Vopak

ANNUAL REPORT 2014

Connecting **flows.**

Contents

At a glance

Revenues in EUR millions

1,322.5

Compared to 2013

+2%

EBITDA in EUR millions

762.8

Compared to 2013

+1%

Cash flows from operating activities (net) in EUR millions

702.8

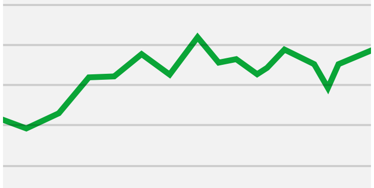
Compared to 2013

+6%

Market capitalization

In EUR billions at year-end 2014

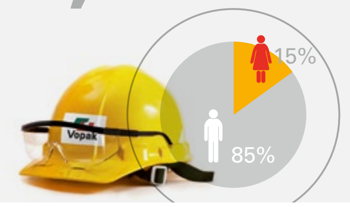
5.5



Number of employees

31 December 2014

6,092



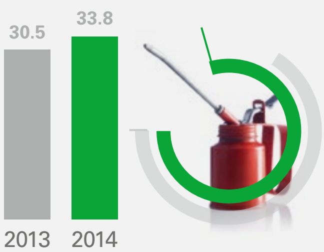
Total Injury Rate (TIR)

In 200,000 hours worked own personnel and contractors

0.39

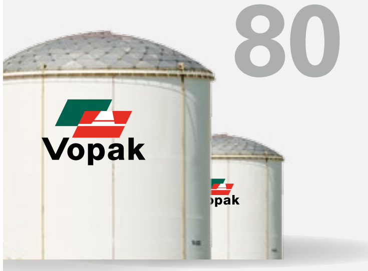
Storage capacity

In million cbm at 31 December



Number of terminals

80



Number of countries

28

Key figures

	2014	2013
Sustainability data		
Total Injury Rate (TIR) per 200,000 hours worked own personnel and contractors	0.39	0.36
Lost Time Injury Rate (LTIR) per 200,000 hours worked own personnel and contractors	0.13	0.12
Process Safety Events Rate (PSER)	0.20	0.35
Results (in EUR millions)		
Revenues	1,322.5	1,295.2
Group operating profit before depreciation and amortization (EBITDA)	707.7	750.6
Group operating profit before depreciation and amortization (EBITDA) -excluding exceptional items-	762.8	753.1
Group operating profit (EBIT)	468.5	533.8
Group operating profit (EBIT) -excluding exceptional items-	523.6	536.3
Net profit attributable to owners of parent	250.4	318.5
Net profit attributable to owners of parent -excluding exceptional items-	297.5	317.7
Net profit attributable to holders of ordinary shares	247.1	312.7
Net profit attributable to holders of ordinary shares -excluding exceptional items-	294.2	311.9
Cash flows from operating activities (net)	702.8	660.3
Capital employed (in EUR millions)		
Total investments	705.6	658.1
Average gross capital employed	5,935.0	5,465.5
Average capital employed	3,593.5	3,286.6
Capital and financing (in EUR millions)		
Equity attributable to owners of parent	1,758.2	1,809.5
Net interest-bearing debt	2,266.3	1,824.7
Ratios (excluding exceptional items)		
EBITDA margin excluding result of joint ventures and associates	49.9%	49.3%
Cash Flow Return On Gross Assets (CFROGA)	10.9%	11.7%
Return On Capital Employed (ROCE)	14.6%	16.3%
Return On Equity (ROE)	16.7%	18.8%
Senior net debt : EBITDA	2.83	2.53
Interest cover (EBITDA : net finance costs)	8.9	7.4
Key figures per ordinary share (in EUR)		
(Diluted) earnings	1.94	2.45
(Diluted) earnings -excluding exceptional items-	2.31	2.45
(Proposed) dividend	0.90	0.90
Company data		
Number of employees end of period subsidiaries	3,860	4,010
Number of employees end of period joint ventures and associates	2,232	2,164
Storage capacity end of period subsidiaries (in million cbm)	21.7	20.8
Storage capacity end of period joint ventures and associates (in million cbm)	9.9	8.1
Storage capacity end of period operatorships (in million cbm)	2.2	1.6
Occupancy rate subsidiaries (average rented storage capacity in %)	88%	88%
Estimated market share global independent tank storage at year-end	11.1%	10.5%
Contracts > 3 years (in % of revenues)	53%	52%
Contracts > 1 year (in % of revenues)	79%	80%
Information on proportionate basis		
Group operating profit before depreciation and amortization (EBITDA) -excluding exceptional items-	823.6	817.2
Cash Flow Return On Gross Assets (CFROGA)	10.3%	10.9%
Occupancy rate subsidiaries, joint ventures and associates	88%	88%
Number of shares outstanding		
(Diluted) weighted average	127,515,368	127,423,536
Total including treasury shares	127,835,430	127,835,430
Treasury shares	210,000	402,400
Financing preference shares	-	41,400,000

Letter from the Chairman

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

Strategic update

2014 was another dynamic year

"2014 was another dynamic year in a challenging economic environment. Our strategy was updated; new capacity was commissioned and acquired; a good safety record was delivered and our financial performance was solid. I am proud of the results that we collectively achieved this year."

Dear stakeholder

In 2014 we saw a continuation of growing imbalances of liquid products resulting in increasing global and regional flows and changes in the refinery landscape. These developments are positive for our company in the long term. In the second half of the year, we experienced positive developments in short-term business opportunities and foreign exchange rate movements which had a positive impact compared to our initial estimates of the first half of the year. We focus and adapt ourselves to changes that we expect to be structural, such as a growing world population, increasing demand for energy products, increased capacity in certain product-market combinations, uncertain geopolitical situations and stricter regulations.

Strategic update

The strategic update published on 2 July 2014 provides a clear roadmap for our future, both internally as well as externally. Our strategic focus is on four market categories for independent terminals. We have started optimizing capex programs to support capital efficiency and align the organization to become more agile. We recognize that, among the people who have left our company, there are many who have contributed to our successes in the past, for which we are grateful.

Service and sustainability

We successfully managed stench issues at Europoort terminal in Rotterdam and improved the efficiency performance at Westpoort terminal in Amsterdam. Our sustainability reporting has matured further. In recognition of the fact that sustainability is a core element of our strategy and operations, we have combined our sustainability report with the annual report.

Operational achievements

Our worldwide network and dedicated staff delivered solid financial results under challenging market circumstances. We acquired terminal infrastructure assets in our focus markets, such as the Haiteng industrial terminal in China and the Canterm import terminals in Canada. We safely commissioned several greenfield and brownfield expansion projects, including the Pengerang project in Malaysia and the middle distillates capacity expansion in Rotterdam. These projects were executed alongside our efficiency improvement projects to enhance service levels and to reduce operational costs.

Engagement

On behalf of the Executive Board, I would like to thank our engaged employees who work with enthusiasm for our company, our loyal customers who value our services, the local communities in which we operate and who value our open dialogue and sustainability efforts, our long-term shareholders and all our stakeholders who continue to support us and believe in our business model.

2015 and beyond

Looking ahead towards 2015 and beyond, we will continue to execute the strategy we updated in 2014 by further aligning our global terminal portfolio and by improving our competitive position. We are determined and energized to achieve these long-term goals, safely, diligently and with discipline.

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

Profile, mission and strategy

Globally
well positioned

The world's number one

Royal Vopak is the world's leading independent tank storage provider for the oil and chemical industry. Operating strategically located terminals all over the world, we offer safe, reliable and efficient storage and handling of liquid bulk and gaseous products. Vopak is listed on the Amsterdam NYSE Euronext. Including our joint ventures, we employ an international workforce of more than 6,000 people. The Vopak group has an annual turnover of more than EUR 1.3 billion.

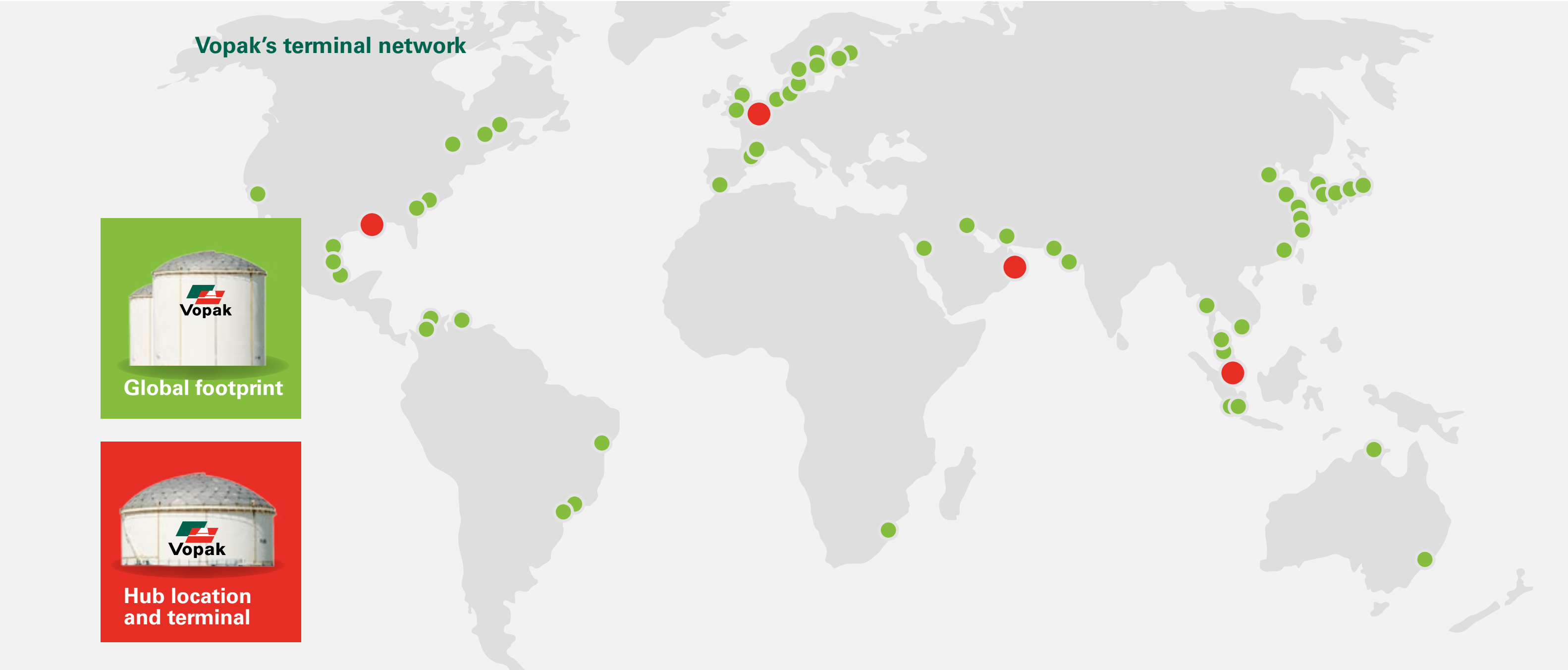
Our past, our future

Vopak's history goes back to 1616. In its earliest form, our company offered storage and related services to trading companies such as the Dutch East Indies Company, facilitating the rapid growth of the Dutch economy. Today, tapping into almost 400 years of experience in storage and transshipment, we are committed to providing the best service to our customers around the world.

Vopak's employees make the true difference. All over the world, customers can count on the talent and the service commitment of our staff.

We invest in lasting relationships with customers, business partners, governments, shareholders, financial partners and employees. We base our operations on the principles of transparency, loyalty, commitment and mutual trust.

Vopak's terminal network



"A global network of storage and transshipment facilities"

Sustainability

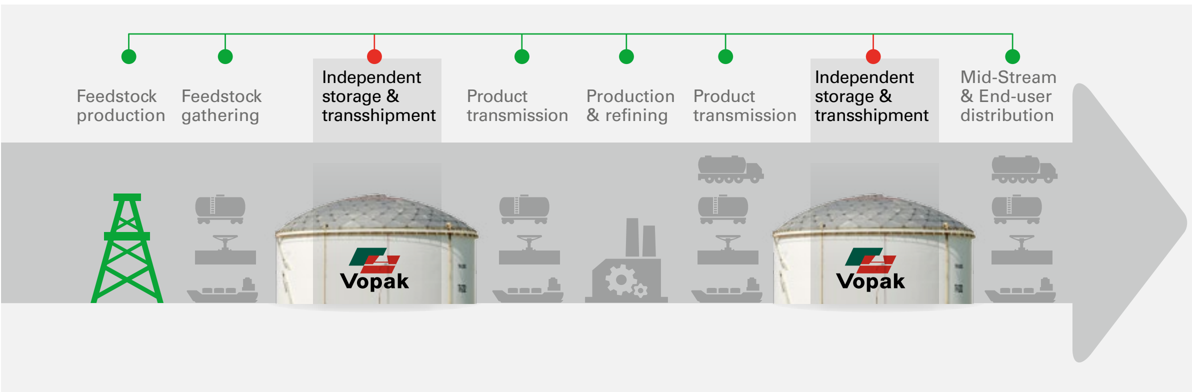
We store energy and chemical products that are crucial to people's lives, yet can endanger their health and the environment if stored or handled inappropriately. As a service provider, we do not determine what type of products are in use. Our role and responsibility is to provide safe, efficient and clean liquid bulk storage and handling services. Our ambition is to be a strong link in our customers' value chain and a leader in our industry.

