments on net profit and equity

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. The sensitivity analysis for the main currencies and their positions at 31 December 2015 and 31 December 2014 shows how changes in exchange rates by 10% affect net profit and equity.

	Depreciation [1]		Appreciation [1]	
In EUR millions	Net profit	Equity	Net profit	Equity
31 December 2014				
USD	- 0.5	- 13.7	0.5	16.7
SGD	–	- 3.8	–	4.7
CNY	- 0.1	- 29.3	0.1	35.8
BRL	–	- 10.9	–	13.3
JPY	–	- 3.8	–	5.1
Total effect	**- 0.6**	**- 61.5**	**0.6**	**75.6**
31 December 2015				
USD	- 0.6	- 9.3	0.6	11.3
SGD	–	- 5.5	–	6.7
CNY	-	- 35.3	–	43.1
BRL	–	- 7.6	–	9.3
JPY	–	- 4.6	–	5.6
Total effect	**- 0.6**	**- 62.3**	**0.6**	**76.0**

1. Foreign currency against the euro.

Note 5.8 Interest rate risk

Vopak's policy on interest rate risks aims to control the net finance costs resulting from fluctuations in market interest rates, taking into account the long-term profile of the company. Fixed-rate debt results in fair value interest rate risk. Floating-rate debt results in cash flow interest rate risk. The specification of the total interest-bearing loans is disclosed in (see note 5.5). It is Vopak's long-term policy to manage its interest exposure to a level of fixed/floating within the bandwidth of the interest coverage ratio, which aims to optimize net finance expenses and reduce volatility on net result.

Interest rate swaps are used aiming at minimizing the interest rate risks associated with the financing of the group and at the same time optimizing the net interest costs. Interest rate risks are identified and possible hedges considered when obtaining or providing new financing.

As at 31 December 2015, taking account of interest rate swaps, 95% (2014: 84%) of the total interest-bearing loans of EUR 2,306.9 million (2014: EUR 2,336.0 million) was financed at a fixed interest rate with remaining terms of up to twenty-five years.

The CCIRS as described earlier under currency risks and risk management, are also part of the interest rate risk policy. The objective of these hedges is to restrict fluctuations in interest expenses due to changes in the currency exchange rates. The fair value changes relating to the fixed interest flows are recognized in equity under the revaluation reserve derivatives by means of hedge accounting (cash flow hedges). A loss of EUR 130.2 million, net of tax had been recognized in equity up to 31 December 2015 (see note 5.2).

All interest rate swaps were effective hedging instruments in 2015 and 2014 (between 80% and 125%).

The average fixed interest and the average floating interest on the interest-bearing loans at 31 December 2015 were respectively 4.4% (2014: 4.5%) and 0.8% (2014: 1.0%). The following statement provides insight into the interest repricing calendar for the interest-bearing loans at the statement of the financial position.

	31 December 2015			31 December 2014		
In EUR millions	Floating	Fixed	Total	Floating	Fixed	Total
< 1 year	–	- 2.9	- 2.9	- 107.5	- 39.2	- 146.7
1-2 years	–	- 157.3	- 157.3	–	- 1.5	- 1.5
2-3 years	- 100.0	- 145.5	- 245.5	–	- 134.0	- 134.0
3-4 years	–	- 185.4	- 185.4	- 250.0	- 139.7	- 389.7
4-5 years	- 16.3	- 250.4	- 266.7	–	- 153.6	- 153.6
> 5 years	–	- 1,449.1	- 1,449.1	–	- 1,488.3	- 1,488.3
Total [1]	**- 116.3**	**- 2,190.6**	**- 2,306.9**	**- 357.5**	**- 1,956.3**	**- 2,313.8**

1. Of which currency component derivatives amounts to EUR 124.7 million (2014: EUR 22.2 million).

The market value of the interest rate derivative financial instruments at 31 December 2015, including credit risk, and 31 December 2014 in order of maturity date are shown below:

		31 December 2015			31 December 2014		
In EUR millions	Maturity	Assets [1]	Liabilities [1]	Notional amount	Assets [1]	Liabilities [1]	Notional amount
Cross currency interest rate swaps [2]	< 1 year	–	–	–	0.1	–	58.2
Cross currency interest rate swaps [2]	1-5 years	1.0	13.6	559.5	0.4	13.0	388.7
Cross currency interest rate swaps [2]	> 5 years	–	84.3	359.0	–	112.3	529.8
Total cash flow hedges		**1.0**	**97.9**	**918.5**	**0.5**	**125.3**	**976.7**
Interest rate swaps [3]	< 1 year	–	–	–	–	0.8	41.8
Total fair value hedge		**–**	**–**	**–**	**–**	**0.8**	**41.8**
Total derivative financial instruments		**1.0**	**97.9**	**918.5**	**0.5**	**126.1**	**1,018.5**

1. At fair value.
2. Cross currency swaps accounted are used to hedge future cash flow interest rate risks (2015: USD 1 billion and JPY 16 billion; 2014: USD 1.1 billion and JPY 16 billion) on fixed debt denominated in foreign currency.
3. Interest rate swaps accounted for as cash flow hedges are used to hedge cash flow interest rate risk on floating debt (2014: SGD 67 million).

We refer to note 5.9 for a reconciliation between the amounts presented in the table above and the amounts recognized in the Consolidated Statement of Financial Position.

Sensitivity to changes in market interest rates

The sensitivity analysis shows how changes in market interest rates affect net profit and equity, assuming that all other variables remain constant. Due to the volatility of the market interest rates Vopak has used a fixed percentage of 25% as a reasonable change at year-end 2015 and year-end 2014.

		Increase 25%		Decrease 25%	
In EUR millions	Closing level 3-month	Net profit	Equity [1]	Net profit	Equity [1]
31 December 2014					
EUR	0.02%	- 0.7	32.9	0.7	- 24.0
USD	0.32%	- 0.2	- 20.1	0.1	20.7
SGD	0.38%	–	2.6	–	- 2.7
JPY	-0.05%	–	- 8.7	–	9.1
Total effect		**- 0.9**	**6.7**	**0.8**	**3.1**
31 December 2015					
EUR	-0.09%	- 0.3	27.4	0.3	- 28.9
USD	0.68%	- 0.1	- 17.1	0.1	17.6
SGD	1.13%	0.4	3.7	- 0.4	- 3.8
JPY	-0.22%	–	- 8.9	–	9.3
Total effect		**–**	**5.1**	**–**	**- 5.8**

1. Revaluation reserve derivatives through Other comprehensive income.

Note 5.9 Derivative financial instruments

In order to control the risks attached to fluctuations in foreign currencies and interest rates, Vopak uses derivative financial instruments in accordance with a financial policy approved by the Executive Board. This financial policy is designed to control the effects of such risks on cash flows, equity and results. No speculative positions are adopted.

The main derivative financial instruments used by the Group are forward exchange contracts, interest rate swaps and cross currency interest rate swaps.

Accounting policies

Derivative financial instruments are recognized in the statement of financial position on the transaction date and measured at fair value. Changes in fair value are recognized in the statement of income unless hedge accounting is applied. With respect to hedge accounting, Vopak makes a distinction between fair value hedges, cash flow hedges and hedges of net investments in foreign companies.

The Group only applies ***fair value hedge*** accounting for hedging fixed interest risk on loans drawn. If a fair value hedge is used, the hedging instrument is carried at fair value and the changes in fair value are taken to the statement of income. The hedged position is recognized at fair value to the extent that the movements in the fair value are caused by the hedged risk. These movements in value are likewise recognized directly in the statement of income.

A ***cash flow hedge*** is applicable for those derivatives qualifying and designated as hedge of the change in cash flows to be received or paid relating to a recognized asset or liability or a highly probable forecasted transaction. The effective parts of changes in the fair value of derivative financial instruments are recognized in other comprehensive income.

The profit or loss as a result of ineffectiveness and the interest component that is a result of the time value of money in the valuation of the derivative financial instrument are recognized directly in the statement of income. This also applies to the credit risks on derivatives, unless the cumulative change in the fair value of the hedging instrument is lower than the hedged item.

Amounts accumulated in equity are reclassified to profit or loss at the same date as the hedged transaction affects profit or loss or if the hedged transaction is no longer probable. The effects are shown under Finance costs. If the established agreement or the foreseeable transaction that is hedged results in the recognition of a non-financial asset, the accumulated gains or losses previously deferred in equity are reclassified from equity and recognized in the initial recognition of the asset or liability.

If a hedging instrument or the hedge relationship is terminated but the hedged transaction is still expected to take place, the accumulated gains or losses will remain in equity at that time and will subsequently be recognized in the statement of income when the previously hedged transaction takes place.

Net investments in foreign activities can be hedged (***net investment hedge***) by qualifying and designated derivative financial instruments, which are considered as cash flow hedges (see above). If a debt denominated in foreign currency hedges a net investment in a foreign operation in the same currency, the exchange differences due to translation of the net investment and the debt into euros are recognized in other comprehensive income, to the extent that the hedge is effective. The ineffective part is recognized in the statement of income under Finance costs. Accumulated exchange losses and gains in equity are reclassified at the time foreign activities are (partially) disposed of.

Key accounting estimates and judgments

The fair value of a derivative financial instrument not traded on active markets is measured as the present value of the expected future cash flows under the contract. In determining this value, a valuation model is used that is based on the interest rates and the exchange rates as at the end of the reporting period. We refer to note 8.9 for more information.

Reconciliation of derivative financial instruments

		31 December 2015			31 December 2014		
In EUR millions	Note	Assets	Liabilities	Total	Assets	Liabilities	Total
Currency part derivative financial instruments	5.7	164.4	31.4	133.0	61.8	44.7	17.1
Interest part derivative financial instruments	5.8	1.0	97.9	- 96.9	0.5	126.1	- 125.6
Total derivative financial instruments		**165.4**	**129.3**	**36.1**	**62.3**	**170.8**	**- 108.5**
Offsetting		- 29.5	- 29.5	–	- 34.8	- 34.8	–
Total		**135.9**	**99.8**	**36.1**	**27.5**	**136.0**	**- 108.5**
Non-current		119.4	91.7	27.7	19.4	125.8	- 106.4
Current		16.5	8.1	8.4	8.1	10.2	- 2.1
Total		**135.9**	**99.8**	**36.1**	**27.5**	**136.0**	**- 108.5**

The table above shows the effects of combining the currency part of the derivative financial instruments (see note 5.7) and the interest part of the derivative financial instruments (see note 5.8) as well as the offsetting applied on the individual contractual positions and a reconciliation to the statement of financial position.

Note 5.10 Net finance costs

Accounting policies

Interest income from granted loans and dividends from other financial assets (over whose financial and operating policies the Group has no significant influence) are presented under Interest and dividend income, using the effective interest method. Dividend income is recognized when the right to receive payment is established.

Finance costs consist of interest and exchange differences on loans drawn and of results on hedging instruments recognized in the statement of income. Interest expense is recognized in the period to which it relates, taking into account the effective interest rate.

Net finance costs

In EUR millions		2015		2014
Interest income		9.7		7.4
Dividends on other financial assets		1.0		0.5
Interest and dividend income		**10.7**		**7.9**
Interest expense		105.8		96.7
Capitalized interest		- 8.4		- 9.4
Interest component of provisions		0.6		1.3
Exchange differences on hedged items (no hedge accounting)		142.5		95.0
Derivative financial instruments:				
Fair value adjustments to derivative financial instruments (no hedge accounting)	- 134.5		- 92.6	
Fair value adjustments to interest rate swaps (fair value hedge)	–		- 0.5	
Fair value adjustments to loans (fair value hedge)	–		0.5	
Use of revaluation reserve derivatives (cash flow hedge)	- 5.8		- 1.0	
Interest component derivative financial instruments (net investment hedge)	7.3		2.8	
		- 133.0		- 90.8
Commitment fee		2.3		2.6
Write-off loan receivable		2.9		–
Other		3.2		2.3
Finance costs		**115.9**		**97.7**
Net finance costs		**105.2**		**89.8**

Capitalized interest during construction was subject to an average interest rate of 6.4% (2014: 5.1%).

Section 6 Governance

This section comprises notes related to Governance of the company, including Board Remuneration, External Auditor fees and transactions with related parties.

The following notes are presented in this section:

- 6.1 Remuneration of Board members
- 6.2 Long term incentive plans
- 6.3 Related parties
- 6.4 Fees paid to auditors appointed at the Annual General Meeting

Note 6.1 Remuneration of Board members

We refer to the Remuneration report for information regarding the remuneration of the Supervisory Board members and the Executive Board members.

Note 6.2 Long term incentive plans (LTIPs)

Starting from 2014, the Group operates the Long Term Share Plan (LTSP) 2014-2016 and the Long Term Cash Plan (LTCP) 2014-2016. As per 2015, the Group also operates the Long Term Share Plan (LTSP) 2015-2017 and the Long Term Cash Plan (LTCP) 2015-2017. The LTSPs consist of an equity-settled share-based compensation plans for 50% and cash-settled share-based compensation plans for 50%. The LTCPs are long term remunerations settled in cash.

Earlier equity-settled share-based compensation plans were vested and settled in prior years.

Accounting policies

Share-based compensation

For equity-settled share-based compensation plans, the fair value is determined at the date of granting and expensed in the statement of income based on the Group's estimate of the shares that eventually vest, with a corresponding adjustment directly in equity. For cash-settled share-based compensation plans, the fair value is determined at the date of granting and is remeasured at each reporting date until the liability is settled and is recognized over the vesting period as an expense to the extent to which participants have rendered services to date.

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 the 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 (such as profitability growth targets and remaining an employee of the Group over a specified time period).

Other types of remuneration

Long term remuneration settled in cash that depends on the development of the earnings per ordinary share (EPS) during a period of three years is allocated to these years based on the latest estimates of the EPS. Liabilities are remeasured at the end of each reporting period.

Costs of long term incentive plans

The costs of the long term incentive plans recognized through profit or loss are as follows:

In EUR thousands	LTSP 2015 equity-settled	LTSP 2015 cash-settled [1]	LTSP 2014 equity-settled	LTSP 2014 cash-settled [1]	Cash Plan	Total 2015	Total 2014
E.M. Hoekstra	93.7	77.0	280.3	324.8	–	775.8	288.1
J.P. de Kreij	63.4	52.1	174.9	202.7	–	493.1	179.5
F. Eulderink	60.3	49.6	166.4	192.9	–	469.2	167.3
Current members Executive Board	**217.4**	**178.7**	**621.6**	**720.4**	**–**	**1,738.1**	**634.9**
Other	**355.4**	**307.6**	**1,126.4**	**1,058.9**	**3,064.4**	**5,912.7**	**2,348.8**
Total	**572.8**	**486.3**	**1,748.0**	**1,779.3**	**3,064.4**	**7,650.8**	**2,983.7**

1. The total carrying amount of liabilities for cash-settled share-based payment at 31 December 2015 was EUR 3.2 million (31 December 2014: EUR 1.0 million).

For more information on the remuneration policy and the remuneration of the Executive Board and the Supervisory Board, we refer to the Remuneration report as included in the Governance and compliance chapter.

LTSP 2014 and LTSP 2015

The LTSP 2014 and the LTSP 2015 reward participants for the increase in Vopak's Earnings per Share (EPS) performance during the three-year performance period, respectively from 2014-2016 and 2015-2017, at a pre-set EPS target. If a considerable, ambitious improvement in the EPS has been achieved during the three-year performance period, a long term remuneration will be awarded that ranges from 0% to 120% per annum of the Chairman's average annual salary and for other Board members from 0% to 90% per annum for the LTSP 2014 and 0% to 97.5% per annum for the LTSP 2015. For key managers these annual percentages are 0% to 60% or 0% to 45% of the average annual salary.

LTCP 2014 and LTCP 2015

For senior managers who are not eligible to participate under the LTSP but who contribute significantly to the company´s shareholder value, three-year Cash Plans have been granted. The LTCP 2014-2016 and the LTCP 2015-2017 provide 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.

Movements in the number of conditional awards

In numbers	E.M. Hoekstra	J.P. de Kreij	F. Eulderink	Other	Total
Outstanding at 1 January 2014	**21,390**	**36,646**	**16,996**	**195,408**	**270,440**
Vested	- 21,390	- 36,646	- 16,996	- 195,408	- 270,440
Newly awarded	35,080	21,924	20,420	128,626	206,050
Outstanding at 31 December 2014	**35,080**	**21,924**	**20,420**	**128,626**	**206,050**
Vested	–	–	–	–	–
Change in expected average salary [1]	- 202	- 148	162	3,974	3,786
Forfeited	–	–	–	- 15,806	- 15,806
Newly awarded	12,496	8,446	8,040	52,080	81,062
Outstanding at 31 December 2015	**47,374**	**30,222**	**28,622**	**168,874**	**275,092**

1. The conditional awards under the LTSPs are based on an average salary over the 3-year performance period. The estimated average salaries are updated annually, which could result in an increase or decrease of the number of conditional awards at target level.

Valuation and cost allocation

In EUR thousands	Conditional awards [1] Number	Value at grant	Number of expected shares [2] Number	Value at vesting	Value for cost allocation	Allocated cost to [3] 2015	2014
E.M. Hoekstra							
LTSP 2015, equity-settled (conditional)	6,248	242.0	6,123	NA	281.2	93.7	–
LTSP 2015, cash-settled (conditional)	6,248	242.0	6,123	NA	231.0	77.0	–
LTSP 2014, equity-settled (conditional)	17,439	708.7	18,834	NA	611.2	280.3	127.1
LTSP 2014, cash-settled (conditional)	17,439	708.7	18,834	NA	730.0	324.8	161.9
LTSP 2010, cash-settled (vested and settled in 2014)	9,276	276.5	2,712	114	115.3	-	- 0.9
	56,650	**2,177.9**	**52,626**	**114**	**1,968.7**	**775.8**	**288.1**
J.P. de Kreij							
LTSP 2015, equity-settled (conditional)	4,223	163.6	4,139	NA	190.1	63.4	–
LTSP 2015, cash-settled (conditional)	4,223	163.6	4,139	NA	156.2	52.1	–
LTSP 2014, equity-settled (conditional)	10,888	442.5	11,759	NA	381.6	174.9	79.4
LTSP 2014, cash-settled (conditional)	10,888	442.5	11,759	NA	455.8	202.7	101.2
LTSP 2010, cash-settled (vested and settled in 2014)	9,181	269.1	3,174	134	135.0	-	- 1.1
	39,403	**1,481.3**	**34,970**	**134**	**1,318.7**	**493.1**	**179.5**
F. Eulderink							
LTSP 2015, equity-settled (conditional)	4,020	155.7	3,940	NA	180.9	60.3	–
LTSP 2015, cash-settled (conditional)	4,020	155.7	3,940	NA	148.7	49.6	–
LTSP 2014, equity-settled (conditional)	10,291	418.2	11,114	NA	360.6	166.4	74.0
LTSP 2014, cash-settled (conditional)	10,291	418.2	11,114	NA	430.8	192.9	94.2
LTSP 2010, cash-settled (vested and settled in 2014)	8,498	247.9	2,531	107	107.6	–	- 0.9
	37,120	**1,395.7**	**32,639**	**107**	**1,228.6**	**469.2**	**167.3**
Current members Executive Board	**133,173**	**5,054.9**	**120,235**	**355**	**4,516.0**	**1,738.1**	**634.9**
Other senior executives							
LTSP 2015, equity-settled (conditional)	24,981	967.5	24,482	NA	1,067.2	355.4	–
LTSP 2015, cash-settled (conditional)	24,981	967.5	24,482	NA	923.7	307.6	–
LTSP 2014, equity-settled (conditional)	59,456	2,416.3	64,212	NA	2,558.8	1,126.4	569.6
LTSP 2014, cash-settled (conditional)	59,456	2,416.3	64,212	NA	2,488.9	1,058.9	590.7
LTSP 2010, equity-settled (vested and settled in 2014)	84,729	2,720.1	15,033	634	450.1	–	44.0
LTSP 2010, cash-settled (vested and settled in 2014)	84,729	2,720.1	14,699	620	634.6	–	- 14.6
SMP 2009 (vested and settled in 2014)	25,950	388.3	23,629	997	362.6	–	115.6
Others	**364,282**	**12,596.1**	**230,749**	**2,251**	**8,485.9**	**2,848.3**	**1,305.3**
Total LTIPs	**497,455**	**17,651.0**	**350,984**	**2,606**	**13,001.9**	**4,586.4**	**1,940.2**
Of which vested and settled in 2014	- 222,363	- 6,622.0	- 61,778	- 2,606	-1,805.2	–	- 142.1
Of which vested and settled in 2015	–	–	–	–	–	–	–
Outstanding LTIPs 31 December 2015	**275,092**	**11,029.0**	**289,206**	**–**	**11,196.7**	**4,586.4**	**1,798.1**

1. On a target level of 100%. For the LTSPs based on the average salary over the vesting period since date of appointment, the value at grant is the conditional number of shares multiplied by the average share price at grant date.
2. The value for cost allocation for the equity-settled LTSPs is based on the number of expected or vested shares and multiplied by the fair value per share award at grant date, which has been reduced with the expected discounted future dividends payable during the respective vesting periods since the holders of shares are not entitled to receive dividends during the vesting period. The value for cost allocation for the cash-settled LTSPs is based on the number of expected or vested shares and multiplied by the fair value per award at reporting date minus discounted expected future dividend payments. Expected dividends have been applied in accordance with the dividend policy of the company. The estimated vesting percentages of the LTSPs are based on a Monte Carlo simulation scenario analysis.
3. The (fair) value of the employee services received in exchange for the awards is recognized rateably over the vesting period of the plan.

Note 6.3 Related parties

Transactions with Supervisory Board members and Executive Board members

For the remuneration of Supervisory Board members and Executive Board members, the key management of the Group, please refer to the sections Remuneration Supervisory Board and Actual remuneration 2015 of the remuneration report, which are deemed part of these financial statements.

No loans, advances or guarantees have been provided to current or former members of the Supervisory Board and/or the Executive Board.

For both years presented, the Group has not conducted any transactions with companies in which Executive Board members and/or persons closely related to them have a significant financial interest.

Transactions with joint ventures and associates

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

	Joint ventures		Associates		Total	
In EUR millions	2015	2014	2015	2014	2015	2014
Other operating income	15.4	13.3	0.7	0.6	16.1	13.9
Interest income on borrowings to	0.6	0.5	0.3	–	0.9	0.5
Amounts owed by	2.0	31.2	85.9	–	87.9	31.2

Transactions with major shareholders

Besides dividend distribution and the repayment of share premium to the financing preference shareholders, no related party transactions have been entered into with the major shareholders during the year.

Vopak has been informed by HAL Holding N.V. ('HAL'), that it is technically required for HAL to consolidate Vopak in its consolidated financial statements as from 1 January 2014. Accordingly, HAL has requested Vopak to provide detailed accounting information with respect to the consolidated financial statements in order for HAL to be able to consolidate Vopak in its consolidated statements. To facilitate HAL in complying with its obligations under IFRS 10, a Memorandum of Understanding was signed between Vopak and HAL with respect to confidentiality, the process of exchanging information, subsequent events procedures and attendance rights to the Audit Committee meetings for an independent financial expert on behalf of HAL.

Transactions with pension funds

Related party transactions with Vopak's pension funds are presented in note 8.4.

Note 6.4 Fees paid to auditors appointed at the Annual General Meeting

The fees listed in the table below relate to the procedures applied to the company and its consolidated group entities by Deloitte Accountants B.V. (2014: PricewaterhouseCoopers Accountants N.V.), The Netherlands, the external auditor as referred to in Section 1(1) of the Dutch Accounting Firms Oversight Act (Dutch acronym: Wta), as well as by other Dutch and foreign-based Deloitte (2014: PricewaterhouseCoopers) individual partnerships and legal entities, including their tax services and advisory groups.

In EUR millions	2015	2014
Financial statements audit fees	1.1	1.3
Other assurance fees	–	0.1
Tax fees	–	0.1
Total	**1.1**	**1.5**

The financial statements audit fees include the aggregate fees in each of 2015 and 2014 for professional services rendered for the audit of Vopak's annual financial statements and annual statutory financial statements of subsidiaries or services that are normally provided by the auditor in connection with the audits.

The other assurance fees include the aggregate fees invoiced for assurance and services for other audit services, which generally only the company's independent auditor reasonably can provide, such as comfort letters.

In line with the Dutch independence legislation, no tax advisory and compliance services were provided in 2015.

The total fees of Deloitte Accountants B.V. (2014: PricewaterhouseCoopers Accountants N.V.), The Netherlands, charged to the company and its consolidated group entities amounted to EUR 0.5 million in 2015 (2014: EUR 0.7 million).

Section 7 Income taxes

This section comprises all relevant disclosures and specifications regarding tax recognized in the consolidated financial statements.

The following notes are presented in this section:
- 7.1 Income taxes
- 7.2 Deferred taxes

Note 7.1 Income taxes

Accounting policies

Taxes on profit or loss for the financial year comprise current and deferred taxes. Taxes are recognized in the statement of income unless they relate to items directly recognized in equity through other comprehensive income.

Current taxes are the expected taxes payable on the taxable income for the year, using tax rates enacted at the end of the reporting period, plus any adjustments to prior-year tax payable.

Deferred taxes are provided for, using the liability method, whereby provisions are made for all taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. No deferred taxes are provided for the following temporary differences: goodwill not deductible for tax purposes; the initial recognition of assets and liabilities that neither affect accounting nor taxable profit; and differences relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future. The calculation is based on tax rates enacted or substantively enacted, as at the end of the reporting period.

Deferred tax assets, including assets arising from losses carried forward, are recognized to the extent that it is probable that future taxable profits will be available against which these temporary differences or unused tax losses can be utilized. Deferred tax assets and liabilities are stated at nominal value.

The Group recognizes liabilities 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.

A provision is formed for tax, principally regarding withholding tax, for which a liability might arise in connection with the distribution of retained earnings if a decision has been made to distribute such earnings.

Income tax recognized in the statement of income

In EUR millions	2015	2014
Current taxes		
Current financial year	100.6	59.1
Adjustments for prior years	1.0	1.2
	101.6	**60.3**
Deferred taxes		
Adjustments for prior years	- 3.9	1.5
Temporary differences	4.6	16.0
Recognition of tax losses and tax credits	15.7	4.9
Changes in tax rates	- 0.7	0.4
	15.7	**22.8**
Tax on profit	**117.3**	**83.1**

In 2015 EUR 35.3 million of exceptional expenses were recognized in the income tax expenses (2014: EUR 7.7 million). These exceptional expenses relate for EUR 21.9 million (2014: EUR 7.7 million) to the tax effects on the exceptional items included in the profit before tax. The remainder of EUR 13.4 million relates to the derecognition of deferred tax assets for which management has assessed that, based on the current facts and circumstances, it is per year-end 2015 not likely that these assets will be realized in the near future.

Reconciliation of effective tax rate

In EUR millions	2015		2014	
Profit before income tax		444.0		378.7
Tax on profit		117.3		83.1
Effective tax rate		**26.4%**		**21.9%**
Composition:	*Amount*	*%*	*Amount*	*%*
Weighted average statutory tax rate	122.4	27.5	89.1	23.5
Participation exemption	- 23.2	- 5.2	- 17.4	- 4.6
Non-deductible expenses	14.2	3.2	8.4	2.2
Changes in tax ratesw	- 0.7	- 0.2	0.4	0.1
Recognition of tax losses and tax credits	14.9	3.4	5.5	1.5
Tax facilities	- 4.1	- 0.9	- 1.8	- 0.5
Movements in prior-year taxes	- 2.8	- 0.6	2.8	0.7
Other effects	- 3.4	- 0.8	- 3.9	- 1.0
Effective tax (rate)	**117.3**	**26.4**	**83.1**	**21.9**

The income tax expense for 2015 amounted to EUR 117.3 million (2014: EUR 83.1 million). The effective tax rate increased from 21.9% in 2014 to 26.4% in 2015. This increase was mainly due to the effects of the exceptional items, of which the impairments and the divestment of the US terminals were the largest contributors. Excluding exceptional items, the effective tax rate for 2015 was 18.1% (2014: 20.9%).

Income tax recognized in other comprehensive income

In EUR millions	Note	2015	2014
On changes in the value of cash flow hedges	5.2	8.4	- 14.9
On exchange differences and hedges	5.2	- 3.2	- 2.6
On use of cash flow hedges	5.2	- 1.4	- 0.2
On use of exchange differences and hedges	5.2	0.7	–
On remeasurements of defined benefit plans		23.8	- 39.4
Total		**28.3**	**- 57.1**

Note 7.2 Deferred taxes

Key accounting estimates and judgments

Deferred tax assets, including those arising from carry-forward losses, are recognized if it is likely that taxable profit is available against which losses can be set off. In determining this, Vopak uses estimates and assumptions that also affect the measurement of the deferred tax assets. A maturity schedule of the unrecognized carry-forward losses is shown on the next page.

Deferred tax assets and liabilities

The deferred tax assets and liabilities were allocated as follows:

In EUR millions	Carry forward losses	Property, plant and equipment	Loans granted	Employee benefits	Other	Other	Offset assets and liabilities	Statement of financial position
		Temporary differences						
Assets	9.9	14.7	0.4	14.1	27.3	0.8	- 47.0	20.2
Liabilities	–	- 226.7	- 5.3	- 1.0	- 16.2	–	47.0	- 202.2
Balance 31 December 2013	**9.9**	**- 212.0**	**- 4.9**	**13.1**	**11.1**	**0.8**	**–**	**- 182.0**
Movements:								
- Statement of income	- 3.4	- 9.8	- 0.4	3.9	- 11.0	- 2.1		- 22.8
- Other comprehensive income	–	–	–	39.4	15.8	- 0.2		55.0
- Acquisitions/divestments	–	- 5.4	–	–	- 1.3	–		- 6.7
- Exchange differences	–	- 21.0	–	1.1	5.9	0.2		- 13.8
Balance 31 December 2014	**6.5**	**- 248.2**	**- 5.3**	**57.5**	**20.5**	**- 1.3**		**- 170.3**
Assets	6.5	11.3	–	58.7	38.8	- 1.3	- 61.3	52.7
Liabilities	–	- 259.5	- 5.3	- 1.2	- 18.3	–	61.3	- 223.0
Balance 31 December 2014	**6.5**	**- 248.2**	**- 5.3**	**57.5**	**20.5**	**- 1.3**	**–**	**- 170.3**
Movements:								
- Statement of income	- 1.9	- 11.0	5.6	2.8	0.1	- 11.3		- 15.7
- Other comprehensive income	–	0.2	–	- 23.8	- 4.7	–		- 28.3
- Acquisitions/divestments	–	18.6	–	- 2.4	1.2	–		17.4
- Reclassification	–	–	–	–	–	13.4		13.4
- Exchange differences	–	- 10.4	0.5	1.4	- 0.4	0.1		- 8.8
Balance 31 December 2015	**4.6**	**- 250.8**	**0.8**	**35.5**	**16.7**	**0.9**		**- 192.3**
Assets	4.6	7.7	0.8	35.5	32.3	0.9	- 67.9	13.9
Liabilities	–	- 258.5	–	–	- 15.6	–	67.9	- 206.2
Balance 31 December 2015	**4.6**	**- 250.8**	**0.8**	**35.5**	**16.7**	**0.9**	**–**	**- 192.3**

Deferred tax assets and liabilities are offset against each other to the extent that this is a legally enforceable right and the deferrals belong to the same fiscal unit. The decision to account for deferred tax assets is taken annually for each fiscal unit after critically assessing whether conditions are sufficient to realize these deferred tax assets, based on the strategic plans and related tax plans.