We established a sustainability strategy around four main themes:

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

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



Vopak's strategy

Growth leadership

Operational leadership

Customer leadership

Our sustainability foundation

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

Mission and strategy

The world's growing population, legislative changes, geopolitical developments and new dynamics in feedstock positions in several regions result in an increasing demand for the physical transportation, storage and handling of oil products, chemicals, gasses, biofuels, edible oils and LNG. Meeting this demand requires solid infrastructure that seamlessly connect the logistics networks of producers, traders and distributors.

Vopak's mission is to make a sustainable contribution to the creation of efficient logistics processes for our customers by being the leading provider of independent tank terminal storage infrastructure at locations that are critical to our customers in all regions of the world.

Vopak has developed a strategy to realize this mission. This strategy rests on three pillars:

Growth leadership: our ability to identify and secure the right locations for our terminals
Operational leadership: constructing, owning, operating and maintaining terminals to deliver storage and handling services safely at competitive costs
Customer leadership: creating long-term sustainable relationships with customers and healthy occupancy rates of terminals at attractive rates

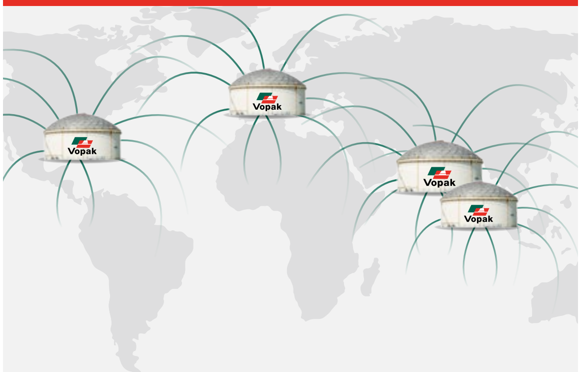
All three pillars rest on a sustainable foundation, whereby Health and safety and Environmental care remain our core focus areas. In recent years, we have extended this in being a Responsible partner and include Excellent people in order to have a more comprehensive coverage.

In light of the changing energy and petrochemical landscape and a continuing economic shift from West to East over the globe, Vopak has updated its terminal portfolio criteria for its existing terminals and its business development activities. We have defined terminal portfolio criteria on four types of business models as depicted hereafter.

The early selection of growth opportunities on the basis of these criteria will ensure a focus on projects that are in line with our strategy. Together with the improvements at our existing key locations, the strengthening of our service levels and our defined divestment program of assets, the risk-return profile of our global terminal portfolio will be further aligned with the defined strategic criteria.

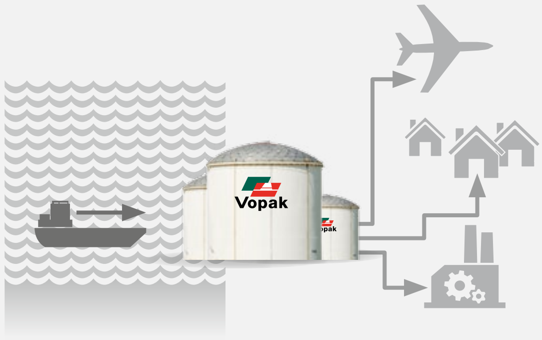
Our terminal portfolio criteria

Hub terminals



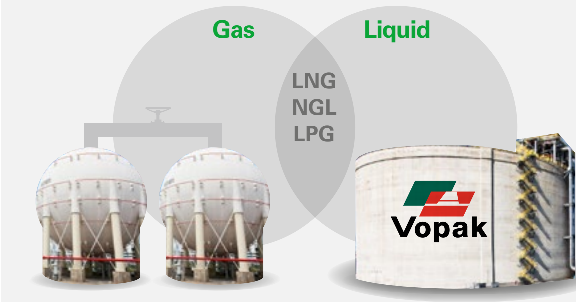
Major hubs, supporting intercontinental product flows

Import and distribution terminals



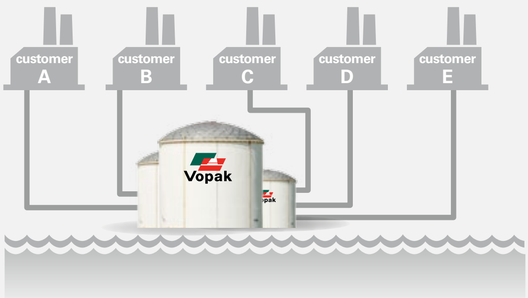
Import and distribution terminals in major markets with structural deficits

Gas terminals

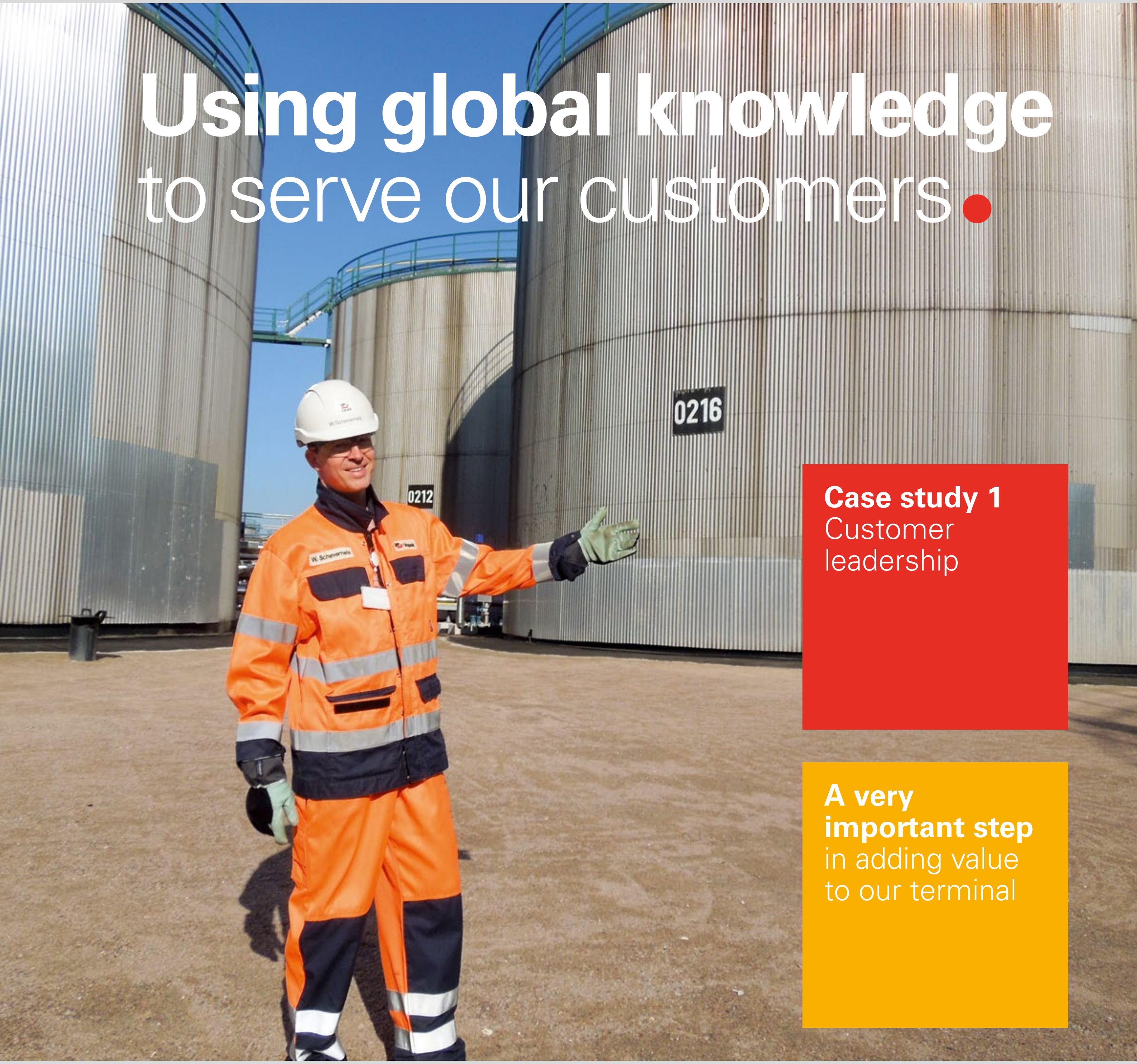


Terminals facilitating growth in global gas markets

Industrial and chemical terminals



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



Using global knowledge to serve our customers

Case study 1
Customer leadership

A very important step in adding value to our terminal

The Vopak Hamburg terminal took advantage of our global knowledge to implement a local solution: the refurbishment of a 60-year-old tank pit to accommodate high grade base oils for a new client. A monumental and strategically important challenge. "With the help of experienced colleagues from all over the world, the transition went smoothly."

Case study 1 Customer leadership

"Being part of an international network of storage facilities, like Vopak, proves to be a great advantage when you are faced with a new challenge", says Wessel Schevernels, Commercial Manager at Vopak Hamburg. "Even though the terminal had experience in storing base oils for major producers in the world, the requirements for this new customer were very different," says Schevernels. "Because of the complex blending formulas, the components have to be handled more carefully. They require a completely dedicated system."

We needed expertise

"In order to guarantee a high level of service to this new client we needed expertise on projects, on new products and on the particular requirements of this specific client", Schevernels continues. "We had the knowledge to address such a project, but it is very beneficial when you can talk to people who have experience with the specific products and who have worked with that customer for years."

One of those people is Ong Chin Siong, Manager Customer Service at the Penjuru Terminal in Singapore. "We have been working together with this customer since 2009," he says. "The requirements are stricter, because they work with high grade components that are very sensitive to external influences such as water and chemical solvents. Not only does the infrastructure need to be in order, these kinds of base oils also require a very specific operations plan."

Completely refurbished and upgraded to **state-of-the-art standards**

Most challenging

In order to meet these requirements, a 60-year-old tank pit (that had always been used to store heavy fuel oils), was completely refurbished. Schevernels: "This is a very important step in adding value to our terminal. We have carried out similar projects for two other clients, but this transformation proved to be the most challenging to date. Everything, except for the tank shells, was completely refurbished and upgraded to state-of-the-art standards."

Positive outcome realized thanks to efforts of colleagues from all over the world

Sharing knowledge

Schevernels: "Knowing that this customer was very satisfied about the approach of Vopak in Singapore, it made perfect sense to ask our colleagues for feedback on our operational plan."

Sharing knowledge is common within Vopak. "The peer review system, which means new plans are examined by specialists from all over the world, is a good example of this," says Schevernels. "In this case, it was very important for us to gain knowledge about this specific customer, especially on how to interact and service them on a daily basis. Knowing which factors are important to this client gave us an advantage in the first stages of our commercial relationship."

Chin Siong: "The most important thing in the relationship with any client is open communication. Involve them in every step of the project and if there are any doubts about what to do, ask questions. This is something that our colleagues in Hamburg take to heart."

Challenge

The new base oils facilities in Hamburg were commissioned in May and June 2014. "Everything went as planned", says Schevernels. "This positive outcome was realized thanks to the efforts of colleagues from all over the world. The support of Vopak's Global Oil Director, Hari Dattatreya, and his team proved to be crucial. They were able to connect back to the customer at a global level and give us valuable feedback on possible optimizations throughout the process.
Using global knowledge to implement a local solution is what gives Vopak an important advantage. All the resources are available. The key is to bring them together at the right time."

Executive Board **report**

EBITDA in EUR millions

762.8

Compared to 2013

+1%

Total Injury Rate (TIR)

In 200,000 hours worked own personnel and contractors

0.39

2013	2014
0.36	0.39

Customer satisfaction

39

NPS score

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, Argentina and Singapore. 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

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, 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 field of Exploration & 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.

Aligning our strategy with new market dynamics

Sustainability

Vopak has been facilitating global trade flows for almost 400 years. To be able to continue fulfilling this role, our choices must contribute to our long-term relevance in society. Our long-term success depends on our ability to innovate timely and effectively and to respond to changing demands from the market and from society.

Today, we are specialized in storing oil products, chemicals, gasses, biofuels, edible oils and LNG 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 responsibility is to provide safe, efficient and clean liquid bulk storage and handling services. We comply with applicable rules and regulations as a minimum standard and we adopt best practices whenever possible. We explore ways to facilitate the introduction of more sustainable technologies, processes or products, such as biofuels and LNG. Our ambition is to be a strong link in our customers' global value chains and a leader in our industry. This is how we will continue to carry out our role in society, enabling trade flows in a sustainable manner for future generations.

Serving our customers

As an independent service provider, our core business is to provide our customers with storage and handling services for all liquid bulk products. Major customer groups that we serve include national and international producers, distributors and traders of liquid bulk products. With our global footprint of terminals, strategically located along major shipping routes, we enable our customers to seize business opportunities around the world. Understanding our customers' needs is key to delivering safe, efficient and excellent services, and forms the basis for long-term sustainable relationships.

New dynamics

Vopak operates in a world governed by changing market dynamics. There is an ongoing economic shift from West to East. While the economy grew strongly in most Asian countries in 2014, the European economy overall showed very slight growth. The US has enjoyed modest but stable growth and Latin America is exposed to uncertainty. The growth of the population in most Asian countries, along with the increasing role being played by the middle classes, is pushing up demand for energy in the region.

During the past decade, we have focused on building up a well-diversified worldwide independent terminal network and further professionalizing our operational and commercial processes. Our selective growth orientation combined with a relentless drive on safety and service has enabled us to establish the leadership position that we have today in the independent tank storage market.

It is clear that energy sources are shifting. The extraction of shale gas in the US, increasing demand for natural gas and the ongoing discussion about curbing

CO_2 emission, all contribute to major shifts in imbalances in the world. This has resulted in changing global and regional flows and a different refinery landscape. Since 2013, the European tank storage market has been adversely impacted by a substantial incremental supply of storage capacity and legislative and geopolitical developments.

In 2014, we undertook a business review in order to meet the challenges and opportunities of these new dynamics. This review showed that our strategic orientation based on growth leadership, operational leadership and customer leadership continued to be a sound and effective strategy; yet we saw the potential to align the execution of our strategy with the challenges and opportunities that the new market dynamics present in a pro-active manner: focusing on the terminal portfolio and execution of our business.

We presented our findings on 2 July 2014. We are confident that by executing our strategic priorities, we will be able to retain and further strengthen our leading position.

Growth leadership

As a capital intensive company, Vopak has two main areas of attention that it addresses diligently: a balanced risk-return profile of the total portfolio and a disciplined capital allocation. Based on our robust and well-diversified universal network and our accumulated knowledge, experience and business intelligence, we are well positioned to make fact-based decisions on value creation. This has resulted in the updating of our terminal portfolio criteria for our existing terminals and our business development activities. Going forward, Vopak will primarily focus on four types of business models for terminals:

1. 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, Fujairah, Rotterdam and Singapore are good examples. We are proud to have added Pengerang Independent Terminals near Singapore to our international hub terminal network, together with our joint venture partners Dialog Group Berhad and the State Secretary of Johor. Commissioning the terminal in June 2014 was one of the highlights of the past year.

2. Terminals facilitating growth in global gas markets

Vopak expects that a range of gasses 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 gasses among a growing number of market participants. Demand for gas for competitive petrochemical and plastics production, for gas-fired power plants and for transportation purposes has resulted in our recent expansions of LPG storage capacity in China and Singapore. Vopak already participates in two LNG facilities: Altamira - TLA in Mexico and Gate terminal in the Netherlands. The logistics service capacity of Gate terminal was expanded with ship reloading capabilities on the existing berth, and will be further expanded by an additional harbor basin, enabling LNG distribution to coasters and barges for small-scale use. At Gate terminal, we are also equipped to load LNG onto trucks.

3. 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. Vopak has already started to respond to this development. The acquisition of two distribution terminals for the storage and handling of refined products in Montreal and Quebec City (Canada) underlines our strategy. It strengthens Vopak's presence in the strategic distribution market locations in Eastern Canada.

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

Vopak boasts a broad network of industrial terminals. In 2014, Vopak acquired a 30% interest in the Haiteng terminal in Gulei (China) which currently supplies two petrochemical plants. We are also proud to have announced a shareholder agreement with partners Petronas and Dialog to jointly develop an industrial terminal in Pengerang.

The selection of growth opportunities on the basis of these four types of business models will result in a gradual shift of our terminal portfolio towards these growth markets.

Divestments

Vopak has started to divest around 15 primarily smaller terminals to further align its worldwide terminal portfolio with the longer-term market trends, as announced in 2014 and in line with our terminal portfolio criteria.

Operational leadership

Over the years we have significantly improved the asset integrity, safety performance and service offering of our terminals through a systematic and disciplined sustaining and improvement capital expenditure approach. This provides a strong foundation for further optimizing capex programs, while continuing our drive to further improve safety and service.

Strong internal controls through our established standards and procedures (One Vopak Experience) facilitates productivity and organizational efficiencies throughout the company.

In 2014 we further enhanced our service levels by improving our infrastructure, ranging from reconfiguring existing tank pits to accommodate high grade base oils, to the technical adjustment of the manifold in Amsterdam, now an intersection of pipelines that allows simultaneous handling for multiple customers. On an ongoing basis, we identify and select options to apply new technologies and, through the terminal master plans, adjust our infrastructure with key market and customer requirements. Our operational capabilities define the service experience of our customers.

Customer leadership

Vopak strives to maintain and improve our service offering and reputation among our customers and we are proud that the Net Promoter Score increased in all regions in 2014. The rising scores of our own Vopak Service Quality Index are also an indication of our customers' appreciation of improved service levels.

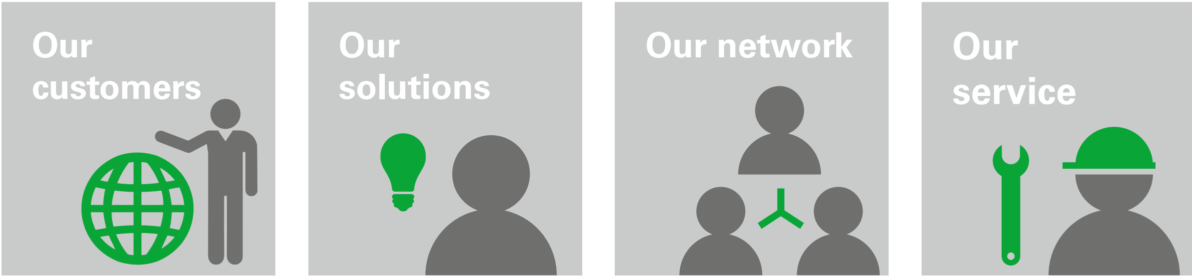
Human capital

Our aim is to provide our employees with opportunities for career development. We ensure that we have the right skills and leadership competencies available to support our business and strategy execution.
Our employees are subject to regular performance appraisal, which allow us to identify individual strengths and development areas, provide additional training where necessary and open up opportunities for career progression. There was a special focus on retaining top talent in 2014. The development of talent is a responsibility of all our leaders: leading by example and coaching young talented employees will be key to our success.

Organizational efficiency

Following the strategy update on 2 July 2014, we started to make step-by-step progress in aligning the organization in the second half of 2014, aiming to become more agile and productive. In addition, we continued to train our employees to ensure high service levels and a safe working environment.
We are proud of our employees who drive our business forward with passion, ownership and agility.

Serving our customers



Our customers

The customers we serve include national and international producers, distributors and traders of liquid bulk products.

Our wide range of customers are generally active in the production, purchasing and marketing of oil products, chemicals, gasses, biofuels, edible oils and LNG. Based on their geographic footprint, they can be divided into three large categories; global, regional and local customers. In 2014, our top 10 customers accounted for approximately 37% of gross revenues. No individual customer accounted for more than 10% of gross revenues.

Our solutions

As an independent service provider, our core business is to provide our customers with storage and handling services for all liquid bulk and gaseous products.

Our terminal concepts are tuned to our customers' needs. Hub terminals are situated at globally strategic ports to provide market access and trade opportunities. Distribution terminals act as a point of origin for inland distribution and industrial terminals are storage centers connected via pipelines to our customers' petrochemical production plants. At our terminals, we store and handle liquid bulk products for our customers; from oil products, chemicals, gasses and biofuels, to edible oils and LNG. To store and handle products, and to maintain or change product specifications, we provide a wide range of additional services, from loading and unloading a range of transport modalities to heating, cooling, blending and customs formalities.

Our network

With our network of terminals, strategically located along major shipping routes, we enable our customers to seize business opportunities around the world.

Our international network of terminals enables our customers to seamlessly optimize and link their supply chains. In doing so, our terminals play a key role in connecting our customers' products to their markets. From this perspective, linking product flows through strategically located ports to end-markets for the sustainable customers of the future is what drives our business. Based on marketing and customer intelligence we further shaped our network in 2014 by focusing on current and future product flows at locations that matter, and we defined four terminal categories that will shape our future network.

Our service

Understanding customers' needs is key to delivering safe, efficient and excellent service, and forms the basis four our long-term sustainable relationships.

With almost 400 years of experience we know what our customers expect from us: the safest, most reliable and efficient logistics service possible. To make this happen, we aim to serve customers according to the safety and service standards that at least match but preferably exceed the standards of our key customers.

Customers acknowledge our continuous efforts to improve our service quality and effectiveness. Our aim is to create long-term sustainable customer relationships at all our terminals. The results of our customer satisfaction survey confirm that we are making steady progress in improving our service. A rising Net Promoter Score, from 23 in 2010 to 39 in 2014, demonstrates that our relationships and the operational execution of our services have developed positively to maintain healthy occupancy rates at our terminals.

Our business environment 2014

Understanding Vopak's business entails not only recognizing our role in our customers' supply chain but also understanding how macroeconomic factors, and geopolitical developments, and customer and storage market developments impact our business environment.

Key developments: general environment

Geopolitical uncertainties and tensions continued to make it difficult to predict economic developments in general and the impact on our business model in particular. The sharp decline of oil prices in the second half of 2014 also had a significant impact on the macroeconomic environment. These factors resulted in distinct differences in the economic landscape between the European, Asian and American markets in 2014.

Europe

Initial signs of a modest economic recovery were visible in 2014. However, the business environment in Europe remained challenging throughout the year. Within the Eurozone, Germany remains the front runner whilst countries like France struggle to return to sustainable growth. The southern European countries are recovering and rationalization is taking place. Concerns continue to exist about the low level of inflation.

Asia

Asia has been the leading growth region in the world. With over half of the world's population living on the Asian continent, it remains an important pillar for driving growth. Growth in China has been stalling slightly with domestic demand developing more slowly than anticipated. India and the ASEAN region (the rest of Asia excluding Japan, Korea and Taiwan) continued to grow at a stable pace. The more mature regions in Asia experienced a more challenging business environment, and with China's economic growth slowing down, growth projections for the region were adjusted downwards.

Americas

General economic growth in the Americas showed a mixed picture. The shale developments continued to drive the growth in North America and Canada, increasing the competitiveness of the region. This was reflected in GDP numbers for 2014 that were above the global average. Investments are concentrated primarily in the exploration and production sector. On the other hand, the Latin American economic landscape was quite challenging. The economic and political uncertainty and instability in this part of the continent has disrupted its growth path.

Key developments: major liquid bulk markets

In 2014, Vopak continued to focus on the trends that support the structural demand for storage and handling of liquid bulk products. The geographic and product-related dynamics and considerations are summarized below.

Oil

2014 was the first year in which oil demand in non-OECD countries exceeded oil demand within the OECD. Growth in non-OECD countries will continue to drive global oil demand in general in 2015 with an increase of 1% to 93.3 million barrels a day (source: IEA 2015). Demand in OECD countries was stable. There is sufficient supply, with growth concentrated in North America, whilst the share of OPEC crude oil is under pressure.

The scale of the changes observed in the oil markets is unprecedented in a world with increasing geopolitical and civil tensions in oil producing areas such as the Middle East, North Africa and Ukraine and Russia. Three key changes have taken place in 2014: a drop in the price of oil after a long period of relatively stable crude oil prices, changes in the participants in the market, and shifting crude oil and product flows, mainly due to increased North American non-conventional oil production.

This was the combination of slower economic growth in Asia and an increase in the oil supply has resulted in a correction in the price of oil, which dropped from USD 115 to USD 57 per barrel by the end of 2014. However, political unrest and civil tensions did not have a material impact on the supply of crude oil. Libya, for example, spiraled towards turmoil but its crude oil exports grew from a low of 200,000 barrels a day to almost one million barrels a day at the end of October 2014 (source: IEA 2014).

New banking and financial regulations have limited proprietary trading by banks and increasingly require the use of exchanges, which leads to banks exiting from trading and also results in additional costs and pressure on the business model of traditional traders. At the same time, National Oil Companies (NOCs) have also entered the trading arena and some traders have extended their activities in the oil value chain with the acquisition of distribution and/or refining assets in order to obtain more possibilities for value creation.

The shifts in crude oil and refined product flows are mainly caused by the shale developments in the US and mixed margins in the refining sector. This sector is experiencing growth with higher margins and utilization in the US and new capacity east of the Suez canal, whereas restructuring and consolidation is the reality in Australia, Japan and Europe. International Oil Companies (IOCs) continue to review scenarios of refinery restructuring and closures, whilst others have announced the upgrading of a number of European sites. Several closed refineries are expected to be converted into import terminals to supply the local downstream markets.