In determining the deferred tax liabilities, withholding tax and any other tax due for unremitted earnings of subsidiaries were not recognized. These earnings have been permanently reinvested.

Deferred tax assets not recognized in the consolidated statement of financial position

Carry-forward losses for which deferred tax assets have not been recognized amounted to EUR 57.5 million at 31 December 2015 (2014: EUR 47.9 million). The maturity schedule is as follows:

In EUR millions	2016	2017	2018	2019	2020+	unlimited	Total
Offsettable carry-forward losses	6.5	5.0	12.4	3.6	15.0	15.0	57.5

Deferred tax assets regarding carry-forward losses have not been recognized because it is not probable that sufficient taxable profit will be available to utilize the deferred tax asset in time.

Section 8 Other disclosures

This section provides details on items which are not included in other sections, but which are of statutory or secondary importance for understanding the financial performance of the Group due to their nature. A list of principal subsidiaries, joint ventures and associates of the Vopak Group is also included in this section.

The following notes are presented in this section:

- 8.1 Earnings per ordinary share
- 8.2 Loans granted and finance lease receivables
- 8.3 Other non-current assets
- 8.4 Pensions and other employee benefits
- 8.5 Provisions
- 8.6 Operating leases
- 8.7 Investment commitments undertaken
- 8.8 Contingent assets and contingent liabilities
- 8.9 Financial assets and liabilities and credit risk
- 8.10 New standards and interpretations not yet implemented
- 8.11 Principal subsidiaries, joint ventures and associates
- 8.12 Subsequent events

Note 8.1 Earnings per ordinary share

Basic earnings per ordinary share are calculated by dividing the net profit attributable to holders of ordinary shares by the time-weighted average number of outstanding ordinary shares (excluding the average number of treasury shares). The weighted average number of outstanding shares was 127,622,305 in 2015 (2014: 127,515,368).

In calculating the diluted earnings per ordinary share, the weighted average number of outstanding shares is adjusted for the dilutive effects of all dilutive potential ordinary shares, such as share-based payment plans.

The composition of the weighted average number of outstanding shares and of the diluted weighted average number of outstanding shares is as follows:

In thousands	Note	2015	2014
Outstanding ordinary shares at 1 January	5.1	127,625	127,433
Sale treasury shares	5.1	–	4
Purchase treasury shares	5.1	- 3	–
Vested shares under equity-settled share-based payment arrangements	6.2	–	78
Basic weighted average number of ordinary shares		**127,622**	**127,515**
Dilutive effect of LTSPs (equity-settled part)		140	61
Weighted average number of ordinary shares including dilutive effect		**127,762**	**127,576**

At 31 December 2015, the company owns 290,000 of treasury shares (2014: 210,000). When the vesting conditions of the equity-settled share-based payment plans are met, the settlement will result in an increase of the number of shares outstanding, which will have a dilutive effect. During 2015, no shares were vested (2014: 93,866 shares) and nil treasury shares were sold (2014: 98,534).

Note 8.2 Loans granted and finance lease receivable

In EUR millions	Note	Loans to joint ventures and associates 2015	Loans to joint ventures and associates 2014	Other loans 2015	Other loans 2014	Total loans granted 2015	Total loans granted 2014	Finance lease receivable 2015	Finance lease receivable 2014
Carrying amount at 1 January		**31.2**	**17.5**	**3.0**	**8.7**	**34.2**	**26.2**	**34.4**	**–**
Movements:									
Loans granted		95.3	11.5	6.6	3.1	101.9	14.6	–	–
Repayments		- 19.5	–	- 1.3	- 10.1	- 20.8	- 10.1	- 10.1	- 5.3
Reclassification to assets held for sale		- 23.5	–	–	–	- 23.5	–	–	–
Transfer from property, plant and equipment	3.2	–	–	–	–	–	–	–	35.9
Finance lease interest income		–	–	–	–	–	–	5.3	3.8
Effective interest		–	–	–	0.2	–	0.2	–	–
Exchange differences		4.4	2.2	- 0.5	1.1	3.9	3.3	- 0.3	–
Carrying amount at 31 December		**87.9**	**31.2**	**7.8**	**3.0**	**95.7**	**34.2**	**29.3**	**34.4**
Non-current receivables		2.0	21.6	7.8	1.8	9.8	23.4	29.3	34.4
Current receivables		85.9	9.6	–	1.2	85.9	10.8	–	–
Carrying amount at 31 December		**87.9**	**31.2**	**7.8**	**3.0**	**95.7**	**34.2**	**29.3**	**34.4**

Loans granted do not include any subordinated loans.

Please see note 8.9 for the fair value information and note 5.6 on the remaining period at the end of the reporting period to the contractual maturity date.

With respect to the loans granted and the finance lease receivables, which are neither impaired nor past due, there are no indications as of the reporting date that the debtors will not meet their payment obligations.

Note 8.3 Other non-current assets

The prepaid land use rights are allocated to the period to which they relate. The terms remaining at 31 December 2015 vary between 6 to 45 years.

Note 8.4 Pensions and other employee benefits

The majority of employees are covered by defined benefit plans, defined contribution plans or mandatory external pension plans. The defined benefit plans are plans that apply in The Netherlands, the United States, the United Kingdom, Germany and Belgium. An average-pay pension plan applies in The Netherlands, while the other countries mostly operate final-pay pension plans. Most of our defined benefit plans are administrated by pension funds separate from the company.

Accounting policies

Defined benefit plans

The Group's net pension obligation is calculated by an independent actuary, using the projected unit credit method. This calculation is performed separately for each plan by estimating the amount of the benefit that employees have earned in return for their past services. The liability recognized in the balance sheet is the present value of these defined benefits at the end of the reporting period (defined benefit obligations) less the fair value of plan assets. The defined benefit obligation is determined by discounting the estimated future cash flows using interest rates of high-quality corporate bonds with durations approximating the terms of the benefits.

The increase in the defined benefit obligation due to the passage of time and the expected return on plan assets, using the same interest rate as for the defined benefit obligation, are included in pension costs.

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

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past-service costs or the gain or loss on curtailment is recognized immediately in the statement of income under Personnel expenses.

Defined contribution plans
Contributions to defined contribution plans are recognized in the statement of income as incurred.

Key accounting estimates and judgments
The defined benefit obligation is determined on the basis of assumptions for future developments in variables such as salary increase, price index increase, life expectancy and discount rate. All assumptions are assessed at the reporting date. Changes in the assumptions may significantly affect the liabilities and pension costs under the defined benefit plans. The weighted average of these assumptions as well as sensitivities of key assumptions are disclosed in this note.

Pensions and other employee benefits

	The Netherlands		Foreign		Total	
in EUR millions	2015	2014	2015	2014	2015	2014
Funded defined benefit obligation	1,035.0	1,106.4	125.8	220.9	1,160.8	1,327.3
Fair value of plan assets	- 972.8	- 972.4	- 85.3	- 164.5	- 1,058.1	- 1,136.9
Deficit of funded plans	**62.2**	**134.0**	**40.5**	**56.4**	**102.7**	**190.4**
Unfunded defined benefit obligation	-	-	19.1	20.4	19.1	20.4
Total deficit of defined benefit plans	**62.2**	**134.0**	**59.6**	**76.8**	**121.8**	**210.8**
Net pension obligation under defined contribution plans	5.1	6.5	0.7	0.7	5.8	7.2
Net pension obligation recognized at 31 December	**67.3**	**140.5**	**60.3**	**77.5**	**127.6**	**218.0**
Current liabilities					1.5	1.7
Non-current liabilities					126.1	216.3
Net pension obligation recognized at 31 December					**127.6**	**218.0**

Due to legislative changes in the Netherlands, the early retirement schemes for employees born on or after 1 January 1950 were curtailed as per 1 January 2006. These employees were offered a defined contribution plan and a contribution to a life-cycle scheme instead. A provision was formed in 2006 for future contributions that correspond to the years of past service. The employer's contribution to this defined contribution plan amounted to EUR 2.9 million in 2015 (2014: EUR 3.4 million), of which EUR 1.5 million (2014: EUR 1.5 million) is compensated for by the release from the provision for the employer's contribution corresponding to years of past service.

Pension plan governance in the Netherlands
The Dutch pension fund *Stichting Pensioenfonds Vopak* holds 89% of the total defined benefit obligation. Plan participants are insured against the consequences of old age, disability and death. The employer and the employees each 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 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. This Act sets out the minimum requirements for the financial position of a pension fund, such as the minimum funding level. The Financial Assessment Framework had been strengthened as per 1 January 2015, for example by increased buffer requirements. A pension fund's financial position is reflected mainly in the funding level. This expresses the relationship between the fund's assets and the present value of the pensions to be paid in the future (pension liabilities), averaged over the last twelve months. 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 the before mentioned factors *Stichting Pensioenfonds Vopak* had a funding level of 121.4% at year-end 2014. The funding level at 31 December 2015 was calculated preliminary at 116.5%. 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 regulators *Authority for Financial Markets* (AFM) and *De Nederlandsche 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 level less than 105%) or the pension fund holds insufficient buffers (funding level of less than 119% for the Dutch pension fund), the fund must submit a recovery plan to the DNB. At year-end 2015, the fund holds insufficient buffers and has prepared a recovery plan. The recovery plan does not include additional contributions by the employer.

The assets are managed by independent asset managers who also execute the investment transactions.

Based on the risk analysis method of the DNB the risks and monitoring controls for the pension fund were analyzed. The risks of market-related fluctuations in the value of plan assets are managed by means of a prudent investment strategy and by monitoring. The investment strategy is determined in line with liabilities and local practice and derives from an asset-liability study executed in consultation with external advisors. In order to match liabilities, interest rate hedging and currency hedging strategies have been implemented and in order to stabilize returns, diversification is pursued. The monitoring covers for example risks related to interest rates, equities, currencies, credits and insurance.

On a local basis, cash contributions may be needed if local funding levels deteriorate. Taking into account the amended pension plan and Financial Assessment Framework as per 1 January 2015, the funding agreement between the pension fund and the employer was renegotiated in 2015. According to the new agreement the employer's contribution is limited to a maximum of 25% (formerly 30%) of total pensionable salaries.

Recognized cost of defined benefit plans

The following table summarizes the effects of the pension expenses of defined benefit plans recorded in the consolidated statement of income and the remeasurements of these plans which were directly recognized in equity through other comprehensive income.

		The Netherlands		Foreign		Total	
in EUR millions	Note	2015	2014	2015	2014	2015	2014
Current service costs		23.6	14.5	7.8	5.5	31.4	20.0
Past service costs and gains (-) and losses from settlements		–	3.3	–	–	–	3.3
Administration costs and taxes		1.0	1.0	0.2	–	1.2	1.0
Service costs		**24.6**	**18.8**	**8.0**	**5.5**	**32.6**	**24.3**
Net Interest expenses		2.5	- 0.1	2.2	1.5	4.7	1.4
Components of defined benefit costs recorded in profit or loss	2.5	**27.1**	**18.7**	**10.2**	**7.0**	**37.3**	**25.7**
Remeasurement of net defined benefit liability:							
Return on plan assets (excluding interest income on plan assets)		- 5.8	- 112.8	4.6	- 9.1	- 1.2	- 121.9
Actuarial gains (-) and losses from changes in demographic assumptions		–	6.5	5.4	5.8	5.4	12.3
Actuarial gains (-) and losses arising from experience		- 5.6	3.1	- 3.6	0.9	- 9.2	4.0
Actuarial gains (-) and losses arising from changes in financial assumptions		- 76.1	229.8	- 14.9	29.6	- 91.0	259.4
Components of defined benefit costs recorded in other comprehensive income		**- 87.5**	**126.6**	**- 8.5**	**27.2**	**- 96.0**	**153.8**
Total of components of defined benefit costs		**- 60.4**	**145.3**	**1.7**	**34.2**	**- 58.7**	**179.5**

As of 1 January 2015, the Dutch pension plan has been adapted taking into account further limitations of tax advantages for pension plans. The changes include a postponement of the pensionable age to 67 and increases of the pension accrual. This resulted in a past service cost of EUR 3.3 million in 2014.

Market volatility had a positive impact on the Group's defined benefit plans in 2015, which resulted in remeasurement gains (gross) of EUR 96.0 million (2014: loss of EUR 153.8 million), being recorded, net of tax, in other comprehensive income. These remeasurements were mostly the result of higher discount rates and lower inflation.

Change in defined benefit obligation

in EUR millions	The Netherlands 2015	The Netherlands 2014	Foreign 2015	Foreign 2014	Total 2015	Total 2014
Defined benefit obligation at 1 January	**1,106.4**	**856.5**	**241.3**	**181.5**	**1,347.7**	**1,038.0**
Movements:						
Current service costs	23.6	14.5	7.8	5.5	31.4	20.0
Past service costs	–	3.3	–	–	–	3.3
Interest expenses	22.9	28.7	8.8	7.8	31.7	36.5
Actuarial gains (-) and losses from changes in demographic assumptions (remeasurement)	–	6.5	5.4	5.8	5.4	12.3
Actuarial gains (-) and losses from experience	- 5.6	3.1	- 3.6	0.9	- 9.2	4.0
Actuarial gains (-) and losses from changes in financial assumptions (remeasurement)	- 76.1	229.8	- 14.9	29.6	- 91.0	259.4
Benefits paid from the pension fund	- 38.4	- 38.2	- 6.3	- 5.3	- 44.7	- 43.5
Benefits paid directly by the employer	–	–	- 1.8	- 1.9	- 1.8	- 1.9
Employees' contributions	1.2	1.2	0.5	0.4	1.7	1.6
Administration costs and taxes	1.0	1.0	0.2	–	1.2	1.0
Curtailment due to divestments	–	–	- 1.1	–	- 1.1	–
Reclassification to held for sale	–	–	- 107.7	–	- 107.7	–
Exchange differences	–	–	16.3	17.0	16.3	17.0
Defined benefit obligation at 31 December	**1,035.0**	**1,106.4**	**144.9**	**241.3**	**1,179.9**	**1,347.7**
Allocated to the plans' participants:						
Active members	328.4	354.3	59.1	113.9	387.5	468.2
Deferred members	188.7	209.2	35.7	49.1	224.4	258.3
Pensioners	517.9	542.9	50.1	78.3	568.0	621.2
Defined benefit obligation at 31 December	**1,035.0**	**1,106.4**	**144.9**	**241.3**	**1,179.9**	**1,347.7**

Change in the fair value of plan assets and major classes of plan assets

The following tables summarize the changes in the fair value of the defined plan assets and the composition of the characteristics/main elements of the plan assets at 31 December.