A number of new refineries in the Middle East, China, Brazil and India will come on stream during 2015. Furthermore a number of condensate splitters will start operating in the US Gulf Coast. It is expected that this will lead to lower utilization rates in Asia and put further pressure on refineries in particular in the Mediterranean.

Chemicals and gas

The international petrochemical industry has seen significant changes during 2014. Due to advancements in North American shale gas developments, we are seeing an industry that is re-energizing itself and regaining its position as a leading petrochemical producer in the world. Ethylene cracking capacity will grow by 40% over the next decade and the US will become a net exporter of ethylene derivatives, methanol and other products (source: IHS 2014).

While the list of production projects under consideration has been growing, fewer than expected have been confirmed to date. The delays are mainly due to a shortage in engineering, contractor and labor resources and slower air permitting processes. The majority of projects are concentrated around the US Gulf Coast, where for instance four new crackers will add six million metric ton of ethylene in the next three years. The industry also witnessed its first major ethane export arrangements in 2014, as attractively priced gas moved from the US to international markets. Various crackers in Europe and Asia have been targeting US ethane and LPG in order to source cheap and flexible feedstock and enhance their competitiveness. This also resulted in a wave of investments in 2014 in storage and pipeline infrastructure and vessels that are necessary to support these developments.

Over the past decade, the Middle East has grown into an exporter of petrochemicals based on its feedstock advantage. It also maintained its most competitive position on the cost curve. With most of the known ethane being allocated to existing plants, producers in the Middle East will need to move to other higher cost feedstock such as LPG and naphtha for additional projects, as governments in the Middle East aspire to create jobs and look to convert their commodity grade products into higher valued derivatives and specialties through new large integrated petrochemical complexes, resulting in the supply of a broader and more specialized product portfolio. In 2014 we saw the announcement of the first oil to chemicals project in the Middle East, as a result of the feedstock slate which has been getting heavier over the years, with most gas now being assigned to facilitate growth in downstream integrated projects. With a restricted local market, producers in the Middle East will continue to rely heavily on export markets, for which they will require infrastructure at both ends to give access to growing markets.

With the lowest per capita consumption level of chemicals in the world, though with significant growth potential, China and ASEAN countries will remain the largest growth markets for chemicals over the coming decades. It is expected that we will witness significant developments in these markets with new projects, trade of feedstock and growing derivatives markets. Supply is expected from the Middle East and US markets. Despite its ambition to become less dependent on imports, we expect that China will remain a net importer of chemicals for the foreseeable future. However, towards the end of the year the Chinese economy began to slow down and, with the significant production capacity expansions in recent years, operating rates have come under pressure. China even started exporting products, something that is expected to be temporary as overall demand in the country is forecasted to grow again in the years ahead.

Europe found itself in a challenging position with its high energy costs, a disadvantageous feedstock position and limited growth potential. While Europe is still the second largest chemical demand center in the world, it is struggling to cope with these challenges. Closures of smaller non-integrated chemical production assets continue, for example the announced closure of Total's Carling cracker in France and the permanent closure of the Versalis Porto Marghera cracker. Well-positioned integrated producers are focusing on optimizing feedstock resulting in storage and pipeline infrastructure opportunities. We have seen additional import opportunities arising for ethylene derivatives and aromatics as crackers in Europe are increasing the intake of lighter feedstock such as LPG.

LNG

Consumption of natural gas around the world increased by approximately 1.5% to a little over 3,500 billion cubic meters (bcm) in 2014, with the highest growth rates in China, non-OECD Asia and the Middle East (source: IEA 2014). The relative share of liquefied natural gas (LNG) within overall gas production increased as well. The new LNG liquefaction plant in Papua New Guinea commenced production in May, reaching full capacity in five months. A liquefaction plant in Algeria came into operation, albeit primarily to replace underutilized older facilities. LNG supply was around 246 million metric ton in 2014, which represents an increase of around 2% compared to 2013. This turnaround, after two years of stagnation in LNG supply, is expected to be only the first step, as multiple LNG projects are scheduled to be commissioned in 2015. Among these projects are four new large-scale export facilities in Australia, which will add up to 44 million metric ton of additional capacity (source: Woodmac 2015).

The price differences across regions remained in 2014. However gas prices overall continued downward due to increasing supply and lower than expected demand (combined with lower oil prices). Another clear development in recent years is short-term and spot LNG trading, which in 2014 represented around 30% of overall LNG trading (source: IGU 2014). This created more liquidity. An associated trend is the re-export of LNG, which requires additional infrastructure at LNG import terminals in order to load LNG-vessels for onward regional distribution, using truck and bunkering opportunities. The latter is also supported by increasingly stringent environmental regulations for transport fuels.

Other liquids

Vegoils

Very good crops for the eight main vegoils resulted in a record growth in output of nine million metric ton bringing global supply to 165 million metric ton (source: Oil World 2014). A growing population, rising wealth levels and the biofuels market (vegoils can be used as feedstock for biodiesel) drive the demand of the market. The strong supply of vegoils caused a downward trend in prices during the year, opening up discretionary blending opportunities for biodiesel with fossil diesel. The increase in biodiesel blending mandates in some of the main vegoil producing countries such as Brazil, Argentina, Malaysia and Indonesia, seems to have set a floor for vegoils prices. Palm oil is expanding its position as the main vegoil. Palm oil suppliers are expanding internationally, and are moving downstream in the supply chain by investing in production assets in local and international markets. Deficits in most markets continue to grow, notably in India, where imports are growing by approximately 0.5 million metric ton a year (source: Oil World 2014). The growing vegoils market and associated trade-flows will continue to create new opportunities, especially for our import and distribution terminals.

Biofuels

The global biofuels market grew by 5% to approximately 102 million metric ton in 2014 (source: FO Licht, Oil World 2014). The biofuels market remained stable in the mature markets in US and Europe and experienced growth in non-OECD countries such as Thailand, Indonesia, Brazil and Malaysia. The latter want to reduce their oil import bill and benefit from the availability of local feedstock. With the emergence of shale gas, the US has lost a key driver (energy independence) for aggressively supporting the biofuels industry. Existing technological constraints (the E10 blend wall for gasoline vehicles) provide a cap, which make it a challenge to blend more ethanol into the stable US gasoline market.

On the other side of the Atlantic, the European Union is struggling with the sustainability profile of biofuels. A lack of a clear road-map for biofuels beyond 2020 has put many investments in the biofuels industry on hold. To protect the existing European Union biofuels industry, anti-dumping duties were introduced. These duties reduce extra-European Union trade flows, which will impact Vopak's import terminals that normally benefit from these flows. Another adverse factor has been the recent low oil price which has put discretionary blending strategies on hold. Positive developments have been the good crops for the feedstock for ethanol and biodiesel, strong exports from the largest ethanol producer, the increasing mandates in non-OECD countries offering new import and blending opportunities, the growth of waste-based feedstock markets (e.g. used cooking oils) and the launch of several commercial scale second generation biofuels plants, which are improving the sustainability profile of biofuels.

Key developments: storage market

Competitive landscape

Competition increased throughout 2014. Competition from existing (local) service providers and new entrants was a dominant factor that affected our pricing and occupancy rates for certain product-market combinations, mainly in Europe. Another factor that added to a more competitive environment was the difference in economic growth rate across regions due to macroeconomic developments.

We aim to maintain our competitive edge and leadership position through the disciplined execution of our strategy and by ensuring that we have the most reliable, safe and efficient operating levels at the right locations.

Regulatory environment

As in previous years, the compliance environment continued to tighten in 2014. Regulations themselves did not become stricter, but enforcement has become more stringent. Because of this, we are seeing a significant increase in the number of audits at our terminals.

Although the regulatory approach varies from country to country, the increase in scrutiny is a worldwide trend and we expect the level of transparency in the industry to increase even further over time. As safety is Vopak's top priority, we welcome this development.

Aligning our terminal network

Our challenge is to proactively translate key market developments in our customers' markets into customer solutions in strategically positioned seaports and terminals across the world.

Value creation objectives

In 2014, we completed an in-depth business review in light of changes in Vopak's business environment and in order to anticipate current and future customer needs.

Vopak continues to see positive long-term developments in the storage market for liquid bulk products, following several analyses on global trends and based on various scenarios. Due to the changing energy and petrochemical landscape and the continuing economic shift from West to East, we updated our global value creation objectives in 2014 for our existing terminals and our business development activities. These objectives are now driving us to further optimize our global terminal footprint through a primary focus on four types of 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 able to deliver higher service levels in a competitive environment. Houston, Fujairah, Rotterdam and Singapore are good examples.

We are proud to have added Pengerang Independent Terminals in Malaysia near Singapore, to our global hub terminal network. Commissioning of the terminal in June 2014 was one of the highlights of the past year.

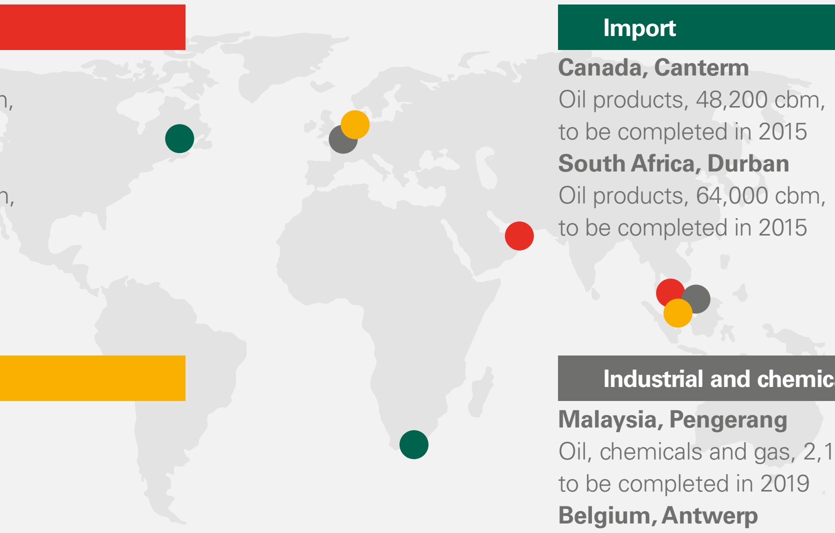
Highlights 2014

- In January, Vopak signed a 15 year operating contract with Banyan Cavern Storage Services Pte Ltd, for the first phase of Jurong Rock Caverns in Jurong Island, Singapore
- In June, Pengerang Independent Terminals Sdn Bhd (PITSB), an independent oil storage terminal located within the Pengerang Integrated Petroleum Complex, started operations, servicing our customers in the wider Singapore area
- In October, Vopak commissioned middle distillate capacity at the Europoort Terminal in Rotterdam, the Netherlands. By adding this capacity Vopak is supporting its customers in servicing the growing demand for middle distillates in Northwest Europe

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.

Examples of the execution of our defined terminal portfolio criteria



Hub

Malaysia, Pengerang
Oil products, 413,000 cbm,
to be completed in 2015

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

Import

Canada, Canterm
Oil products, 48,200 cbm,
to be completed in 2015

South Africa, Durban
Oil products, 64,000 cbm,
to be completed in 2015

Gas

Netherlands, Rotterdam
LNG break bulk facility,
to be completed in 2016

Singapore, Bayan
LPG, 80,000 cbm,
to be completed in 2016

Industrial and chemical terminals

Malaysia, Pengerang
Oil, chemicals and gas, 2,100,000 cbm,
to be completed in 2019

Belgium, Antwerp
Chemicals, 40,000 cbm,
to be completed in 2015

Highlights 2014

- In July, Vopak and Gasunie announced the Netherland's first LNG break bulk infrastructure and services at Gate terminal in Rotterdam. The new facility is expected to boost the use of LNG as a transportation fuel in the Netherlands and Northwest Europe. Gate terminal signed a EUR 76 million project financing agreement for this project and Shell has been contracted as launching customer
- The construction of six mounded bullets at the Vopak Vlissingen Netherlands terminal and the refrigerated propane storage tank at the Vopak Banyan Singapore terminal, is proceeding according to plan

Import and distribution terminals in major markets with structural deficits

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

Highlights 2014

- On 27 March, Vopak acquired Canterm Canadian Terminals Inc. The company has two distribution terminals for the storage and handling of refined products in Montreal and Quebec City, Canada
- In April, Vopak Australia expanded its Sydney terminal with new capacity for bitumen storage to facilitate the growing demand in the New South Wales market

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 2014

- On 10 March, Vopak acquired a 30% interest in Zhangzhou Gulei Haiteng Jetty Investment Management Company Limited. The transaction was finalized on 29 September. Long-term contracts have been signed for this industrial terminal to serve two petrochemical plants via pipelines
- Throughout 2014, various expansions were commissioned at our Vopak Caojing terminal. These expansions added both capacity and connectivity with surrounding industries, enlarging our industrial footprint within the Caojing industrial cluster
- On 19 December, Vopak signed a shareholders agreement with Petroliam Nasional Berhad (PETRONAS) and Dialog Group Berhad (Dialog) to jointly develop an industrial terminal in Pengerang, Johor, Malaysia, in which Vopak will have a 25% share. The industrial terminal will serve the users of the new world-scale PETRONAS' RAPID project which is an integral section of PETRONAS Pengerang Integrated Complex (PIC)

Divestments, focused business development and acquisitions

In light of the changing energy and petrochemical landscape and a continuing economic shift from West to East, we updated our terminal portfolio criteria. We have identified approximately 15 existing Vopak terminals that are not strategically critical to our global network. We have initiated a divestment program for these, primarily smaller, terminals. Since the terminals concerned have different ownership structures, are located in various regions around the world, and focus on different product-market combinations, the divestment program is being executed on a terminal-by-terminal basis. The concession for the Callao terminal (Peru) ended in September 2014. Based on the new value creation objectives, we decided not to participate in the tender for the next concession period. For the other terminals concerned, we will take sufficient time to complete these divestments.

In terms of business development and acquisition activities, we see opportunities for further growth of our business. The revised value creation objectives and the redefined terminal portfolio criteria allow us to take earlier and well-founded, scenario-based decisions when selecting growth projects and when targeting acquisitions. In 2014, we already benefited significantly by applying this disciplined selective growth approach, leading to various expansions and acquisitions that strengthened our global position in the tank storage market.

Strategic analysis

Looking at the world we operate in, we have to deal with a number of general opportunities and challenges.

Opportunities

- Our long-term business model enabling us to benefit from the increasing energy demand in the long term
- Increasing outsourcing of (parts of) the logistical chain by oil and gas players to a reliable third party independent service provider
- Alignment of our network
- Growth opportunities in key market segments/ areas

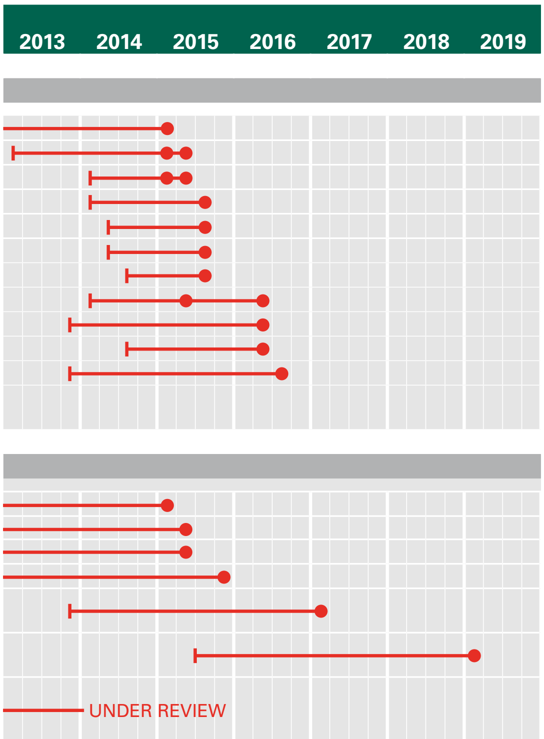
Challenges

- Increasing competition and overcapacity in certain product-market combinations
- Increasing complexity of expansion projects
- Optimizing capex and cost reduction programs
- New market dynamics including geopolitical developments
- Foreign exchange volatility affecting earnings predictability

Growth perspective

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

Country	Terminal	Vopak's ownership	Products	Capacity (cbm)
Existing terminals				
Brazil	Aratu	100%	Chemicals	8,900
Netherlands	Vlissingen	100%	LPG	36,800
Canada	Canterm	100%	Oil products	48,200
South Africa	Durban	70%	Oil products	64,000
Belgium	Antwerp (Eurotank)	100%	Chemicals	40,000
Germany	Hamburg	100%	Oil products	65,000
China	Lingang	50%	Chemicals	40,000
Brazil	Alemoa	100%	Chemicals	51,000
Singapore	Banyan	55.6%[1]	LPG	80,000
South Africa	Durban	70%	Oil products	60,200
UAE	Fujairah	33.3%	Oil products	478,000
Various	Small expansions at various terminals		Various	34,000
New terminals				
Malaysia	Pengerang	44.1%	Oil products	413,000
China	Dongguan	50%	Chemicals	153,000
China	Hainan	49%	Oil products	1,350,000
Saudi Arabia	Jubail	25%	Chemicals	220,000
Singapore	Banyan Cavern Storage Services	n.a.[2]	Oil products	990,000
Malaysia	Pengerang	25%	Chemicals/oil products/LPG	2,100,000
UK	Thames Oilport (assets former Coryton refinery)	33.3%	Oil products	–



Total development in the period up to and including 2019: 6.2 million cbm

start construction

expected to be commissioned

1 As result of participation by a third party in the project, Vopak's ownership percentage dropped from 69.5% to 55.6%.

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

Operational leadership

Also in 2014, we continued to improve the integrity of our assets and service offering through a systematic sustaining and improvement capital expenditure approach. We are now in a position to leverage on our increased understanding of the technical integrity of our terminals, to reduce our sustaining and improvement capex programs, and to continue with our drive to further improve safety and service.

Introduction

Vopak continues to implement and embed various global and divisional programs and initiatives on assets, processes and personnel. Based on their maturity levels and local priorities, terminals will add specific local actions and programs. This has resulted in all terminals having integrated improvement plans for safety, efficiency and service delivery. Vopak has various governance processes and systems in place to successfully monitor the operational execution, including KPI monitoring.

Improved internal control using established standards and procedures also stimulates and monitors productivity and organizational efficiency enhancements throughout the organization.

Assets

Asset integrity

Vopak has developed a global program for securing asset integrity that started in 2014 and will run until the end of 2016. This program will focus on the following topics:

- Identification of safety critical assets
- Inspection and maintenance of safety critical assets
- Integrity of new assets
- Commissioning and handover for start-up of new assets
- Terminal Health Assessment (THA) program covering every terminal on a three yearly cycle with qualified assessors to ensure that our standards are implemented and adhered to

Maintenance to Effectiveness and Efficiency (ME2)

Vopak started to implement the global maintenance management system ME2 throughout its terminal network in 2010. The basis for the implementation is 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 the increased understanding and know-how gained from the ME2 program, Vopak believes it is now in a position to further optimize its sustaining and improvement capex programs without increasing its risk profile or decreasing its service levels.

Optimizing sustaining and improvement capex budgeting process

In recent years, Vopak has worked hard on the development of Terminal Master Plans (TMPs) for its main locations. TMPs focus on the future of the terminal, including the desired strategic positioning for each location, and the actions that are required to achieve this positioning. These plans do not only include the regular maintenance work, but also the investments necessary to continue to meet customers' needs and improve the terminal's competitive position, given the expected future market circumstances.

The current sustaining capex planning and budgeting process is based upon these TMPs and has been running for some years. Overall, we see an improvement in maintenance processes, controls and an increasing quality of asset condition, however, this also requires a continuously high level of investments.

As part of the business review, which was conducted in the first half of 2014, Vopak undertook a review of this sustaining capex planning and budgeting process, with the aim to identify the benefits of the knowledge that is embedded in the global organization and achieving significant cost reductions in the coming years. This cost reduction process applies to projects budgeted in the 2014-2016 cycle, as well as to capex budget carried forward from previous years.

Key to this part of the business review was the fundamental stance that projects that improve safety or asset integrity may not be discontinued or delayed. The final outcome of this process review is a reduction of capital expenditure from an estimated maximum of EUR 800 million to approximately EUR 700 million for the period from 30 June 2014 to 31 December 2016.

People and operations

People development

Vopak launched the global learning management program 'My Learning Operations' (MLO) in 2013 with the following goals:

- Safety critical, operational knowledge offered at the minimum required level and in the same way to every Vopak employee
- Transparency and equality in the development and assessment of employees
- Traceable and reportable data on training, assessment and reporting

MLO consists of endorsed global learning material, test and assessment questions and a learning management system. The latter includes tools to schedule the required training for each employee and to monitor their progress. In 2014, MLO was truly embedded throughout Vopak, including office staff where appropriate.

Processes

Moves and OVE

An IT program was started during 2013 to oversee and coordinate the replacement of the IT systems supporting the company's core service delivery processes. The program, called 'Moves', is managed by a Program Office and overseen by a Program Board. The Moves program is completely aligned with the global strategy.

On various occasions during 2014, commercial and operational users and leadership teams gathered to review and formulate their views, ambitions and requirements for the processes and organization and how the future IT systems will support these. The Moves program will make use of the 'One Vopak Experience' (OVE) blueprint, which is the basis for the future development of IT systems. The OVE blueprint defines the optimal, standardized way of working of all Vopak terminals to maximize service delivery to our customers. It is the foundation for how Vopak terminals are organized and run their processes.

Continuous improvement

Vopak is continuously investigating opportunities to improve its safety, service performance and productivity levels. Various programs and techniques are applied, such as 'Lean process improvement', KPI management and benchmarking, toolbox talks and visual management.

Safety Observation Round programs are embedded at all sites whereby small, multi-disciplinary teams of management and field workers jointly review personal and process safety processes. Events and improvement ideas are registered in a global IT system to monitor progress and action follow up.

Operational leadership examples, demonstrated throughout Vopak's global terminal network

1. Jetty upgrades **Sebarok**

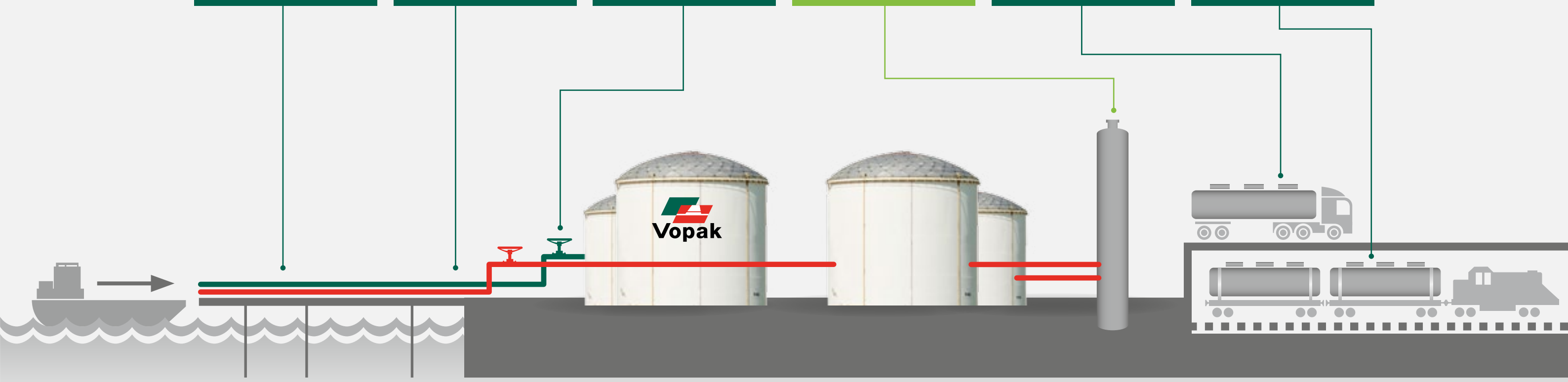
2. OTB-2 pipeline project **Fujairah**

3. Manifold expansion **Westpoort**

4. Vapor combustion unit **Terminal ACS**

5. Improved truck turnaround management **Lanshan**

6. 16 new rail loading spots **Savannah**



Sustaining Capex
Sustaining capital investments are required to refurbish or replace assets which are at end of life for technical, legal or economic reasons.

Improvement Capex
Improvement capital investments enhance usefulness or productivity beyond the natural improvement to be expected with routine repairs and maintenance.

1 Jetty upgrades Sebarok

Five years of growth in handled volume, strengthened the position of this terminal in Singapore, but also created a challenge. When it became clear that the increase in volume being handled was beginning to cause congestion, the Sebarok team initiated two big projects. A jetty upgrade and a fuel oil optimization project, which were recently completed, resulting in the ability to handle extra throughput per year.

2 OTB-2 pipeline project Fujairah

Vopak Horizon Fujairah Limited in the UAE successfully commissioned five tanker berth pipelines, connecting the terminal to the Port of Fujairah. These new pipelines will significantly increase the speed and efficiency of operations for customers at the terminal and strengthen the global hub status of the Port of Fujairah, one of the world's largest bunkering ports. The terminal can now operate more vessels simultaneously, adding to operational efficiencies and increased customer service levels.

3 Manifold expansion Westpoort

The Westpoort terminal in Amsterdam continues to adapt to changing market requirements, whereby flexibility is key in further enhancing the terminal's competitive position. An expansion of the manifold, a junction of pipelines from and to the jetties and tanks, enables the terminal to offload multiple ships at the same time and thereby offer customers more flexibility. As new pipelines and pumps were being installed, additional changes were also being made, not only to increase flexibility, but also to add throughput and service capacity to the central manifold.