	The Netherlands		Foreign		Total	
in EUR millions	2015	2014	2015	2014	2015	2014
Movement in fair value of plan assets						
Fair value of plan assets at 1 January	**972.4**	**846.4**	**164.5**	**134.2**	**1,136.9**	**980.6**
Movements:						
Interest income	20.4	28.8	6.6	6.3	27.0	35.1
Return on plan assets excluding interest income (remeasurement gains and losses)	5.8	112.8	- 4.6	9.1	1.2	121.9
Employer's contributions	11.4	21.4	9.4	8.3	20.8	29.7
Employees' contributions	1.2	1.2	0.5	0.4	1.7	1.6
Benefits paid	- 38.4	- 38.2	- 8.1	- 7.2	- 46.5	- 45.4
Reclassification to held for sale	–	–	- 95.3	–	- 95.3	–
Exchange differences	–	–	12.3	13.4	12.3	13.4
Fair value of plan assets at 31 December	**972.8**	**972.4**	**85.3**	**164.5**	**1,058.1**	**1,136.9**
Major classes of plan assets						
AAA	235.0	116.9	10.1	7.5	245.1	124.4
AA	121.1	182.3	6.2	11.2	127.3	193.5
A	49.1	136.1	15.9	40.0	65.0	176.1
BBB and lower	141.8	145.7	17.9	34.1	159.7	179.8
Not rated	56.8	38.0	1.1	1.2	57.9	39.2
Bonds	**603.8**	**619.0**	**51.2**	**94.0**	**655.0**	**713.0**
- Europe	82.0	81.5	7.2	35.6	89.2	117.1
- North America	123.9	120.7	26.1	27.4	150.0	148.1
- Asia-Pacific	38.5	40.2	0.6	1.8	39.1	42.0
- Emerging markets	64.1	64.4	0.2	0.2	64.3	64.6
Equity instruments	**308.5**	**306.8**	**34.1**	**65.0**	**342.6**	**371.8**
- Europe	29.7	32.6	–	5.5	29.7	38.1
- North America	17.0	–	–	–	17.0	–
- Asia-Pacific	8.0	–	–	–	8.0	–
- Emerging markets	2.0	–	–	–	2.0	–
Real estate	**56.7**	**32.6**	**–**	**5.5**	**56.7**	**38.1**
- Interest rate swaps	14.9	18.5	–	–	14.9	18.5
- Forward foreign exchange contracts	- 11.1	- 4.5	–	–	- 11.1	- 4.5
Derivatives	**3.8**	**14.0**	**–**	**–**	**3.8**	**14.0**
Fair value of plan assets at 31 December	**972.8**	**972.4**	**85.3**	**164.5**	**1,058.1**	**1,136.9**

Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

Government Bonds generally have a credit rating that is no lower than 'A' and have quoted market prices in an active market (level 1 fair value classification). Corporate bonds are generally categorized in level 2 of the fair value hierarchy. Equity instruments represent investments in equity funds and direct investments. They generally are based on quoted market prices in an active market (level 1 fair value classification). Real estate consists of investments in (listed) real estate funds.

Derivatives are only used for risk management purposes, no speculative positions were adopted. In the absence of quoted prices, other observable inputs are used to estimate fair value (level 2 fair value classification).

The pension fund has not invested directly in shares of Royal Vopak, parts of the Group or in real estate of the Group.

Expected maturity, contribution and impact on result

The expected maturity analysis of undiscounted pension benefits at 31 December 2015 is as follows:

In EUR millions	2016	2017	2018	2019	2020	2021+	Total
Undiscounted pension benefits	43.2	43.6	44.0	44.4	45.4	1,671.1	1,891.7

The total employer's contribution for defined benefit plans decreased from EUR 29.7 million in 2014 to EUR 20.8 million in 2015. Based on the latest funding agreements, the total employer's contribution is expected to decrease by approximately EUR 1.4 million to EUR 19.4 million in 2016.

Assumptions and sensitivity analysis

	The Netherlands		Foreign		Total	
	2015	2014	2015	2014	2015	2014
Assumptions based on weighted average at 31 December						
Discount rate on net liability	2.25%	2.11%	3.67%	3.44%	2.42%	2.35%
Expected general salary increase	2.75%	3.00%	4.44%	4.04%	2.96%	3.19%
Expected price index increase	1.75%	2.00%	2.62%	3.03%	1.86%	2.19%
Life expectancy in years:						
Age 65 for men	21.5	21.3	21.2	22.0		
Age 65 for women	23.6	23.5	23.9	24.6		
Age 65 in 20 years for men	23.7	23.6	22.7	24.2		
Age 65 in 20 years for women	25.8	25.7	25.4	26.9		

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

In addition, the calculations were based on recent mortality tables, taking the future developments in mortality rates into account through projections or surpluses. Local historical data was used for turnover and disability assumptions.

The liabilities and pension charges related to the defined benefit plans are subject to risks regarding changes in discount rates, plan-asset values and returns derived from these assets, future salary increases, inflation and life expectancy. Such changes can negatively or positively influence the liabilities and necessitate additional future pension charges under IAS 19. The table below shows the estimated impact on the defined benefit obligations for defined benefit plans for each risk variable.

		Defined benefit obligation	
In EUR millions	Change	Increase	Decrease
Sensitivity assumptions			
Price inflation	1.0%	219.3	- 169.4
Salary growth	0.25%	1.8	- 1.7
Discount rates	1.0%	- 181.6	238.8
Life expectation	1 year	44.0	NA

The sensitivity analysis is based on realistically possible changes as at the end of the reporting year. Each change in a significant actuarial assumption was analyzed separately as part of the test. Interdependencies were not taken into account.

The pension charge from defined benefit plans is expected to decrease from EUR 37.3 million in 2015 to approximately EUR 32.5 million in 2016, mainly due higher discount rates and lower inflation.

Note 8.5 Provisions

Accounting policies

Provisions are recognized for legal or constructive obligations that arose in the past, the amount of which, though uncertain, can be reliably estimated and where it is probable that the settlement of the obligations will entail a cash outflow. 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.

In accordance with current legislation, environmental plans and other measures to be adopted are agreed with local, regional and national authorities as appropriate. As soon as such plans are approved or other statutory obligations arise, a provision is formed based on the most reliable estimate possible of the future expenses.

A provision for reorganization is formed when Vopak has approved a detailed and formalized reorganization plan and when the reorganization has either commenced or been made public.

Provisions for other deferred long-term employee benefits, other than pensions and other employee benefits, for example, redundancy benefits, anniversary bonuses and long-term remuneration settled in cash, are calculated using the method for defined benefit plans. Any actuarial results arising are recognized immediately in the statement of income. The same applies to any changes relating to past service.

Key accounting estimates and judgments

The amount recognized as a provision is management's best estimate of the amount required to settle the obligation. The outcome depends on future events that are uncertain by nature. In assessing the likely outcome of lawsuits and tax disputes, management also bases its assessment on external legal assistance and established precedents.

The Group 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 of possible future expenses. Given the degree of difficulty in making estimates, this does not guarantee that no additional costs will arise in the future.

Movements in provisions

In EUR millions	Environmental liabilities	Other	Total
Non-current liabilities	8.3	10.7	19.0
Current liabilities	4.9	15.3	20.2
Balance at 1 January 2015	**13.2**	**26.0**	**39.2**
Movements:			
Additions	5.6	28.6	34.2
Acquisitions	–	–	–
Withdrawals	- 1.5	- 6.7	- 8.2
Releases	- 0.2	- 0.6	- 0.8
Reclassification to held for sale	–	- 10.2	- 10.2
Interest accrual	0.3	0.1	0.4
Exchange differences	0.2	- 0.6	- 0.4
Balance at 31 December 2015	**17.6**	**36.6**	**54.2**
Non-current liabilities	6.6	19.5	26.1
Current liabilities	11.0	17.1	28.1
Balance at 31 December 2015	**17.6**	**36.6**	**54.2**
Expected withdrawals			
< 1 year	11.0	17.1	28.1
2nd year	1.8	7.8	9.6
3rd year	2.2	1.4	3.6
4th year	0.7	0.1	0.8
5th year	0.5	0.1	0.6
> 5th year	1.4	10.1	11.5
Total	**17.6**	**36.6**	**54.2**

Vopak is obliged to clean up soil contamination at different locations. An accurate estimate of the provision for this environmental risk can only be made reliably after conducting a thorough survey and drawing up a management plan for the site, on the basis of which the governmental authorities issues an order. This has led to an addition to the provision for environmental risks of EUR 5.6 million and a withdrawal of EUR 1.5 million in 2015. These movements were recognized in the statement of income under Other operating expenses.

In the first half year of 2015 the EMEA division recognized an exceptional loss for the increase of its legal provisions with regards to a legal case for the amount of EUR 16.9 million relating to the divested entity Vopak Terminal Finland. This claim was revoked in the second half year of 2015 resulting in a release of provision of EUR 14.4 million. The net-exceptional loss on this claim for the year 2015 amounts to EUR 2.5 million and relates to some minor items related to the original claim.

In addition to the above, EUR 19.3 million was recognized in the other provisions in relation to various legal cases and claim settlements. For more information we refer to note 2.6.

Other provisions include an amount of EUR 3.2 million (2014: EUR 1.0 million) for the LTCPs (Remuneration Supervisory Board), for the cash-settled share-based payments of the LTSP 2014 and LTSP 2015 (see note 1 to the first table of note 6.2) and EUR 15.1 million (2014: EUR 13.2 million) relating to claims and damages in relation to insurances. On balance EUR 28.6 million was added for expected claims in 2015.

Note 8.6 Operating leases

The amounts due in respect of non-cancellable operating leases are as follows:

In EUR millions	2015	2014
Less than 1 year	61.0	60.2
Between 1 and 5 years	222.8	215.6
More than 5 years	562.5	586.0
Total	**846.3**	**861.8**

The lease amounts due are mainly in respect of the leasehold on land and the lease of buildings.

In 2015, EUR 64.9 million was recognized as expenses in the statement of income relating to operating leases (2014: EUR 60.5 million).

Note 8.7 Investment commitments undertaken

The investment commitments undertaken amounted to EUR 147.8 million as at 31 December 2015 (2014: EUR 224.5 million), and were primarily related to property, plant and equipment.

Note 8.8 Contingent assets and contingent liabilities

Contingencies in respect of joint ventures and associates

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

	Joint ventures		Associates		Total	
In EUR millions	31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
Commitments to provide debt or equity funding	–	9.9	77.4	279.7	76.1	289.6
Guarantees and securities provided	177.4	133.6	–	–	177.4	133.6

The notional amount of guarantees and securities provided on behalf of participating interests in joint ventures and associates (included in ratios) increased from EUR 108.5 million at 31 December 2014 to EUR 119.1 million at 31 December 2015. Of this amount EUR 0.1 million was recognized in the statement of financial position (2014: EUR 0.7 million).

The increase is mainly due to an (indirect) financial guarantee provided for the joint venture Vopak Terminal Dongguan (China) for the amount of EUR 33.2 million and an increase in the guarantee provided toward Vopak Terminal Jakarta.

The commitments for associates mainly relate to the construction of the industrial terminal PT2SB in Pengerang (Malaysia).

The amounts of guarantees and securities can potentially be called within one year.

Other contingencies

Environmental obligations

The Group 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. The Executive Board is of the opinion that the provisions are adequate, based on information currently available. However, given the degree of difficulty in making estimates, this does not guarantee that no additional costs will arise.

Claim related to LNG Terminal Altamira

LNG Terminal Altamira, Mexico (Vopak Group (60%) and Enagas Group (40%)) received an official letter from the Comisión Nacional del Agua on 15 October 2014. At that time this government agency assessed 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.
This claim was revoked in December 2015 as it was demonstrated that no environmental contamination of sea water took place.

Other legal proceedings and risks

As a result of its day-to-day activities, the Group is involved in a number of other legal proceedings. The Executive Board is of the opinion that for the legal cases and risks for which no provision has been recognized, it is not probable that the final outcome will result in a cash outflow, therefore no provisions have been formed. Furthermore, as explained in the Risk and Risk management section, The Group can be held liable for any non-compliance with laws and regulations, including for potential compliance shortfalls that might be identified in the targeted reviews as discussed on page 110. The findings of the reviews conducted in 2015 are limited and accordingly Vopak has not recognized a provision.

As part of divestments of terminals and assets Vopak has provided, in the relevant sales purchase agreements, certain customary representations and warranties including, but not limited to, completeness of books and records, title to assets, schedule of material contracts, litigation, environmental matters, permits, employee benefits and taxes. These representations and warranties will generally terminate, depending on their specific features, a number of years after the date of the relevant transaction completion date. Based on the current facts and circumstances management has determined that for the items for which no provision is currently recognized, the likelihood of a cash outflow relating to these items is considered to be remote.

Note 8.9 Financial assets and liabilities and credit risk

Financial assets and liabilities

		Carrying amount		Fair value	
In EUR millions	Note	2015	2014	2015	2014
Other financial assets		1.0	0.9	1.0	0.9
Currency derivatives		133.0	17.1	133.0	17.1
Interest rate derivatives		- 96.9	- 125.6	- 96.9	- 125.6
Financial instruments at fair value		**37.1**	**- 107.6**	**37.1**	**- 107.6**
Loans granted	8.2	95.7	34.2	95.7	34.2
Trade and other receivables	4.2	232.0	263.9	232.0	263.9
Cash and cash equivalents	5.5	109.9	182.0	109.9	182.0
Finance lease receivable	8.2	29.3	34.4	29.3	34.4
Loans and receivables		**466.9**	**514.5**	**466.9**	**514.5**
Bank overdrafts and short-term borrowings	5.5	- 98.6	- 112.3	- 98.6	- 112.3
US Private Placements	5.5	- 1,812.2	- 1,702.3	- 1,966.5	- 1,853.1
SGD Private Placements	5.5	- 146.2	- 140.3	- 154.9	- 151.3
JPY Private Placement	5.5	- 153.1	- 138.1	- 157.9	- 162.6
Bank loans	5.5	- 65.0	- 87.4	- 67.6	- 87.7
Credit facilities and other long-term loans	5.5	- 130.4	- 267.9	- 130.4	- 267.9
Trade creditors	4.3	- 40.1	- 51.8	- 40.1	- 51.8
Other creditors	4.3	- 117.7	- 145.6	- 117.7	- 145.6
Other financial liabilities		**- 2,563.3**	**- 2,645.7**	**- 2,733.7**	**- 2,832.3**
Net at amortized cost		**- 2,096.4**	**- 2,131.2**	**- 2,266.8**	**- 2,317.8**
Standby credit facility	5.5			948.8	750.0
Standby bank facility				147.0	135.0
Unrecognized financial instruments				**1,095.8**	**885.0**

Determination of fair value for financial instruments

A number of the Group's accounting policies and disclosures require the determination of fair value for the financial instruments. A fair value measurement is an estimate of the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where available, fair value measurements are derived from quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1). In the absence of such information, other observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices), are used to estimate fair values (level 2). There were no financial instruments measured at fair value using level 3 (inputs not based on observable market data). Inputs derived from external sources are corroborated or otherwise verified, as appropriate.