4 Vapor combustion unit Terminal ACS

In line with our sustainability strategy and in order to fully comply with new Belgian environmental regulations Vopak Terminal ACS (a hub for flammable solvents) installed a vapor combustion unit. The new installation can be universally used for the current mix of products but is also suitable for similar products in the future, increasing our flexibility and enhancing our contribution to lower emissions.

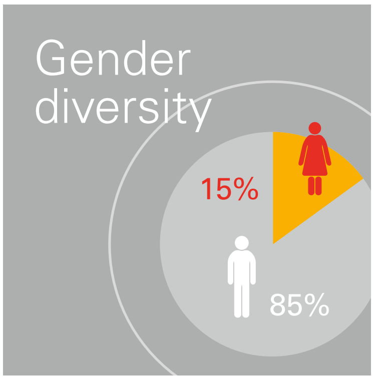
5 Improved truck turnaround management Lanshan

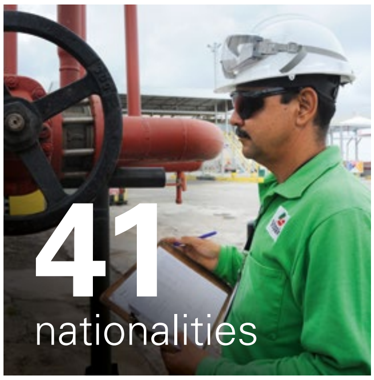
When asked by a customer to find a way to load up to 200 trucks a day, Lanshan Terminal in China delivered. Using quick access systems, terminal automation and a larger number of loading bays, in addition to staged truck arrivals (in cooperation with the customer's transporters), the site improved turnaround times which are now 35% faster than expected. As a result, the customer requires 50% fewer trucks than originally estimated.

6 16 new rail loading spots Savannah

The demand for oils is growing rapidly and Vopak Savannah in the US is growing with it. With the majority of seed oil processing facilities located inland the development of rail servicing assets to support increased volumes was essential. In 2014, the terminal built 16 new rail loading spots to increase operational flexibility in loading oils for delivery to the regional market. This upgrade will allow Vopak Savannah to continue to position itself as a regional market leader offering best-in-class frontline execution.

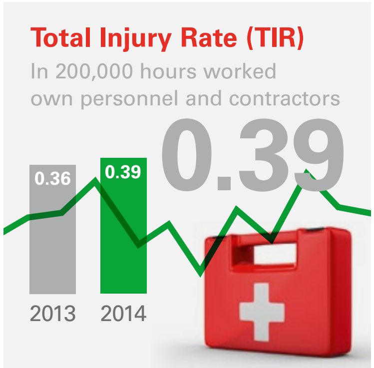
Human capital





85% engagement score

75% formal training participation



Vopak operates in a challenging business environment. In our business, employees remain key to the safe, efficient and profitable operation of assets. We started to make step-by-step progress in aligning the organization in the second half of 2014, aiming to become more agile and productive. We trained our employees to ensure a high service level and a safe working environment. We are proud of how our employees drive our business forward with passion, ownership and agility.

Organizational alignment

Our dynamic business environment increasingly emphasizes the importance of service and productivity improvements at our terminals and in our offices. This has resulted in actions to further improve efficiency, and leadership criteria have been defined to create more value from our core assets. Technology enables us to work more efficiently and in a more flexible manner. We are balancing salaries, incentives benefits, career prospects and training, on the basis of a strong company culture and clear values to motivate employees.

We have been continuously adapting our organization over the recent years. Following the 2 July 2014 strategic update, the alignment of the organization was accelerated. This has had organizational consequences including redundancies. In 2014, we aligned the staffing in our offices, mainly in the Netherlands and the US. We strove to limit compulsory redundancies and supported those employees who lost their jobs. Where possible, we re-assigned employees to other divisions in our business.

We expect to structurally reduce our cost base through these productivity and organizational efficiency enhancements.

Engaging and motivating employees is important to us, even more so with the recent organizational changes. We carried out an employee engagement survey again and are using the results as input for improvements. Results from the survey were communicated at all levels within the company, broken down by individual business units and action plans were put in place. The survey covered the employees' understanding of Vopak's strategy, confidence and trust in management, access to training, career advancement, work environment and the importance of maintaining a suitable work-life balance. By the end of last year, 83% of our staff worldwide had participated. The outcome, of an 85% engagement score, was used to track progress and to benchmark Vopak against peers and high-performing companies from other sectors.

Leadership development

Within Vopak, we have a structured and coordinated approach for identifying and nurturing talent and leadership for various roles in the organization. Ultimately, our aim is to provide employees with opportunities for career advancement and, at the same time, ensure that we have the right skills available to continue to support our business.

Vopak has a global talent review process that assesses the development needs of the top 100 highest positioned managers and leaders of Vopak. This process has also started at a divisional level. It provides a clear view of our succession strategy and plan for the future development of our leadership team. In 2014, there was a special focus on retaining top talent. The development of talent

Michael Mulford Hoyo, Colombian

Managing Director
Terminal Barranquilla - Colombia
With the company since 2005

"After almost ten years learning from so many colleagues from all over the globe, I feel proud to start a new cycle at home, leading and supporting the operation where I started. The company gives you all the tools and opportunities, development, coaching and advice. It is a matter of really making use of them, working hard, improving yourself along the way and enjoying the ride."

Shi Hui Ng, Singaporean

Commercial manager
Vopak Vietnam
With the company since 2008

"Vopak offers opportunities and supports you by empowering you with the right coaches and training, but you still play a huge part in your own destiny."

is a responsibility of all our leaders: leading by example and coaching young talented employees will be key to our success.

Our employees are subject to regular performance appraisals, which reveal individual strengths and weaknesses, provide additional training requirements insights and open up the dialogue for career progression. This process helps us identify global development themes. In 2014, we updated and enhanced learning programs in safety, operations ('My Learning Operations'), commerce ('Enhanced Sales Capability Program') and leadership development ('IManage' and 'IBuild'). Our employees were given access to regular training. In 2014, more than 75% of our staff took part in formal training programs.

Compensation and benefits

Vopak's compensation philosophy is to provide market-competitive pay and benefits while rewarding employees for strong individual and business performance, constantly maintaining a balance between costs and market competitiveness.

The organization's compensation package includes a base salary and may include incentive pay, 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.

Diversity

Vopak is a multicultural company with operations in 28 countries. This means our workforce is diverse and includes people from different cultures, nationalities and beliefs. We respect diversity and nurture the different approaches and perspectives each culture brings to our business. Whatever their background, our people share our company's passion for safety and service and want to perform to the best of their ability.

To ensure sufficient competencies, we encourage our employees to be internationally mobile and to move their skills and competencies to locations where they are needed most.

Financial performance

Understanding the financial performance

For increased clarity, the commentary in the Financial performance paragraph has been structured in accordance with relevant themes to provide commentary to the sections in the consolidated financial statements.

Operating performance

Revenues

In 2014, Vopak generated revenues of EUR 1,322.5 million, an increase of EUR 27.3 million or 2% compared to EUR 1,295.2 million in 2013. The main positive contributory factors are the expansion projects in Singapore during 2013 and 2014, the better performance of the terminal in Algeciras (Spain) compared with the 2013 period, following its start-up, and the acquisition of Canterm (Canada) at the end of Q1 2014. These positive developments were partly offset by pressures on pricing in some product-market combinations in Europe, the effect of divestments in the course of 2013, the non-renewal of the expired concession in Peru in 2014, and an adverse currency translation effect of EUR 10.7 million. The average occupancy rate for Vopak's subsidiaries (i.e. excluding joint ventures and associates) in 2014 remained the same as in 2013 (88%).

Expenses

Personnel expenses

In 2014, personnel expenses -excluding exceptional items- amounted to EUR 336.2 million, an increase of EUR 5.9 million or 2% compared to personnel expenses of EUR 330.3 million in 2013. The higher expenses were primarily due to regular salary increases and the accrual for long-term incentive plans, partly offset by lower salary costs resulting from a decrease in the number of employees and a positive currency translation effect of EUR 2.0 million.

In 2014, Vopak employed an average of 4,362 employees (2013: 4,454), excluding joint ventures and associates. This comprises 3,988 own employees (2013: 4,022) and 374 temporary employees (2013: 432). As the organizational alignment started in the second half of 2014, the financial effect on the result of 2014 was limited.

The total net exceptional costs recognized as personnel expenses amounted to EUR 4.0 million (2013: 1.2 million) and primarily relates to the organizational alignment.

Including exceptional items, total personnel expenses increased by EUR 8.7 million or 3% to EUR 340.2 million in 2014 from EUR 331.5 million in 2013.

Other operating expenses

In 2014, other operating expenses -excluding exceptional items- amounted to EUR 340.5 million, an increase of EUR 3.4 million or 1% compared to EUR 337.1 million in 2013. This increase includes the effect of acquisitions minus divestments, which was offset by positive currency translation effects of EUR 3.0 million.

The exceptional gain in 2014 of EUR 5.4 million (2013: exceptional loss of EUR 4.5 million) primarily relates to the demolition provision in Australia.

The Group´s other operating expenses -including exceptional items- for 2014 amounted to EUR 335.1 million compared to EUR 341.6 million in 2013.

Result joint ventures and associates

In 2014, the result of joint ventures and associates -excluding exceptional items- amounted to EUR 87.5 million, a decrease of EUR 17.8 million or 17% compared to EUR 105.3 million in 2013. The decrease was mainly caused by the lower result at our joint venture in Estonia, due to the ongoing difficult business environment, and positive one-off items recognized in 2013 of EUR 6.2 million. The 2014 results also included an adverse currency translation effect of EUR 1.1 million.

In 2014, Vopak Terminal Dongguan (China) was impaired by EUR 16.1 million. This terminal faces a significant timing effect in revenues due to slower than expected industrial developments in the region. In December 2014, the Dutch real estate joint ventures (part of Non-allocated) sold real estate to a third party resulting in a reversal of impairments of EUR 3.8 million.

In 2013, a total exceptional gain was recognized of EUR 17.4 million.

In 2014, the result of joint ventures and associates -including exceptional items- amounted to EUR 74.5 million compared to EUR 122.7 million in 2013.

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, increased by EUR 9.7 million or 1% to EUR 762.8 million from EUR 753.1 million in 2013. This included an adverse currency translation effect of EUR 6.9 million.

ROCE -excluding exceptional items- decreased to 14.6% (2013: 16.3%). This is primarily due to a timing effect of investments in new storage capacity and their contribution to the results, combined with lower results of joint ventures and associates in the EMEA division.

Cash flows from operating activities and working capital

Cash inflow from operating activities amounted to EUR 702.8 million in 2014 (2013: EUR 660.3 million). This increase was primarily due to a higher Group operating profit before depreciation and amortization of the subsidiaries (EUR 24.3 million), an improvement of working capital (EUR 19.0 million) and lower distributed dividends to non-controlling interests (EUR 11.1 million), partly offset by a lower dividend inflow from joint ventures and associates (EUR 31.2 million).

Strategic investments and divestments

Cash flows from investing activities

Total non-current assets increased to EUR 4,814.9 million (31 December 2013: EUR 4,261.5 million). In 2014, total investments amounted to EUR 705.6 million (2013: EUR 658.1 million), of which EUR 505.5 million was invested in property, plant and equipment (2013: EUR 541.4 million). The remainder primarily included the acquisition of Canterm (Canada) of EUR 78.4 million, the acquisition of a 30% equity interest in Vopak Terminal Haiteng (EUR 49.9 million), and investments in joint ventures of EUR 40.2 million (2013: EUR 82.4 million).

Of the investments in property, plant and equipment, EUR 232.0 million was invested in expansions at existing terminals (2013: EUR 223.8 million).

According to the strategic review, the Group will reduce the sustaining and improvement capex amount for the period mid 2014 up to and including 2016 from EUR 800 million to EUR 700 million. The total sustaining and improvement capex for 2014 amounted to EUR 249.7 million (2013: 262.7 million).

Divestments
Progress has been made with regard to the announced divestment program of around 15 primarily smaller terminals. During 2014, the Wilmington and Galena Park terminals and a plot of land in Perth Amboy (all in the US) were reclassified as 'held for sale' following a substantiated assessment of the Group's management, in December 2014, to successfully divest these assets in the H1 2015 period. On 10 February 2015, Vopak announced that it has entered into a binding sale and purchase agreement. Furthermore, the assets held for sale also contained a plot of land in Yalova (Turkey), which was sold in January 2015 at the carrying amount.

On 2 September 2014, the concession for the terminal in Peru ended, 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.

Depreciation and amortization
Depreciation of property, plant and equipment amounted to EUR 230.2 million in 2014, an increase of EUR 21.7 million or 10% compared to EUR 208.5 million in 2013. Amortization of intangible assets amounted to EUR 9.0 million in 2014, an increase of EUR 0.7 million compared to EUR 8.3 million in 2013. The increased depreciation and amortization charges were primarily related to expansion projects and other capital expenditures in the Netherlands division (EUR 9.9 million).