The fair values of the Private Placements, revolving credit facility and other long-term bank loans are measured by discounting the future cash flows using observable market interest information (level 2) as no similar instrument is available due to the specific profiles of the instruments. The calculations include credit spreads based on the most recent borrowing contracts.

The fair values of interest rate swaps, cross-currency interest rate swaps and forward foreign exchange contracts are determined by discounting the future cash flows using the applicable period-end yield curve, taking into account credit risk and the risk of non-performance.

As result of the short-term nature or the magnitude of the amounts, the Group considers that the fair value of loans granted, trade and other receivables, cash and cash equivalents, bank overdrafts, credit facilities, other long-term loans and trade creditors are not materially different to their carrying value.

The initial measurement at the trade date of all financial instruments is the fair value. Except for derivatives, the initial measurement of financial instruments is adjusted for directly attributable transaction costs.

Credit risk and credit risk management

Credit risk arises when a customer or other counterparty of a financial instrument fails to discharge its contractual obligation.

Vopak's credit risk arises primarily from loans granted, trade and other receivables, cash and cash equivalents, and derivative financial instruments. Vopak's maximum exposure to credit risks is the carrying amount of these financial assets, amounting to EUR 573.5 million (2014: EUR 507.6 million), and the credit replacing guarantees amounting to EUR 119.1 million (2014: EUR 108.5 million). Of this amount EUR 0.1 million was recognized in the statement of financial position per year-end 2015 (2014: EUR 0.7 million).

Loans granted to joint ventures and associates are not secured by collaterals.

Credit risk with regard to trade receivables and lease receivables is limited as the value of the product stored for these clients usually exceeds the value of the receivables and Vopak generally has the right of retention although other claims may have priority ranking over the right of retention in a bankruptcy case. Vopak constantly monitors the outstanding receivables and the value of the stored products. See note 4.2 for further details.

Vopak has spread its liquidity investments across a select group of high rated financial institutions while daily limiting the cash and cash equivalents within the Group and assessing the exposure to each financial institution. Vopak applies credit limits per institution, depending on their credit ratings and credit default swap spread, and regularly reviews these limits. These treasury activities are concluded with financial institutions that have at least an A- Standard & Poor's credit rating. At 31 December 2015, the maximum risk in the event of the default of a single financial institution amounted to EUR 66.2 million (2014: EUR 84.6 million).

The derivative financial instruments will be settled on a gross basis. The credit risk of derivative financial instruments with a positive value is mitigated by ISDA Master Agreements with its counterparties, which have the option to settle all gross amounts on a net basis in the event of a default of the counterparty, and by setting qualitative and financial limits to the derivative counterparties. For JPY cross currency hedges, which have an initial maturity of 30 years, break clauses are applicable to reduce the credit risk to a period shorter than 10 years. The Group maintains a control system that includes the authorization, reporting and monitoring of derivative activities including the Credit Default Swaps developments of counterparties observed on the secondary market. Vopak believes there are no material credit risks to the Group's financial position. At year-end 2015, the derivatives with a counterparty credit risk amounted to EUR 135.9 million (2014: EUR 27.5 million).

Assessing the financial positions of counterparties is part of our credit management and tendering process; however, this cannot exclude all credit risk.

Note 8.10 New standards and interpretations not yet implemented

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

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

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

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

Note 8.11 Principal subsidiaries, joint ventures and associates

SUBSIDIARIES

Europe, Middle East & Africa

Belgium
Vopak Agencies Antwerpen NV
Vopak Terminal Eurotank NV
Vopak Chemical Terminals Belgium NV

Germany
Vopak DUPEG Terminal Hamburg GmbH
Vopak Agency Germany GmbH

The Netherlands
Vopak Agencies Amsterdam B.V.
Vopak Agencies Rotterdam B.V.
Vopak Agencies Terneuzen B.V.
Vopak Chemicals Logistics Netherlands B.V.
Vopak EMEA B.V.
Vopak Finance B.V.
Vopak Global Information Services B.V.
Vopak Global Procurement Services B.V.
Vopak LNG Holding B.V.
Vopak Nederland B.V.
Vopak Terminal Amsterdam Westpoort B.V.
Vopak Terminal Botlek B.V.
Vopak Terminal Chemiehaven B.V.
Vopak Terminal Europoort B.V.
Vopak Terminal Laurenshaven B.V.
Vopak Terminals North Netherlands B.V.
Vopak Terminal TTR B.V.
Vopak Terminal Vlaardingen B.V.
Vopak Terminal Vlissingen B.V.

South Africa
Vopak Terminal Durban (Pty) Ltd. (70%)

Spain
Vopak Terminal Algeciras S.A. (80%)

Switzerland
Monros AG

United Kingdom
Vopak Terminal London Limited B.V.
Vopak Terminal Teesside Ltd.
Vopak Terminal Windmill Ltd.

Asia Pacific

Australia
Vopak Terminals Australia Pty Ltd.
Vopak Terminals Sydney Pty Ltd.
Vopak Terminal Darwin Pty Ltd.

China
Vopak China Management Company Ltd.
Vopak Terminal Zhangjiagang Ltd.
Vopak Terminal Shangdong Lanshan (60%)[1]

India
Vopak Terminals Kandla (CRL Terminals Pvt, Ltd.)

Indonesia
PT Vopak Terminal Merak (95%)

Singapore
Vopak Asia Pte. Ltd.
Vopak Terminals Singapore Pte. Ltd. (69.5%)[1]
Vopak Terminal Penjuru Pte. Ltd. (69.5%)[2]
Vopak Gas Terminal LLP (80%)[2]

Vietnam
Vopak Vietnam Co. Ltd.

Americas

Brazil
Vopak Brasil S.A.
VPK Partiçipacões e Serviçoes Portuários Ltda.

Canada
Vopak Terminals of Canada Inc.
Vopak Terminals of Eastern Canada Inc.

Colombia
Vopak Colombia S.A.

Mexico
Vopak Mexico SA de CV

Panama
Vopak Panama Atlantic Inc.

1. Vopak Terminal Penjuru Pte. Ltd. 60% ownership in Vopak Terminals Shangdong Lanshan.
2. Vopak Holding Singapore Pte. Ltd 69.5% ownership in Vopak Terminals Singapore Pte. Ltd.
3. Vopak Terminals Singapore Pte. Ltd. 100% ownership in Vopak Terminals Penjuru Pte. Ltd.
4. Vopak Terminals Singapore Pte. Ltd. 80% ownership in Vopak Gas Terminal LLP.

United States
Vopak North America Inc.
Vopak Terminals North America Inc.
Vopak Terminal Deer Park Inc.
Vopak Terminal Savannah Inc.
Vopak Terminal Los Angeles Inc.
Vopak Terminal Long Beach Inc.

Venezuela
Vopak Venezuela S.A.

JOINT VENTURES

Europe, Middle East & Africa

Estonia
AS Vopak E.O.S. (50%)

The Netherlands
Cross-Ocean C.V. (50%)
Cosco Container Lines (Netherlands) B.V. (50%)
Gate Terminal (50%)
MultiCore CV (25%)
Vopak Terminal Eemshaven B.V. (50%)

Pakistan
Engro Vopak Terminal Ltd. (50%)

Spain
Terminals Quimicos SA (Terquimsa) (50%)

United Arab Emirates
Vopak Horizon Fujairah Ltd. (33.33%)

United Kingdom
Morzine Limited (Thames Oilport) (33.33%)

Asia Pacific

China
Vopak Terminal Ningbo Co. Ltd. (50%)
Vopak Shanghai Logistics Company Ltd. (50%)
Vopak Nanjiang Petrochemicals Terminal Tianjin Company Ltd. (50%)
Vopak Ethylene Terminal Tianjin Co. Ltd. (50%)
Vopak Bohua (Tianjin) Terminal Co. Ltd. (50%)
Tianjin Lingang Vopak Bohua Jetty Co. Ltd. (30%)
Vopak Terminal SDIC Yangpu Co. Ltd. (49%)
Vopak Sealink Terminal (Dongguan) Co. Ltd. (50%)
Vopak Logistics (Qingdao) Co. Ltd. (50%)

Indonesia
PT Jakarta Tank Terminal (49%)

Japan
Nippon Vopak Co. Ltd. (40%)

Korea
Vopak Terminals Korea Ltd. (51%)

Malaysia
Kertih Terminals Sdn. Bhd. (30%)[1]
Pengerang Terminals Sdn. Bhd. (49%)[2]
Pengerang Independent Terminals Sdn. Bhd. (90.0%)[3]

Singapore
Banyan Cavern Storage Services Pte. Ltd. (45%)[4]

Thailand
Thai Tank Terminal Ltd. (49%)

Americas

Brazil
Uniao-Vopak Armazens Gerais Limitada (50%)

Mexico
Terminal de Altamira de S. de R.L. de C.V. (60%)

Panama
Payardi Terminal Company S. de R.L. (50%)

ASSOCIATES

China
Zhangzhou Gulei Haiteng Jetty Investment and Management Co. Ltd. (30%)

Malaysia
Pengerang Terminals (Two) Sdn. Bhd. (29.7%)

Saudi Arabia
Jubail Chemicals Storage & Services Company LLC (25%)

The Netherlands
Maasvlakte Olie Terminal N.V. (16.67%)

1. Vopak Terminal Penjuru Pte. Ltd. 30% ownership in Kertih Terminals Sdn. Bhd.
2. Vopak Terminal Pengerang B.V. 49% ownership in Pengerang Terminals Sdn. Bhd.
3. Pengerang Terminals Sdn Bhd. 90% ownership in Pengerang Independent Terminals Sdn. Bhd.
4. Vopak Terminals Singapore Pte. Ltd. 45% ownership in Banyan Cavern Storage Services Pte. Ltd.

Note 8.12 Subsequent events

- On 29 January 2016 Vopak completed its announced sale of Vopak Holding UK, comprising Vopak's 33.3% investment in the joint venture Thames Oilport (former Coryton refinery) to Greenergy. These divested assets were classified as held for sale per year-end 2015. Reference is made to note 3.5
- On 22 February 2016, the associate Jubail Chemicals Storage and Services Company (JCSSC) entered into a non-recourse project financing. As a consequence, the initial proportionate shareholder loan from Vopak of approximately EUR 86 million will be repaid at short notice
- Vopak announces that Mr C.K. Lam has decided to step down as member of the Supervisory Board of Vopak as per 25 February 2016. Mr Lam's decision follows his assessment of a potential future conflict of interest with respect to a new position. The Supervisory Board and the Executive Board thank Mr Lam for the important role he has played for Vopak during his tenure
- During the Annual General Meeting on 20 April 2016 it will be proposed to appoint Mr B.J. Noteboom as member of Vopak's Supervisory Board as per that date. Mr Noteboom was previously CEO of Randstad Holdings and currently member of the Supervisory Boards of Wolters Kluwer, Aegon and Koninklijke Ahold. The formal notice of the Annual General Meeting, the agenda and the shareholders circular will become available on the Vopak website as at 6 March 2016

Company Financial Statements

Company Statement of Income

In EUR millions	2015	2014
Profit of participating interests after tax	381.4	331.4
Other results after tax	- 99.2	- 81.0
Net profit	**282.2**	**250.4**

Company Statement of Financial Position before Profit Appropriation

In EUR millions	Note	31-Dec-15	31-Dec-14
Participating interests in group companies	2	2,882.7	2,680.2
Loans granted	3	1,280.9	1,306.9
Derivative financial instruments	6	119.4	19.4
Deferred taxes		8.9	48.3
Total non-current assets		**4,291.9**	**4,054.8**
Trade and other receivables		0.3	0.2
Taxes receivable		0.3	2.7
Prepayments		0.2	2.7
Derivative financial instruments	6	10.6	6.3
Cash and cash equivalents		7.6	19.2
Total current assets		**19.0**	**31.1**
Bank overdrafts		7.1	7.1
Interest-bearing loans	5	2.6	64.6
Derivative financial instruments	6	3.2	5.0
Taxes payable		0.4	1.0
Trade and other payables		5.0	63.6
Pension and other employee benefits	7	1.4	1.5
Provisions		0.4	–
Total current liabilities		**20.1**	**142.8**
Current assets less current liabilities		**- 1.1**	**- 111.7**
Total assets less current liabilities		**4,290.8**	**3,943.1**
Interest-bearing loans	5	2,108.8	1,915.3
Derivative financial instruments	6	91.7	125.8
Pension and other employee benefits	7	65.8	138.8
Provisions		12.7	5.0
Other non-current liabilities		2.4	–
Non-current liabilities		**2,281.4**	**2,184.9**
Share capital		63.9	63.9
Share premium		194.4	194.4
Statutory reserve for participating interests	4	271.6	220.7
Translation reserve		- 3.5	15.3
Revaluation reserve derivatives		- 130.2	- 164.5
Revaluation reserve assets		4.7	4.9
Transaction reserve non-controlling interest		1.3	1.3
Other reserves	4	1,325.0	1,171.8
Unappropriated profit	4	282.2	250.4
Shareholders' equity		**2,009.4**	**1,758.2**
Total		**4,290.8**	**3,943.1**

Notes to the Company Financial Statements

Note 1. General

An abridged company statement of income is presented in accordance with Section 402 of Book 2 of the Dutch Civil Code.

All amounts are in EUR millions, unless stated otherwise.

Accounting policies

The company financial statements have been drawn up in accordance with Dutch law (Part 9 of Book 2 of the Dutch Civil Code). In doing so, the company made use of the possibility to apply the accounting policies (including the policies for the presentation of financial instruments as equity or loan capital) used in the consolidated financial statements to the company financial statements, as provided in Section 362 (8) of Book 2 of the Dutch Civil Code.

The accounting policies applied in the company financial statements are the same as those applied in the consolidated financial statements. The policies stated in the consolidated financial statements are applied, unless stated otherwise.

Participating interests in group companies

Interests in group companies and other companies over which Vopak exercises control or which it manages are carried at net asset value. The net asset value is determined by measuring the assets, provisions and debts and calculating the result according to the accounting policies applied in the consolidated financial statements.

Note 2. Participating interests in group companies

In EUR millions	2015	2014
Carrying amount at 1 January	**2,680.2**	**2,408.0**
Investments	5.1	37.4
Disposal	- 0.8	- 16.4
Dividend	- 235.2	- 153.9
Exchange differences	31.8	116.0
Hedging	13.6	- 22.8
Unrealized actuarial gains and losses	8.6	- 27.2
Tax on unrealized actuarial gains and losses	- 2.0	7.7
Profit	381.4	331.4
Carrying amount at 31 December	**2,882.7**	**2,680.2**

Note 3. Loans granted

In EUR millions	2015	2014
Carrying amount at 1 January	**1,306.9**	**1,450.8**
Loans granted	408.5	380.1
Repayments	- 432.3	- 521.7
Exchange differences	- 2.2	- 2.3
Carrying amount at 31 December	**1,280.9**	**1,306.9**

At 31 December 2015, loans granted did not include any subordinated loans (2014: nil).

Note 4. Shareholders' equity

Please see note 5.1 to the Consolidated Financial Statements for movements in the number of shares, share capital, share premium.

The share premium can be distributed in full, free of tax.

For the translation reserve, the revaluation reserve derivatives, the revaluation reserve assets and the transaction reserve of non-controlling interests (NCI), we refer to note 5.2 to the Consolidated Financial Statements.