Impairments
In 2014, total impairments amounted to EUR 52.7 million. The Group has completed its business review of the expansion projects under consideration. This review has led to the cancellation of several projects, which resulted in an impairment of the related project costs for the amount of EUR 22.4 million. Furthermore, we recognized an impairment charge with respect to our operations in Sweden and the plot of land in Turkey, based on the estimated fair values, for a total amount of EUR 17.2 million.

As reflected under result of joint ventures and associates an impairment was also recognized for Vopak Terminal Dongguan in China (EUR 16.1 million).

During 2013, impairments were recognized for a total net amount of EUR 14.1 million.

Capital structure

Equity
The cancellation of all 41.4 million outstanding financing preference shares with a remaining amount of EUR 44.0 million, as announced in Vopak's press release of 20 August 2014, was effected as at 1 January 2015. The financing preference shares were classified as a liability as at 31 December 2014.

The equity attributable to holders of ordinary shares decreased by EUR 51.3 million to EUR 1,758.2 million (31 December 2013: EUR 1,809.5 million). The decrease mainly resulted from dividend payments in cash of EUR 120.5 million, the actuarial gains and losses on defined benefit plans (EUR 114.4 million), and unrealized fair value movements from cash flow hedges (EUR 68.3 million), partially offset by the addition of the net profit for the year.

Net debt
As a result of the investment program and currency translation effects (EUR 215.2 million) the net interest-bearing debt rose to EUR 2,266.3 million (31 December 2013: EUR 1,824.7 million). The Senior net debt : EBITDA ratio moved from 2.53 as at 31 December 2013 to 2.83 as at 31 December 2014, below the maximum agreed ratios in the covenants with the lenders.

As per 31 December 2014, EUR 1,980.7 million was drawn under private placement programs with an average remaining term of 8.9 years and EUR 250 million was drawn under the EUR 1.0 billion senior unsecured multicurrency revolving facility, which matures on 2 February 2018. Furthermore, EUR 87.4 million was funded by banks, with an average remaining term of 0.7 year and EUR 68.9 million of daily revocable short-term borrowings, used for daily liquidity management, was outstanding as at 31 December 2014.

During 2015, regular repayments of long-term loans will amount to EUR 152.5 million.

Net finance costs
In 2014, the Group's net finance costs -excluding exceptional items- amounted to EUR 90.0 million, a decrease of EUR 12.3 million or 12% compared to 2013 (EUR 102.3 million). The decrease resulted from, among others, repacement of interest-bearing long-term debt by interest-bearing debt with a lower interest rate (EUR 2.4 million), positive exchange rate differences on interest derivatives (EUR 4.9 million), and a higher income on finance lease (EUR 3.8 million).

Interest-bearing loans amounted to EUR 2,336.0 million at 31 December 2014 versus EUR 1,996.0 million at year-end 2013. The average interest rate over the reporting period was 4.0% (2013: 4.5%). The fixed-to-floating ratio of the long-term interest-bearing loans, including interest rate swaps, amounted to 84% versus 16% at 31 December 2014, compared to 92% versus 8% at 31 December 2013.

Cash flows from financing activities

Cash flows from financing activities was a net cash outflow of EUR 49.1 million (2013: net cash outflow of EUR 319.9 million). The amount consisted mainly of interest payments, dividend payments (EUR 120.5 million), paid share premium on financing preference shares and the repayment of the current portion of interest-bearing loans. This was partly offset by usage from the revolving credit facility and short-term borrowings.

Income taxes

Income tax expenses -excluding exceptional items- for 2014 amounted to EUR 90.8 million, an increase of EUR 16.7 million or 23% compared to EUR 74.1 million in 2013. The effective tax rate -excluding exceptional items- for 2014 was 20.9% compared to 17.1% in 2013.

The tax effect of exceptional items for subsidiaries resulted in a tax benefit of EUR 7.7 million in 2014 compared to EUR 6.5 million in 2013. Income tax expenses -including exceptional items- for 2014 amounted to EUR 83.1 million, an increase of EUR 15.5 million compared to EUR 67.6 million in 2013. The effective tax rate -including exceptional items- for 2014 was 21.9% compared to 15.8% in 2013.

The higher effective tax rate was mainly caused by a lower net result (after tax) of joint ventures as a percentage of the total profit before tax.

Net profit attributable to holders of ordinary shares

In 2014, net profit attributable to owners of parent -excluding exceptional items- amounted to EUR 297.5 million, a decrease of EUR 20.2 million or 6% compared to EUR 317.7 million in 2013. Of this net profit, EUR 3.3 million was attributable to holders of financing preference shares compared to EUR 5.8 million in 2013.

Net profit attributable to holders of ordinary shares -excluding exceptional items- amounted to EUR 294.2 million, a decrease of EUR 17.7 million or 6% compared to EUR 311.9 million in 2013. Earnings per ordinary share -excluding exceptional items- amounted to EUR 2.31, a decrease of 6% compared to EUR 2.45 in 2013.

Net profit attributable to holders of ordinary shares -including exceptional items- amounted to EUR 247.1 million, a decrease of EUR 65.6 million or 21% compared to EUR 312.7 million in 2013. Earnings per ordinary shares -including exceptional items- amounted to EUR 1.94, a decrease of 21% compared to EUR 2.45 in 2013.

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 0.90 per ordinary share (2013: EUR 0.90), payable in cash, will be proposed to the AGM of 22 April 2015. Adjusted for exceptional items, the payout ratio is 39% of earnings per ordinary share (2013: 37%).

Looking ahead

Looking towards 2015, we will continue to focus on free cash flow improvements while executing our strategy as updated in 2014 by further aligning our global terminal network and by improving our service delivery to our customers.

We will continue adapting ourselves to structural changes in global product flows resulting from growing imbalances between areas of production and consumption.

We will focus on further improving our competitive position, and will aim to increase free cash flow generation to support our value creation ambitions throughout the company and to further enhance the risk-return profile of our global portfolio.

We expect the regional divergence of our business climate to continue. In Europe, we expect a stable economy with limited growth and a continuing competitive market environment in certain product-market combinations. For the Americas, we see positive market developments and opportunities in the US Gulf Coast area and a competitive landscape in some Latin American countries. In Asia and the Middle East, we foresee a continuing demand for our storage services throughout our terminal network, resulting in interesting opportunities to further expand our footprint.

Looking beyond 2015, longer-term global developments are expected to result in the need for more terminal infrastructure at strategic locations around the world. These developments include the forecasted global population growth from seven billion to nine billion people in 2050, the growing middle class and overall energy and chemical demand growth in Asia, and the growing imbalance between production and consumption areas. We are well positioned to leverage these developments and therefore remain confident in the long-term outlook for our company.

Projects under development are expected to add 6.2 million cbm of storage capacity in the years up to and including 2019. The total investment for Vopak and partners of the projects under development involves capital expenditure of some EUR 3.3 billion, of which Vopak's total remaining cash spend will amount to approximately EUR 0.5 billion. For certain projects in joint ventures, additional limited guarantees have been provided during construction and after completion, which depending on commercial occupancy levels could affect the Senior net debt : EBITDA ratio.

Offering sustainable growth in China

Case study 2
Selective growth
Haiteng

Acquisition further strengthens Vopak's industrial terminal network in China

In 2014, Vopak acquired a 30% equity interest in Zhangzhou Gulei Haiteng Jetty Investment Management Company Limited (Haiteng). Haiteng is situated in Gulei Industrial Park, in Southeast China, and ranks as one of the top natural deep draft ports in the country. Supported by the central government and the Fujian province, Gulei Industrial Park has ambitious plans to attract additional petrochemical industries in the coming years. The acquisition further strengthens Vopak's industrial terminal network in China and in the world, fully in line with the terminal portfolio criteria, as announced on 2 July 2014.

Make investments to grow **together with our customer**

Case study 2 Selective growth Haiteng

Bo Teng, General Manager Haiteng Terminal, explains the unique position of this terminal. "We are located in Gulei PetroChemical Industry Park in Fujian province, which is designated as one of the seven national petrochemical bases in China," he says. "According to the policy of the central government, all future large-scale petrochemical investments must be in these petrochemical areas. Therefore Gulei PetroChemical Industry Park is attracting the attention of more investors."

"Fujian province is a traditional agricultural area, where there is a lot of land available for the development of industry. This area is also located very close to Taiwan. It is expected that Gulei will absorb chemical industry investment from Taiwan in the future."

Haiteng terminal commenced operations in 2013 with the support of the central government and the Fujian province and boasts a 896,000 cbm storage capacity for petrochemical products with both floating and domed roof tanks. The tank sizes vary from 2,000 to 150,000 cbm. The terminal has access to a jetty, built as a VLCC (very large crude carrier) marine structure, two smaller berths which are able to receive vessels and another two berths that are under construction.

This terminal can **add sustainable value** to Vopak's global network

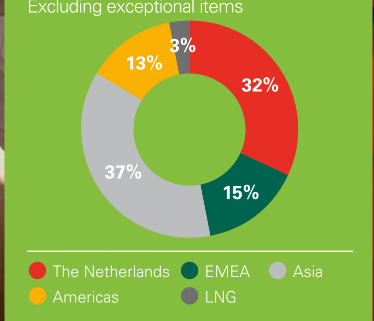
According to Zhang Yixin, Terminal Manager, Haiteng Terminal is ideally positioned on the Gulei peninsula. "With good natural conditions such as a deep water draft of 20 meters, and a few islands in the middle of the sea to block the strong waves, Haiteng enjoys a longer than usual operation period of about 330 days a year on average."

Haiteng terminal has already signed long-term contracts to serve two petrochemical plants with its pipelines. It owns another 12.5 acres of land for further development aimed at serving the growing throughput of its industrial customers in the coming two to three years.

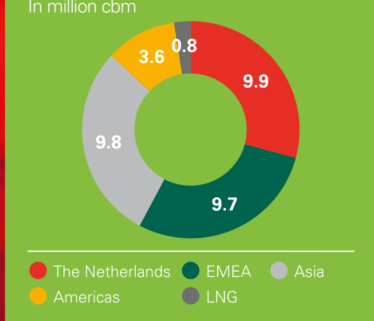
According to Teng one major customer of the Haiteng terminal has big expansion plans in Gulei Park. "This would mean that capacity of this customer would double. As a direct result we may be able to make investments to grow together with our customer."

Not only existing clients are making plans in Gulei. "Other major players are looking to invest here as well", says Teng. "By offering a consistent high level of service, we are confident we can secure contracts from these new customers in Gulei Park as well. Therefore we believe in the big potential of the long-term development of the Haiteng Terminal and that this terminal can add sustainable value to Vopak's global network."

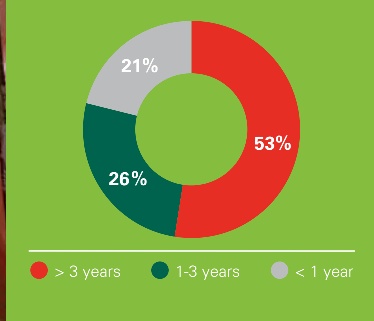
Key developments per division.



EBITDA per division
Excluding exceptional items



Capacity per division
In million cbm



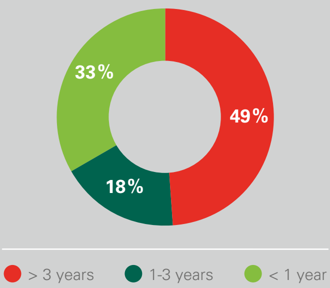
Original contract duration Vopak

Netherlands

Revenues
in EUR millions

442.1

Original contract duration Netherlands



Netherlands Division

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

Market and legislative developments

Jan Bert Schutrops, Division President Netherlands: "For certain product-market combinations, competition is fierce in the ARA-area (Amsterdam, Rotterdam, Antwerp). The total storage capacity has doubled in the last ten years to meet growing demand. In 2014, there was surplus capacity in certain product-market combinations in this region, which has brought new challenges. There have also been developments in legislation. As one of the leaders in the industry with regards to applying SHE-regulations, we have been able to further strengthen our position."

Jan Bert Schutrops (48)

is President of Vopak Netherlands. He studied economics in Amsterdam, has an MBA from IMD and has been with Vopak since 1991.

In EUR millions	2014	2013
Revenues	442.1	442.5
Operating profit before depreciation and amortisation (EBITDA) [1]	252.7	242.6
Operating profit (EBIT) [1]	166.0	165.8
Average gross capital employed	1,792.0	1,616.3
Average capital employed	1,054.6	949.8
Storage capacity (cbm)	9,893,700	9,486,800
Occupancy rate	87%	83%

1. Excluding exceptional items.

Strategy and business review

"In order to be able to strengthen our competitiveness we have modernized and improved our terminals in many aspects. For example, at Westpoort Terminal in Amsterdam a service improvement plan has led to infrastructure improvements to load and discharge multiple ships at the same time from the same tanks, offering customers more flexibility."