Movements in the remaining components of shareholders' equity for 2015 and 2014 are shown in the following tables.

Statutory reserve for participating interests

In EUR millions	2015	2014
Carrying amount at 1 January	**220.7**	**191.8**
Donation from Other reserves	50.9	28.9
Release to Other reserves	–	–
Carrying amount at 31 December	**271.6**	**220.7**

Other reserves

In EUR millions	2015	2014
Carrying amount at 1 January	**1,171.8**	**1,115.8**
Profit appropriation from Unappropriated profit	132.3	198.0
Remeasurement of defined benefit plans	72.2	- 114.4
Release revaluation reserve assets	0.2	0.2
Capital reduction	–	- 0.7
Acquisition non-controlling interest subsidiaries	–	- 2.4
Purchase treasury shares	- 2.9	–
Sale treasury shares	–	2.9
Measurement of equity-settled share-based payment arrangements	2.3	1.0
Vested shares under equity-settled share-based payment arrangements	–	0.3
Release to Statutory reserves	- 50.9	- 28.9
Carrying amount at 31 December	**1,325.0**	**1,171.8**

Unappropriated profit

In EUR millions	2015	2014
Carrying amount at 1 January	**250.4**	**318.5**
Profit appropriation to Other reserves	- 132.3	- 198.0
Dividend in cash	- 118.1	- 120.5
Profit for the year	282.2	250.4
Carrying amount at 31 December	**282.2**	**250.4**

After adjustment for the legal reserves at 31 December 2015, a total of EUR 1,473.5 million (2014: EUR 1,257.7 million) is freely distributable from other reserves and unappropriated profit for 2015.

Note 5. Interest-bearing loans

	Nominal value in EUR millions		> 5 years in EUR millions		Average term in years		Average interest in %	
	2015	2014	2015	2014	2015	2014	2015	2014
Current portion	2.6	64.6						
Non-current portion	2,108.8	1,915.3						
Total	**2,111.4**	**1,979.9**	**1,437.3**	**1,465.9**	**8.2**	**8.9**	**4.2**	**4.3**

Note 6. Derivative financial instruments

In EUR millions	Maturity	31 December 2015 Assets [1]	Liabilities [1]	Notional amount	31 December 2014 Assets [1]	Liabilities [1]	Notional amount
Forward foreign currency contracts [2]	< 1 year	2.5	2.4	250.1	0.4	4.0	301.7
Total net investment hedges		**2.5**	**2.4**	**250.1**	**0.4**	**4.0**	**301.7**
Forward foreign currency contracts	< 1 year	8.1	0.8	504.9	2.1	1.0	135.1
Cross currency swaps [3]	< 1 year	–	–	–	3.7	–	58.2
Cross currency swaps [3]	1-5 years	108.0	–	559.5	24.6	–	388.7
Cross currency swaps [3]	> 5 years	39.9	23.3	359.0	29.2	35.3	529.9
Total cash flow hedges - currency part		**156.0**	**24.1**	**1,423.4**	**59.6**	**36.3**	**1,111.9**
Cross currency interest rate swaps [4]	< 1 year	–	–	–	0.1	–	58.2
Cross currency interest rate swaps [4]	1-5 years	1.0	13.6	559.5	0.4	13.0	388.7
Cross currency interest rate swaps [4]	> 5 years	–	84.3	359.0	–	112.3	529.8
Total cash flow hedges - interest part		**1.0**	**97.9**	**918.5**	**0.5**	**125.3**	**976.7**
Total derivative financial instruments		**159.5**	**124.4**	**2,592.0**	**60.5**	**165.6**	**2,390.3**
Currency derivative financial instruments		158.5	26.5		60.0	40.3	
Interest derivative financial instruments		1.0	97.9		0.5	125.3	
Total derivative financial instruments		**159.5**	**124.4**		**60.5**	**165.6**	
Offsetting		- 29.5	- 29.5		- 34.8	- 34.8	
Total		**130.0**	**94.9**		**25.7**	**130.8**	
Non-current		119.4	91.7		19.4	125.8	
Current		10.6	3.2		6.3	5.0	
Total		**130.0**	**94.9**		**25.7**	**130.8**	

1. At fair value.
2. Forward foreign currency contracts accounted for as hedges on net investments.
3. Cross currency swaps accounted for as cash flow hedges are used to hedge currency (2015: USD 1 billion and JPY 16 billion; 2014: USD 1.1 billion and JPY 16 billion) on fixed debt denominated in foreign currency.
4. Cross currency swaps are used to hedge future cash flow interest rate risks (2015: USD 1 billion and JPY 16 billion; 2014: USD 1.1 billion and JPY 16 billion) on fixed debt denominated in foreign currency.

Note 7. Pension and other employee benefits

Specification of pension and other employee benefits provisions:

In EUR millions	2015	2014
Present value of funded defined benefit obligation	1,035.0	1,106.4
Fair value of plan assets	- 972.8	- 972.4
Total deficit of defined benefit plans	**62.2**	**134.0**
Net pension obligations under defined contribution plans	5.0	6.3
Net pension obligations recognized at 31 December	**67.2**	**140.3**
Non-current liabilities	65.8	138.8
Current liabilities	1.4	1.5
Net pension obligations recognized at 31 December	**67.2**	**140.3**

Note 8. Remuneration of Supervisory Board members and Executive Board members

For the remuneration of the Supervisory Board members and the Executive Board members, we refer to the Remuneration report.

Note 9. Contingent liabilities

Royal Vopak is the head of a fiscal unity including almost all Dutch wholly owned subsidiaries. The company is therefore jointly and severally liable for the tax liabilities of the fiscal unity as a whole.

Guarantees and security provided on behalf of participating interests and third parties amounted to EUR 195.9 million (2014: EUR 148.0 million). Guarantees and security provided on behalf of group companies amounted to EUR 97.0 million (2014: EUR 53.0 million).

Joint and several liability undertakings for an amount of EUR 130 million (2014: EUR 130 million) were issued for bank credits granted to Royal Vopak. Furthermore, joint and several liability undertakings for an amount of EUR 70.5 million (2014: EUR 79.8 million) were issued for bank credits granted to subsidiaries.

The company has filed joint and several liability undertakings (403 exemptions) for a number of its Dutch group companies at the office of the Company Registry in whose area of jurisdiction the group company concerned has its registered office. The list of interests filed at the office of the Company Registry for inspection states for which group companies Royal Vopak has issued joint and several liability undertakings.

The members of the Executive Board have signed the financial statements in order to comply with the statutory obligation pursuant to article 2:101 paragraph 2 Dutch Civil Code and article 5:25c sub c of the Act on Financial Supervision (Wft).

Rotterdam, 25 February 2016

The Executive Board
E.M. Hoekstra (Chairman and CEO)
J.P. de Kreij (Vice-chairman and CFO)
F. Eulderink (COO)

The Supervisory Board
A. van Rossum (Chairman)
M.F. Groot (Vice-chairman)
F.J.G.M. Cremers
C.J. van den Driest
R.G.M. Zwitserloot

Executive Board declaration

In-control statement

In the Additional information section, we set out in detail our risks and risk management framework, as well as the responsibilities of the Executive Board.

In compliance with the best practice principle II.1.5 laid down in the Dutch Corporate Governance Code, and taking into account the limitations outlined below (and based on our evaluation), we confirm that our internal risk management and control systems relating to financial reporting risks worked properly in 2015 and provide a reasonable assurance that the financial reporting does not contain any errors of material importance.

Our internal risk management and control systems are, however, unable to offer absolute assurance that the strategic, operational and financial objectives will be fully achieved, or that laws and regulations are always complied with. Furthermore, the systems cannot prevent all human errors of judgments and mistakes. It is also inherent that in business, cost-benefit assessments must be made for the acceptance of risks and the implementation of controls. We continuously monitor the effectiveness of our internal risk management and control procedures, and when needed these are further improved and optimized.

Executive Board declaration

Pursuant to the Financial Supervision Act, Section 5:25c, paragraph 2, sub-paragraph c, we declare that, to the best of our knowledge:

- The financial statements in this Annual Report give a true and fair view of the Group's assets, liabilities, financial position and profit or loss.
- The management report (*'bestuursverslag'*) in this Annual Report gives a true and fair view of the situation on the balance sheet date, of developments during the financial year of the company and entities affiliated with it; and includes a description of the main risks the company faces.

Rotterdam, 25 February 2016

The Executive Board
E.M. Hoekstra - Chairman and CEO
J.P. de Kreij - Vice-chairman and CFO
F. Eulderink - COO

Independent auditor's report

To: the shareholders and Supervisory Board of Koninklijke Vopak N.V.

Report on the audit of the financial statements 2015

Our opinion
We have audited the financial statements 2015 of Koninklijke Vopak N.V. ('company'), based in Rotterdam. The financial statements include the Consolidated Financial Statements and the Company Financial Statements.

In our opinion:
- The Consolidated Financial Statements give a true and fair view of the financial position of Koninklijke Vopak N.V. as at 31 December 2015, and of its result and its cash flows for 2015 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The Company Financial Statements give a true and fair view of the financial position of Koninklijke Vopak N.V. as at 31 December 2015, and of its result for 2015 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited
The Consolidated Financial Statements comprise:
- The Consolidated Statement of Financial Position as at 31 December 2015;
- The following statements for 2015: the Consolidated Statement of Income, the Consolidated Statements of Comprehensive Income, Changes in Equity and Cash Flows; and
- The notes, comprising a summary of the significant accounting policies and other explanatory information.

The Company Financial Statements comprise:
- The Company Statement of Financial Position before Profit Appropriation as at 31 December 2015;
- The Company Statement of Income for 2015; and
- The notes, comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion
We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the section 'Our responsibilities for the audit of the financial statements' of our report.

We are independent of Koninklijke Vopak N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach
As part of our audit we have determined materiality and used it to assess the risks of material misstatement. We have specifically assessed accounts where subjectivity is high because of estimates regarding uncertain future developments. We have likewise specifically focused on the risk related to management override of controls and the risk of material misstatement due to fraud. In addition, our audit expressly included the continuity and reliability of the automated information systems.

Materiality
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 20.0 million. The materiality is based on 5% of profit before income tax. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements in excess of EUR 1.0 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Materiality overview

Group materiality level:	EUR 20.0 million
Basis for group materiality level:	5% of profit before income tax
Threshold for reporting misstatements:	EUR 1.0 million

Scope of the group audit

Koninklijke Vopak N.V. is at the head of a group of entities. The financial information of this group is included in the financial statements of Koninklijke Vopak N.V.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

The group is structured along four divisions being Netherlands, EMEA, Asia, Americas and the business unit Global LNG. The group's financial statements are a combination of:

- The consolidation of reporting units, comprising its operating terminals under the group's control and centralized functions; and
- Unconsolidated reporting units comprised of operating terminals under joint control with unrelated parties (joint ventures) and operating terminals where the group exercises significant influence (associates); all accounted for under the equity method.

In establishing the overall group audit strategy and plan, we determined the type of work that needed to be performed at the reporting units by the group engagement team, by component auditors from other Deloitte network firms and by component auditors from non-Deloitte network firms primarily working under our instruction at the joint ventures. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those reporting units so as to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the group financial statements as a whole. For each reporting unit we determined whether we required an audit of their complete financial information or whether other procedures would be sufficient. Those where a full audit was required included the three largest (sub-consolidated) reporting units (Netherlands, Singapore and North America), because they each make up more than 10% of the group's revenue or underlying profits.

We included additional reporting units in the scope of our group audit to have audit coverage on the group's investments in joint ventures and associates and to cover a geographic spread across the group's divisions.

Audit coverage

Audit coverage of consolidated revenues:	88%
Audit coverage of operating profit:	88%
Audit coverage of total assets:	80%

In addition, we performed other procedures with respect to the remaining reporting units.

The group consolidation, financial statement disclosures and a number of complex items were audited by the group engagement team at the head office. These include impairment testing of terminal assets and joint ventures, IT, derivative financial instruments, hedge accounting, pensions and share-based payments. The group engagement team also visited four businesses in four countries (Netherlands, Singapore, North America and China) to direct the planning, review the work undertaken and assess the findings.

By performing the procedures mentioned above at reporting units, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the financial statements.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the key audit matter was addressed in the audit
Impairment testing of terminal assets and joint ventures The group controls a number of tank storage terminals with a total carrying value of property, plant and equipment of EUR 3,496.0 million (note 3.3). Furthermore, the group has an interest in a number of joint ventures and associates, with a total carrying value of EUR 1,068.1 million (note 3.4). This area is significant to our audit as the determination whether these assets are not carried at more than their recoverable amounts is subject to significant management judgement. Such judgement focuses predominantly on future cash flows, which are, among others, dependent on economic conditions, the continued attractiveness of the terminal location for users along the major shipping routes and local market circumstances and inherently surrounded by uncertainties. For Greenfield terminal projects in which a new terminal is built on undeveloped land these uncertainties are even more prominent. As described in note 3.7 of the financial statements, the group recognized (net) impairments at an amount of EUR 54 million. The company has provided disclosures for its key accounting estimates in note 3.7 of the financial statements which include disclosures of: • The uncertainties in relation to the recoverable value of the group's associate Vopak Terminal Haiteng; • The (indirect) financial guarantee provided for the joint venture Vopak Terminal Dongguan; • The impairment recognized on the joint venture Vopak SDIC Yangpu Terminal; • The impairment recognized on the joint venture Thames Oilport; and • Other impairments and reversal of impairments.	Our impairment testing included, among others, evaluating the group's policies and procedures to identify triggering events for potential impairment of terminal assets and joint ventures and associates. For the terminal locations that triggered management's impairment testing, we challenged management's primary cash flow assumptions and corroborated them by comparison to commercial contracts, customer relationship management tool, available market reports and historic trend analyses (value in use) or in certain situations to market multiples from recent tank terminal sales transactions in the region or (non-binding) sales agreements with unrelated parties in the event of potential divestments (fair value less cost to sell). Further, we involved our valuation experts to validate the weighted average cost of capital by country as applied by the group. We further assessed that the main assumptions and related uncertainties are appropriately reflected in the sensitivity disclosures in note 3.7 of the financial statements.
First year audit Initial audit engagements involve a number of considerations not associated with recurring audits. Additional planning activities and considerations necessary to establish an appropriate audit strategy and audit plan include: • Gaining an initial understanding of the group and its business including its control environment and information systems sufficient to make audit risk assessments and develop the audit strategy and plan; • Obtaining sufficient appropriate audit evidence regarding the opening balances including the selection and application of accounting principles; and • Communicating with the previous auditor.	Prior to becoming the company's auditor in 2015, we developed a comprehensive transition plan starting in August 2013 to understand the connection between the company's strategy, the related business risks and the way this impacts the company's financial reporting and internal controls framework. Our transition plan included among others: • Close interaction with the previous auditor, including a process of file reviews and formal hand over procedures as prescribed by our professional standards; • Active knowledge sharing with the Executive Board, Global Finance and Global Internal Audit to understand their perspectives on the business, identified risks and key findings from their work; • Attendance of the Audit Committee during the 2014 year-end financial closing and reporting process; • Evaluation of key accounting positions and audit matters from prior years; • Evaluation of Vopak's control documentation to assist in obtaining an understanding of the company's financial reporting and business processes; and • Discussion of our audit plan with the company's Audit Committee in August 2015 and report of status, progress and key findings from our audit process on a quarterly basis.

Responsibilities of management and the Supervisory Board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion. Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all errors and fraud.

For an overview of our responsibilities we refer to NBA's website www.nba.nl (Standard texts auditor's report).

Report on other legal and regulatory requirements

Report on the management report and the other information

Pursuant to legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the management report and other information):

- We have no deficiencies to report as a result of our examination whether the management report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code, and whether the information as required by Part 9 of Book 2 of the Dutch Civil Code has been annexed.
- We report that the management report, to the extent we can assess, is consistent with the financial statements.

Engagement

We were appointed by the Annual General Meeting as auditor of Koninklijke Vopak N.V. on 23 April 2014. The audit for year 2015 was our first year audit.

Rotterdam, 25 February 2016

Deloitte Accountants B.V.
Signed on the original: R.J.M. Dassen

Assurance report of the independent auditor

To: the shareholders and Supervisory Board of Koninklijke Vopak N.V.

We have reviewed the sustainability information in the Chapter 'Sustainability' ('the Report') of the Annual Report 2015 of Koninklijke Vopak N.V. ('company'), based in Rotterdam. This Report comprises a description of the policy, the activities, events and performance of the company relating to sustainable development during the reporting year 2015.

Limitations in our scope

The Report contains prospective information, such as ambitions, strategy, targets, expectations and projections. Inherent to this information is that actual future results may be different from the prospective information and therefore may be uncertain. We do not provide any assurance on the assumptions and feasibility of this prospective information.

Management's responsibility

Management of the company is responsible for the preparation of the Report in accordance with the Sustainability Reporting Guidelines GRI G4 Comprehensive option, including the identification of the stakeholders and the determination of material subjects. The disclosures made by management with respect to the scope of the Report are included in Chapter 'Sustainability Reporting Scope' of the Report.

Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the Report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the Report based on our review. We conducted our review in accordance with Standard 3810N 'Assurance engagements relating to sustainability reports'. This requires that we comply with ethical requirements and that we plan and perform our work to obtain limited assurance about whether the report is free from material misstatement.

A review is focused on obtaining limited assurance. The procedures performed in obtaining limited assurance are aimed at the plausibility of information which does not require the same exhaustive gathering of evidence as in engagements focused on reasonable assurance. The procedures performed consisted primarily of making inquiries of management and others within the company, as appropriate, applying analytical procedures and evaluating the evidence obtained. Consequently, a review engagement provides less assurance than an audit.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Procedures performed

Our main procedures included the following:

- Performing an external environment analysis and obtaining an understanding of the sector, relevant social issues, relevant laws and regulations and the characteristics of the organization.
- Evaluating the acceptability of the reporting policies and their consistent application, such as the assessment of the outcomes of the stakeholder dialogue and the reasonableness of estimates made by management.
- Assessing whether the sustainability information has been prepared 'in accordance' with the Sustainability Reporting Guidelines GRI G4 Comprehensive option.
- Evaluating the design and implementation of the systems and processes for data gathering and processing of information as presented in the Report.
- Interviewing management or relevant staff responsible for the sustainability strategy and policies at corporate, division and terminal level.
- Interviews with relevant staff responsible for providing the information in the Report, and responsible for carrying out internal control procedures on the data and the consolidation of the data in the Report.

- Reviewing internal and external documentation to determine whether the sustainability information, including the disclosure, presentation and assertions made in the Report, is substantiated adequately.
- Analytical review of the data and trend explanations submitted for consolidation at group level.

Conclusion

Based on our procedures performed, nothing has come to our attention that causes us to conclude that the Report, in all material respects, does not provide a reliable and appropriate presentation of the company's policy for sustainable development, or its activities, events and performance relating to sustainable development during 2015, in accordance with the Sustainability Reporting Guidelines GRI G4 Comprehensive option.

Rotterdam, 25 February 2016

Deloitte Accountants B.V.
Signed on the original: R.J.M. Dassen

Additional **information.**

LNG Terminal Altamira, Mexico

Non-IFRS proportionate financial information (unaudited)

Proportionate information

Basis of preparation

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

In the tables of this section we provide the proportionate financial information for the statement of income, the statement of financial position, and the segment information for each of our reportable segments. Where applicable, we show a reconciliation with our IFRS figures in order to create comparability with the proportionate information. Other information is based on the same principles as applied for the proportionate financial information.

Definition of CFROGA

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

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

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

Statement of income

	2015				2014			
In EUR millions	IFRS figures	Exclusion exceptional items	Effects proportionate consolidation	Proportionate consolidated	IFRS figures	Exclusion exceptional items	Effects proportionate consolidation	Proportionate consolidated
Revenues	1,386.0	–	292.8	1,678.8	1,322.5	- 6.5	247.3	1,576.3
Net operating expenses	- 631.1	47.7	- 95.9	- 774.7	- 648.9	4.8	- 99.0	- 752.7
Results of joint ventures and associates using the equity method	54.0	- 50.3	- 104.3	–	74.5	- 13.0	- 87.5	–
Impairment	- 3.7	- 3.7	–	–	- 40.4	- 40.4	–	–
Group operating profit before depreciation and amortization (EBITDA)	**805.2**	**- 6.3**	**92.6**	**904.1**	**707.7**	**- 55.1**	**60.8**	**823.6**
Depreciation and amortization	- 256.0	-	- 69.2	- 325.2	- 239.2	-	- 54.2	- 293.4
Group operating profit (EBIT)	**549.2**	**- 6.3**	**23.4**	**578.9**	**468.5**	**- 55.1**	**6.6**	**530.2**
Net finance costs	- 105.2	- 2.3	- 42.4	- 145.3	- 89.8	0.2	- 32.2	- 122.2
Income tax	- 117.3	- 35.3	- 26.3	- 108.3	- 83.1	7.7	- 19.7	- 110.5
Net profit	**326.7**	**- 43.9**	**- 45.3**	**325.3**	**295.6**	**- 47.2**	**- 45.3**	**297.5**
Non-controlling interests	- 44.5	0.8	45.3	–	- 45.2	0.1	45.3	–
Net profit owners of parent	**282.2**	**- 43.1**	**–**	**325.3**	**250.4**	**- 47.1**	**–**	**297.5**

Statement of financial position

In EUR millions	31-Dec-15 IFRS figures	31-Dec-15 Effects proportionate consolidation	31-Dec-15 Proportionate consolidated	31-Dec-14 IFRS figures	31-Dec-14 Effects proportionate consolidation	31-Dec-14 Proportionate consolidated
Non-current assets (excl. joint ventures and associates)	3,787.8	2,016.2	5,804.0	3,872.7	1,789.5	5,662.2
Joint ventures and associates	1,068.1	- 1,068.1	–	942.2	- 942.2	–
Current assets	641.3	205.1	846.4	593.5	266.4	859.9
Total assets	**5,497.2**	**1,153.2**	**6,650.4**	**5,408.4**	**1,113.7**	**6,522.1**
Non-current liabilities	2,761.6	982.2	3,743.8	2,775.3	1,096.6	3,871.9
Current liabilities	575.2	322.0	897.2	730.3	161.7	892.0
Total liabilities	**3,336.8**	**1,304.2**	**4,641.0**	**3,505.6**	**1,258.3**	**4,763.9**
Equity attributable to owners of parent	2,009.4	–	2,009.4	1,758.2	–	1,758.2
Non-controlling interests	151.0	- 151.0	–	144.6	- 144.6	–
Total equity	**2,160.4**	**- 151.0**	**2,009.4**	**1,902.8**	**- 144.6**	**1,758.2**

Other information

	2015	2014
EBITDA margin -excluding exceptional items-	53.4%	51.8%
Cash Flow Return On Gross Assets (CFROGA)	10.2%	10.3%
Occupancy rate subsidiaries, joint ventures and associates	92%	88%

Segment information -excluding exceptional items-

In EUR millions	Revenues 2015	Revenues 2014	EBITDA 2015	EBITDA 2014	Group operating profit 2015	Group operating profit 2014
Netherlands	501.3	455.7	283.8	258.1	184.1	169.1
Europe, Middle East & Africa	339.8	340.1	152.1	142.1	83.8	71.6
Asia	454.8	403.9	289.2	264.3	203.4	199.2
of which Singapore	*187.2*	*181.8*	*135.0*	*135.5*	*107.7*	*111.6*
Americas	268.4	254.8	122.9	105.4	80.7	63.0
of which United States	*168.8*	*145.9*	*83.4*	*60.2*	*58.6*	*37.1*
Non-allocated	114.5	121.8	56.1	53.7	26.9	27.3
of which global LNG activities	*114.0*	*119.6*	*93.3*	*79.7*	*69.7*	*58.6*
Total	**1,678.8**	**1,576.3**	**904.1**	**823.6**	**578.9**	**530.2**

Net interest-bearing debt

In EUR millions	31-Dec-15	31-Dec-14
Non-current portion of interest-bearing loans	3,120.7	3,099.0
Current portion of interest-bearing loans	84.3	193.7
Total interest-bearing loans	**3,205.0**	**3,292.7**
Short-term borrowings	146.9	72.6
Bank overdrafts	42.6	43.4
Cash and cash equivalents	- 269.5	- 320.3
Net interest-bearing debt	**3,125.0**	**3,088.4**

Profit appropriation

Articles of Association Provisions Governing Profit appropriation

The Articles of Association provisions governing profit appropriation are contained in Articles 19 and 27.

The relevant paragraphs of these articles are as follows:

Article 19.2.
In the Annual General Meeting of Shareholders:
b. the annual accounts as prepared by the management board will be presented to the general meeting for adoption and the allocation of profits will – with due observance of the provisions of article 27 – be determined.

Article 27.12.
The profits remaining after application of the previous paragraphs shall be at the free disposal of the general meeting, with due observance of the fact that no dividend can be distributed when, at the time of the distribution, the dividend reserve finance preference shares has a positive balance and furthermore provided that no further distributions shall be made on the anti-take-over preference shares and the finance preference shares and no profits shall be (further) reserved for the account of the finance preference shares.

Proposed Profit appropriation

The proposal to the Annual General Meeting will be to distribute a dividend in cash of EUR 1.00 (2014: EUR 0.90 in cash) per ordinary share, with a nominal value of EUR 0.50. Provided that the Annual General Meeting adopts the statement of income, statement of financial position, the dividend for the 2015 financial year will be made payable on 28 April 2016.

Stichting Vopak

The objectives of Stichting Vopak, established in Rotterdam, are to promote the interests of Koninklijke Vopak N.V. (Royal Vopak) and all those involved with the company and any of its affiliated companies in order to safeguard, among other things, Royal Vopak's and these companies' continuity and/or identity and/or independence.

During the year 2015, the Board of Stichting Vopak met twice. At these meetings, it discussed the protection of Vopak and its effectiveness as well as the composition of its Board members. Furthermore, the Board of Stichting Vopak was briefed by the Chairman of the Executive Board of Royal Vopak on developments in the company. The Chairman of the Supervisory Board attended these meetings as an observer.

The current members of the Board of Stichting Vopak are:
- A. Schaberg, Chairman
- J.H.M. Lindenbergh
- B. van der Veer

No cumulative protective preference shares in Royal Vopak had been issued at the date of the statement of financial position.

Protective preference shares will be issued if Stichting Vopak exercises its option right. On 18 October 1999, the AGM decided to grant the right to Stichting Vopak to acquire protective preference shares to a maximum amount of the full nominal value of the share capital issued to third parties in the form of ordinary and financing preference shares, less the nominal value of one ordinary share. Royal Vopak and Stichting Vopak have specified their mutual relationship with regard to the option in an option agreement dated 1 November 1999, which was amended on 5 May 2004 in such a manner that the original put option granted to Royal Vopak was cancelled.

On 17 September 2013, the EGM resolved to increase the right of Stichting Vopak to acquire protective preference shares in such a way that the right to acquire protective preference shares is related to all shares in the share capital of Vopak issued to third parties at such time, less one ordinary share. Pursuant to this, Royal Vopak and Stichting Vopak amended the option agreement accordingly on 17 September 2013.

The Board of Stichting Vopak decides independently whether and when there is a need to exercise its option right for the issue of protective preference shares to Stichting Vopak.

Rotterdam, 25 February 2016

Stichting Vopak

Declaration of independence

In the opinion of the Board of Stichting Vopak and the Executive Board of Royal Vopak, Stichting Vopak is independent as meant by Section 5:71(1c) of the Financial Supervision Act.

Rotterdam, 25 February 2016

Stichting Vopak **Koninklijke Vopak N.V. (Royal Vopak)**

Principal company officers at 25 February 2016

Netherlands

Division management

Jan Bert Schutrops - Division President
Marcel van de Kar - Commercial
Age Reijenga - Operations & Technology
René van Tatenhove - Finance & Control
Edwin Taal - Human Resources

Business units

Walter Moone[1] - Rotterdam Botlek
Jos Steeman[1] - Rotterdam Europoort
Ard Huisman[1] - Vlaardingen
Manon Bloemer[1] - North Netherlands
Tjeerd van der Voorn - Agencies
Ian Ter Haar - Vlissingen

Joint ventures

Peter den Breejen - Cross-Ocean, the Netherlands

Europe, Middle East & Africa

Division management

Dick Meurs - Division President
Michiel Gilsing - Commercial & Business Development
Dave Mercer - Operations & Technology
Maarten van Akkerveeken - Finance & Control
Wouter Merks - Human Resources

Business units

Boudewijn Siemons - Belgium
Janhein van den Eijnden - Germany
Paul Cox - South Africa
Ian Cochrane - United Kingdom
Augustin Silva - Algeciras, Spain

Joint ventures and associates

Arnout Lugtmeijer - Vopak E.O.S., Estonia
Andrew North - SabTank, Saudi Arabia
Cees de Greve - Vopak Horizon Fujairah, UAE
Ignacio Casajus - Terquimsa, Spain
Syed Mohammad Ali - Engro Vopak, Pakistan

Asia

Division management

Patrick van der Voort - Division President
Casper Pieper - Commercial & Business Development
Niek Verbree - Operations & Technology
K.P. Aldridge - Finance & Control
Janice Loh - Human Resources

Business units

Fulco van Geuns - Australia
Law Say Huat - Malaysia
Tan Soo Koong - Singapore
Deepak Dalvi - India
Lars Schaumann - Indonesia
Patrick Trinh - Vietnam

Joint ventures and associates

P. Dumrong - Thai Tank Terminal, Thailand
J.I. Lee - Ulsan, Korea
Uematsu Sakae - Nippon Vopak, Japan

China

Division management

Yan Chen - Division President
Chen Peng - Commercial & Business Development
Randy Cheong - Operations & Technology
Ferry Lupescu - Finance & Control
Whitney Wu - Human Resources

Business units

Foo Chek Chai - Zhangjiagang, China
Xiaomei Liu - Lanshan, China

Joint ventures and associates

Jeremy Pei - Yangpu
Gang Wu - Dongguan
Yu Yongli - Dongjiakou
Bo Teng - Haiteng
Liang Wu - Tianjin
Biwei Yan - Tianjin Lingang
Buu Dinh - Caojing Shanghai
Edwin Hui - Ningbo

1. Also member of Division Management.

Americas

Division management

Dick Richelle - Division President
Ralf van der Ven - Commercial & Business Development
Jeffrey Tan - Operations & Technology
Wim Samlal - Finance & Control
Scott Grossman - Legal Affairs
Hernán Rein - Human Resources

Business units

Chris Robblee - Gulf Coast
Mike LaCavera - West Coast
Charles Bradley - East Coast
Colin Scott - Canada
David Lozano - Mexico
Cristhian Pérez - Venezuela
Michael Mulford - Colombia
Sjoerd Bazen - Brazil
Ignacio González - Panama

Global staff

Wim Bloks - Sourcing & Procurement
Leo Brand - Information Technology
Michiel van Cortenberghe - Control & Business Analysis
Kees van Seventer - Sales & Marketing and Global LNG
Elsbeth Janmaat - Human Resources
Anne-Marie Kroon - Tax
Wilfred Lim - Operations & Technology
Branko Pokorny - Projects
Michiel van Ravenstein - Moves IT Program
Katie Slipper - Internal Audit
Peter Paul Smid - Legal Affairs & Corporate Secretary
Cees Vletter - Treasury
René Wiezer - Insurance
Karen Beuk - Communication

Joint ventures Global LNG

Rolf Brouwer - Gate Terminal, the Netherlands
David Lozano - LNG Terminal Altamira, Mexico

Five-year consolidated summary

In EUR millions	2015	2014	2013	restated 2012	2011
Consolidated abridged statement of income					
Revenues	1,386	1,323	1,295	1,314	1,172
Other operating income	106	26	27	12	13
Total operating income	**1,492**	**1,349**	**1,322**	**1,326**	**1,185**
Operating expenses	- 737	- 676	- 673	- 664	- 642
Depreciation and amortization	- 256	- 239	- 217	- 203	- 167
Impairment	- 4	- 40	- 21	- 15	- 11
Total operating expenses	**- 997**	**- 955**	**- 911**	**- 882**	**- 820**
Operating profit	**495**	**394**	**411**	**444**	**365**
Result of joint ventures and associates using the equity method	54	74	123	97	221
Group operating profit	**549**	**468**	**534**	**541**	**586**
Net finance costs	- 105	- 90	- 105	- 84	- 79
Profit before income tax	**444**	**378**	**429**	**457**	**507**
Income tax	- 117	- 83	- 68	- 84	- 71
Net profit	**327**	**295**	**361**	**373**	**436**
Non-controlling interests	- 45	- 45	- 42	- 40	- 35
Net profit owners of parent	**282**	**250**	**319**	**333**	**401**
Net profit holders of financing preference shares	-	- 3	- 6	- 8	- 8
Net profit holders of ordinary shares	**282**	**247**	**313**	**325**	**393**
Consolidated abridged statement of income excluding exceptional items					
Operating profit	**451**	**436**	**431**	**459**	**378**
Result of joint ventures and associates using the equity method	104	87	105	107	92
Group operating profit	**555**	**523**	**536**	**566**	**470**
Net finance costs	- 103	- 90	- 102	- 84	- 74
Profit before income tax	**452**	**433**	**434**	**482**	**396**
Income tax	- 82	- 91	- 74	- 87	- 77
Net profit	**370**	**342**	**360**	**395**	**319**
Non-controlling interests	- 45	- 45	- 42	- 40	- 35
Net profit owners of parent	**325**	**297**	**318**	**355**	**284**
Net profit holders of financing preference shares	-	- 3	- 6	- 8	- 8
Net profit holders of ordinary shares	**325**	**294**	**312**	**347**	**276**
Consolidated abridged statement of financial position					
Intangible assets	90	92	68	68	73
Property, plant and equipment	3,496	3,622	3,307	3,127	2,904
Financial assets	1,108	1,001	826	759	608
Deferred tax	14	53	20	51	31
Other	148	47	41	34	229
Total non-current assets	**4,856**	**4,815**	**4,262**	**4,039**	**3,845**
Total current assets	**641**	**593**	**561**	**799**	**395**
Total assets	**5,497**	**5,408**	**4,823**	**4,838**	**4,240**
Total equity	**2,160**	**1,903**	**1,928**	**1,753**	**1,838**
Total non-current liabilities	**2,762**	**2,775**	**2,320**	**2,553**	**1,863**
Total current liabilities	**575**	**730**	**575**	**532**	**539**
Total liabilities	**3,337**	**3,505**	**2,895**	**3,085**	**2,402**
Total equity and liabilities	**5,497**	**5,408**	**4,823**	**4,838**	**4,240**

Glossary

AGM
Annual General Meeting of Shareholders

Audit Committee
Committee within the Supervisory Board that assists the Supervisory Board in performing the supervisory tasks relating to, among other things, the integrity of the financial statements, the financial reporting, the internal audit procedures and the relationship with and the independence of the external auditors

Biofuels/Biodiesel
Products of vegetable origin or from animal fats that are added to gasoline or diesel

BRICS
BRICS is the acronym for five major emerging national economies: Brazil, Russia, India, China and South Africa

Brownfield
Expansion of an existing terminal

Capex
Capital expenditure

Capital employed
Total assets less current liabilities, excluding assets and current liabilities not related to operational activities

Cbm
Cubic meter

CEO
Chief Executive Officer, the highest ranking executive with the overall responsibility for the organization

CFO
Chief Financial Officer, member of the Executive Board, specifically charged with Finance

COO
Chief Operating Officer, member of the Executive Board, specifically charged with Operations & Technology

Corporate Governance
The manner in which the company is managed and the supervision of management is structured

COSO
Committee of Sponsoring Organizations of the Treadway Commission, an international organization whose aim is to create a model for information on and management of business risks

EBIT
Earnings Before Interest and Tax

EBITDA
Earnings Before Interest, Tax, Depreciation and Amortization

EGM
Extraordinary General Meeting of Shareholders

EMEA
Vopak division Europe, Middle East & Africa

EPS
Earnings per share

ERM
Enterprise Risk Management

Greenfield
Building a new terminal on undeveloped land

GDP
Gross domestic product

GRI
Global Reporting Initiative (for more information visit www.globalreporting.org)

HR
Human Resources

Hub
Regional storage and transport center

IAS
International Accounting Standards

ICT
Information and Communication Technology

IFRS
International Financial Reporting Standards

ISDA
International Swaps and Derivatives Association

LEAN
Quality improvement method and philosophy

LMS
Learning Management System

LNG
Liquefied Natural Gas

LPG
Liquefied Petroleum Gas

LTIP
Long-term incentive plan

LTIR
Lost Time Injury Rate; number of accidents entailing absence from work per 200,000 hours worked (of own personnel and contractors at subsidiaries, joint ventures and associates)

LTSP
Long-term share plan

NCI
Non-controlling interest

NGL
Natural Gas Liquids

N.R.
Not reported

NOx
NOx is a generic term for mono-nitrogen oxides NO and NO_2 (nitric oxide and nitrogen dioxide)

NPS
Net Promoter Score; a method of measuring the strength of customer loyalty for an organization

OECD
Organization for Economic Cooperation and Development

PSER
Process safety incidents per 200,000 hours worked

ROCE
Return on Capital Employed, EBIT as a percentage of the average capital employed

SECA
Sulphur Emission Control Area

Shale gas
A natural gas formed as a result of being trapped within shale formations

SHE
Safety, Health and Environment

SOx
SOx refers to all sulphur oxides, the two major ones being sulphur dioxide (SO_2) and sulphur trioxide (SO_3)

STI
Short-term Incentive

Throughput
Volume of a product handled by a terminal in a given period, calculated as (in + out)/2

Tight oil
A petroleum play that consists of light crude oil contained in petroleum-bearing formations of relatively low porosity and permeability (shales)

Total Injury Rate (TIR)
Total number of injuries per 200,000 hours worked (own personnel)

VBDO
Vereniging van Beleggers voor Duurzame Ontwikkeling (Dutch Association of Investors for Sustainable Development)

VOC
Volatile organic compound

VSQI
Vopak Service Quality Index: shows the quality of the various business processes at Vopak as indicated by Vopak's customers in an annual customer satisfaction survey

Glossary

Cover page
Relevant & reliable
Photo: Vopak Terminal Durban (South Africa)

Inside cover page
Relevant & reliable
Photo: Petroleum storage in Rotterdam (The Netherlands)

Page 2
History
Photo: Painting by Johannes Lingelbach (1656) of the weigh house in Amsterdam

Page 5, 10
Profile, mission and strategy
Photo: Pengerang Independent Terminals (Malaysia)

Page 14
Vopak story
Photo: Vopak Terminal Vlissingen (The Netherlands)

Page 16
Executive Board report
Photo: Vopak Terminal Europoort (The Netherlands)

Page 20
Our business environment
Photo: Vopak Singapore - Banyan Terminal (Singapore)

Page 24
Growth leadership
Photo: Vopak Horizon Fujairah (UAE)

Page 28
Operational leadership
Photo: Vopak Terminal Korea (Korea)

Page 30
Customer leadership
Photo: Vopak Terminal Algeciras (Spain)

Page 32
Financial performance
Photo: Vopak Terminal Merak (Indonesia)

Page 36
Vopak Story
Photo: Pengerang Independent Terminals (Malaysia)

Page 38
Key developments per division
Photo: Vopak Brazil - Alemoa Terminal (Brazil)

Page 39
Introduction key developments per division
Photo: Vopak Brazil - Alemoa Termina (Brazil)

Page 40
Netherlands
Photo: Vopak Terminal Botlek (The Netherlands)

Page 42
Europe, Middle East & Africa
Photo: Vopak Horizon Fujairah (UAE)

Page 44
Asia
Photo: Vopak SDIC Yangpu Terminal (China)

Page 46
Americas
Photo: Vopak Colombia - Barranquilla Terminal (Colombia)

Page 48
Global LNG
Photo: Gate Terminal
(The Netherlands)

Page 49
Global LNG
Photo: Gate Terminal
(The Netherlands)

Page 50
Vopak story
Photo: Vopak Terminal Botlek
(The Netherlands)

Page 52
Sustainability
Photo: Vopak Terminal Vlissingen
(The Netherlands)

Page 53
Our ambition: sustainability at the core of every decision
Photo: Vopak Terminal Algeciras
(Spain)

Page 55
Stakeholder engagement
Photo: Vopak Terminal Sydney
(Australia)

Page 58
Sustainability strategy
Photo: Vopak Terminal Yangpu
(China)

Page 80
Vopak story
Photo: Compilation of
WeConnect projects

Page 88
Vopak story
Photo: Asia division (Singapore)

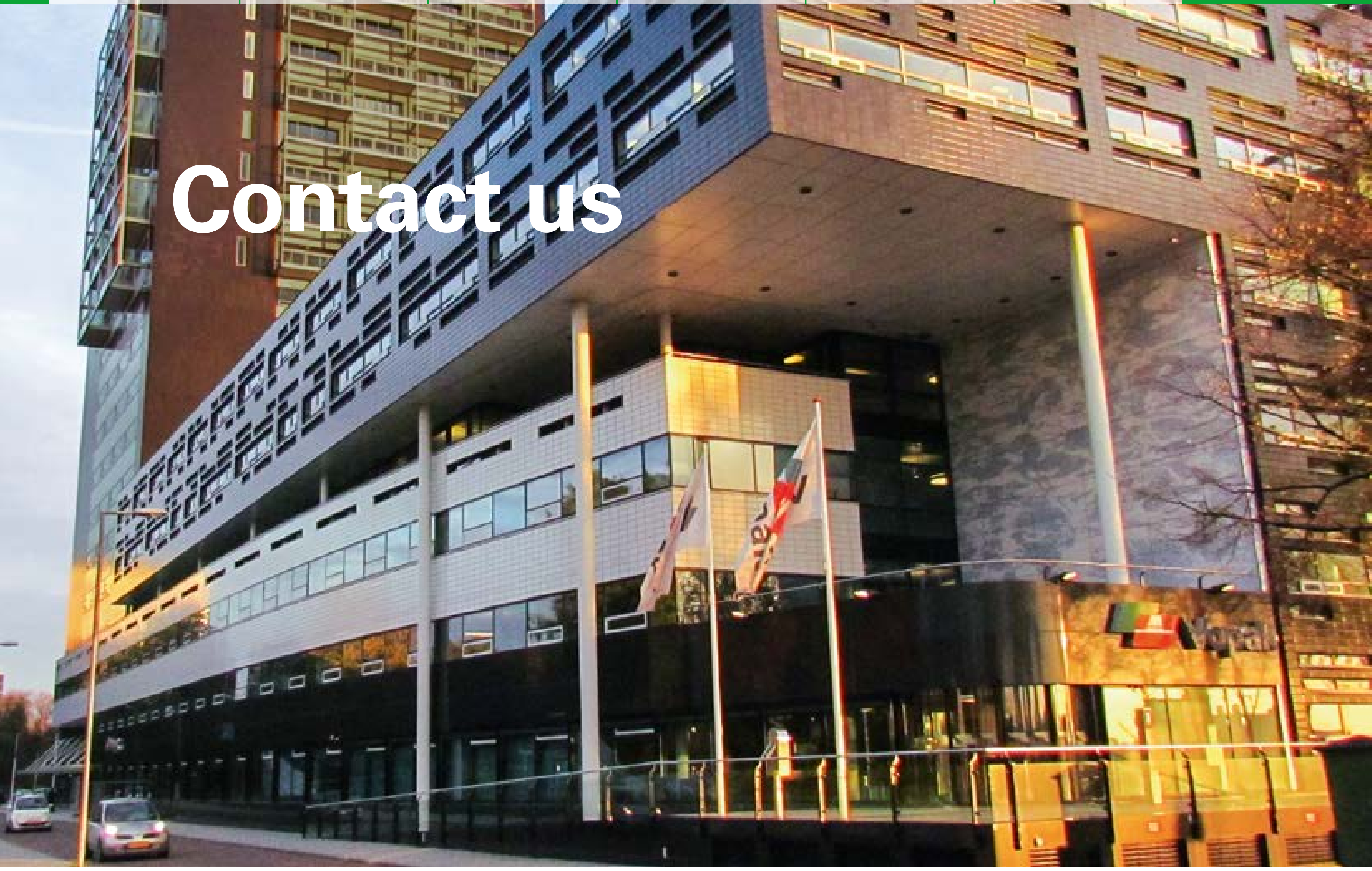
Page 90
Goverance and compliance
Photo: Vopak Terminal Eurotank
(Belgium)

Page 118
Vopak story
Photo: Vopak Fujairah Horizon
(UAE)

Page 120
Financial Statements
Photo: Gate Terminal
(The Netherlands)

Page 222
Additional information
Photo: Royal Vopak global office
(The Netherlands)

Contact us



Royal Vopak

Global Communication & Investor Relations
Telephone: +31 (0)10 400 2911
Email: global.communication@vopak.com

Visiting address
Westerlaan 10
3016 CK Rotterdam
The Netherlands

Postal address
P.O. Box 863
3000 AW Rotterdam
The Netherlands

Media contact
Liesbeth Lans
Telephone: +31 (0)10 400 2777
Email: liesbeth.lans@vopak.com

Investor Relations contact
Chiel Rietvelt
Telephone: +31 (0)10 400 2776
Email: chiel.rietvelt@vopak.com

Sustainability contact
Willem van der Zon
Telephone: +31 (0)10 400 2561
Email: willem.van.der.zon@vopak.com

Credits

Consultancy, concept and design
DartGroup, Amsterdam

Technical realization
DartGroup, Amsterdam

Photography
Chris Bonis Photography and Film, Rotterdam