Highlights of 2014

"Improving our safety performance year after year is my biggest highlight of 2014, step-by-step, day-by-day. Another highlight of 2014 was the modernization of Vopak Terminal Vlaardingen. As a result of various investments and expansions, this 90-year-old terminal is ready for the future. The last project to be finalized in Vlaardingen is the upgrading of our rail infrastructure, for which work commenced in 2014. Other highlights are the expansion of our jet fuel capacity at Europoort and the investment in our gas storage capacity in Vlissingen. We made good progress with the integration of our TTR and Chemiehaven organization; both terminals focus on chemical storage. Our Agencies business had a strong year, it is great to see how our Agencies customers appreciate our services. We optimized IT-solutions and streamlined our organization, which unfortunately led to a loss of jobs."

Performance

"In 2014, the tank storage market was strongly competitive and challenging with pressure on pricing and our contract portfolio in certain product-market combinations. In the second half of 2014 we were able to rent out capacity on a spot basis due to the contango situation of selected oil products, and subsequently increased the occupancy to 87% (2013: 83%)."

2015 and beyond

"In 2015 we will continue our strategy of delivering the best safe storage services to our customers. We want to do everything we can to help our customers be successful in their business. With the continuing broadening range of products that we store and handle at our terminals, this is absolutely the right approach."

Sustainability

Currently, six terminals in the Netherlands participate in the European Carbon Trading System, due to the installation of vapor treatment plants at our storage terminals.

Vopak has four terminals in the Netherlands that are certified under ISCC (International Sustainability & Carbon Certification) for the storage of biofuels, at Vlaardingen, Botlek, TTR and Chemiehaven.

Total Injury Rate (TIR)

0.76

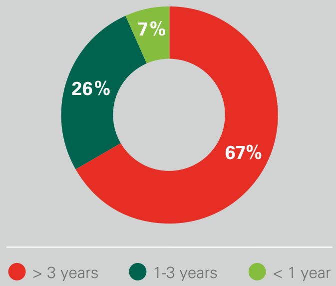
Carbon emissions in metric ton

76,525

Europe, Middle East & Africa

Revenues
in EUR millions
257.6

Original contract duration
Europe, Middle East & Africa



EMEA Division

Vopak EMEA operates 17 terminals in Europe, located in Belgium, Germany, the UK , Sweden, Finland, Spain and Estonia. In the Middle East, it has four terminals: in Saudi Arabia, Pakistan and the United Arab Emirates. Vopak EMEA also operates one terminal in South Africa.

Market developments

Frank Erkelens, Division President EMEA: "In Europe, Vopak EMEA was initially only marginally affected by the economic crisis, thanks to long-term contracts. In 2013 and the first half of 2014, however, the influence of the decreasing demand for energy, the ongoing backwardation in the oil markets and the increase in storage capacity in the market became clearly noticeable. In the Middle East, the demand for our services increased, particularly in relation to oil exports. Competition increased here as well, leading to a more dynamic market.

In the last few years, the future prices for selected oil products were lower then the spot prices. Due to this backwardation situation, oil traders had less need for storage. This first affected our terminals in secondary locations, such as Sweden. Vopak E.O.S. in Estonia was particularly affected by the fact that oil products from Russia are now exported directly through Russian ports instead of through Estonian ports.

In chemicals, we managed to maintain high degrees of occupancy despite a challenging environment due to incremental supply of storage capacity.

The developments in South Africa are positive. The country has an increasing demand for imported oil products with high specifications. In order to meet this demand, Vopak is reconfiguring tank pits to accommodate these growing imports of oil products."

Frank Erkelens (47)

is President of Vopak EMEA. He studied business administration in Rotterdam. He joined Vopak in 1995.

In EUR millions	2014	2013
Revenues	257.6	248.2
Operating profit before depreciation and amortisation (EBITDA) [1]	118.3	135.6
Operating profit (EBIT) [1]	68.3	91.0
Average gross capital employed	1,308.3	1,203.5
Average capital employed	827.8	759.9
Storage capacity (cbm)	9,701,500	9,608,900
Occupancy rate	84%	88%

1. Excluding exceptional items.

Strategy and business review

“To meet the challenges and opportunities of the changing markets and to continuously improve the service we deliver to our customers, Vopak EMEA pro-actively invests in optimizing its infrastructure, organization, systems and processes.”

Highlights 2014

“One of the highlights of 2014 has been that we won the European tender for the required infrastructure and services in Antwerp and Tarragona related to a new integrated chemical manufacturing site in the Middle East.”

Financial performance

“2014 was a challenging year for Vopak EMEA. The EBITDA suffered especially from the low occupancy rates at our terminals in Estonia and Sweden.”

2015 and beyond

“2015 will be another challenging year for Vopak EMEA. On a positive note, we have signed long-term contracts for all our new storage capacity under construction including Vopak Horizon Fujairah Limited, Vopak Hamburg, Vopak Belgium, Vopak UK and Vopak Terquimsa and the oil products expansion in South Africa.”

Sustainability

Vopak E.O.S. (Estonia) already participates in the European Carbon Trading System as this terminal exceeds a certain threshold of carbon emission. As a result of the installation of a vapor treatment plant, Vopak Terminal Eurotank (Belgium) could also enter this carbon trading system.

Our joint venture Vopak Terquimsa in Spain is certified under the ISCC (International Sustainability & Carbon Certification) to store biofuels.

Total Injury Rate (TIR)

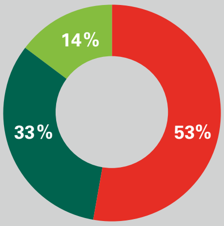
0.75

Carbon emissions
in metric ton

125,148

Asia

Revenues
in EUR millions
370.1



Asia Division

Vopak Asia operates 27 terminals in Japan, China, India, Singapore, Vietnam, Indonesia, Korea, Thailand, Malaysia and Australia. They are mainly used for the storage of oil products and chemicals.

Market developments

Patrick van der Voort, Division President Asia: "As a result of population increase, urbanization and the growth of the middle class, the demand for energy in this region is increasing. This growth, however, has slowed down slightly because of the pace of the economic recovery of the US and Europe. This also had an effect on Vopak Asia.

At the same time, we notice a reduction in the region's refining capacity, particularly in Japan and Australia. This is mainly caused by the changes in the energy product flows resulting from the large-scale exploration of shale gas and tight oil in the US. Asia used to play an important role in the distribution of oil to Europe, but now the US are fulfilling that role. Vopak Asia now focuses more on flows within Asia.

The Chinese economy grew by a little more than 7% in 2014. It has slowed down compared to the double-digit growth rate of the last ten years, but it is still a very healthy growth. We expect the economy to keep on growing in the coming years. This means that China will have an increasing need for energy, oil products, oil and chemicals. As a company we are ready to seize this opportunity.

The political developments in India, Indonesia, Malaysia and Thailand are expected to influence our sector. India is facing the challenge to reduce its traditional energy subsidization, whereas Indonesia is about to invest heavily in infrastructure. Malaysia has plans for economic reforms, spearheaded by oil and gas. It is too early to predict the consequences of the political changes in Thailand this year."

Patrick van der Voort (46)

is President of Vopak Asia since 2010 and has been with the company since 2008. He holds a Master's degree from the Erasmus University in Rotterdam.

In EUR millions	2014	2013
Revenues	370.1	358.8
Operating profit before depreciation and amortisation (EBITDA) [1]	291.2	282.5
Operating profit (EBIT) [1]	235.3	227.5
Average gross capital employed	1,860.0	1,749.0
Average capital employed	1,145.0	1,033.2
Storage capacity (cbm)	9,806,500	7,356,600
Occupancy rate	95%	94%

1. Excluding exceptional items.

Strategy and business review

"Even more so than before, it is vitally important for Vopak Asia to keep looking for new opportunities. The changes in the energy flow require larger hubs, like those we are already operating in Singapore and Pengerang. We will continue to invest in the expansion of our capacity in strategic locations.

In addition, Vopak Asia will focus on markets with long-term deficits: countries that will need to structurally import oil and chemicals. Some examples are Indonesia, India and Australia. Vopak Asia is reinforcing its position in these countries by acquiring additional capacity and by investing in the upgrading of existing terminals."

Highlights of 2014

"The opening in June of the Pengerang Independent Terminal near Kuala Lumpur, the construction of which began in 2011, is one of the highlights of 2014. It means a substantial increase in our capacity in the Singapore region.

We consider our safety performance results to be another highlight, especially where it concerns process safety. In recent years we have worked hard to anchor the Vopak Fundamentals on safety more deeply in our organization, for example by increasing the number of audits, reviews and safety observation rounds. In Asia, people are typically more reluctant to confront others about their behavior. We are proud that we have created a safety culture in which our colleagues now speak out when necessary.

In 2014, we also made significant progress with respect to customer satisfaction. Our Net Promoter Score in Asia is 27 points for 2014, an increase of five points compared to 2013. Vopak Asia has invested in assets and solved bottlenecks. We also have successfully implemented process improvements, which allow us to offer better services and assist our customers.

Another highlight was the acquisition of a 30% interest in the Haiteng Terminal, which was completed in the third quarter of the year. The acquisition can be seen as a step forward in our strategy to invest in industrial terminals."

Financial performance

"Our performance is better than in 2013. This is partly due to by currency developments. The weak euro is beneficial for us in Asia. If we look beyond that, we still see organic growth in line with the outlook for 2014. The opening of the Pengerang Independent terminal resulted in start-up costs which were partly offset by storage capacity expansions in Singapore."

2015 and beyond

"We are confident that the demand for energy in Asia will continue to grow in 2015 and beyond, even if that growth will be lower than in the years before. In 2015, the Pengerang Independent terminal (Malaysia) and the Haiteng terminal (China) will be available for the full year and we are adding capacity for the storage of chemicals to the Vopak Terminal Merak (Indonesia). All of this is expected to have a positive effect on our results."

Sustainability

Vopak provides storage of biofuels under the ISCC (International Sustainability & Carbon Certification). In 2014, Vopak Terminal Darwin in Australia received an ISCC certification, making it the third terminal in our Asian network that operates under these standards, after Vopak terminal Banyan (Singapore) and PT Jakarta Tank Terminal (Indonesia).

Furthermore, we are also investing in vapor treatment systems to minimize emissions into the atmosphere. Building and installing these installations is an ongoing effort. However, the downside is that the energy consumption is increasing because these systems need energy to operate. This means that, especially the consumption of LPG and in minor cases natural gas will rise (e.g. Thai Tank Terminal (Thailand)).

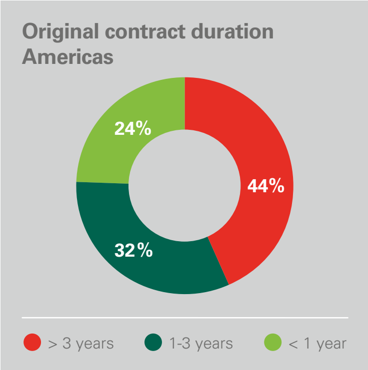
Total Injury Rate (TIR)

0.24

Carbon emissions
in metric ton

98,776

Americas



Americas Division

Vopak Americas is the result of the merger of the divisions Vopak North America and Vopak Latin America in May 2013. The new division operates six terminals in the US, four in Canada and nine in Latin America.

Market developments

Dick Richelle, Division President Americas: "The most important development is truly a revolution, the shale revolution, as a result of which the US production of crude oil and gas has almost tripled in the last few years. We expect that this will grow even further. The extraction of relatively cheap raw materials is boosting the production of all kinds of chemical products. A lot of these bulk products have to be exported, mainly to Latin America. Vopak is well positioned to benefit from this development in the future.

On a macroeconomic level, the US is flourishing, to a large degree because of the shale extraction. The same is true for Canada. Brazil, on the other hand, has to deal with a challenging economic situation. It is not expected that this will change in the short term. Mexico is faring a little bit better, but Vopak Americas signals a lower demand for services, although occupancy rates are still robust. The country Venezuela is going through a time of great uncertainty."

Strategy and business review

"The structural need for clean products in combination with the closure of refineries in Canada results in a structural deficit market. This is one of the reasons Vopak Americas has acquired two terminals in Canada: one in Quebec City and one in Montreal. This has almost tripled our capacity in Canada.

Dick Richelle (44)

is President of Vopak Americas since 2009 and joined the company immediately after obtaining his degree in business economics at the Erasmus University in Rotterdam.

In EUR millions	2014	2013
Revenues	246.6	239.6
Operating profit before depreciation and amortisation (EBITDA) [1]	105.1	95.3
Operating profit (EBIT) [1]	63.0	58.9
Average gross capital employed	867.8	758.1
Average capital employed	487.0	432.7
Storage capacity (cbm)	3,567,600	3,179,800
Occupancy rate	90%	90%

1. Excluding exceptional items.

In order to offer better services to our customers, Vopak Americas has implemented several quality improvements. For instance, it used to take up to 72 hours to handle large trains with about 100 fully loaded wagons. We are now able to complete this process in less than 36 hours. We achieved this thanks to a dedicated team of our own specialists."

Highlights of 2014

"It is difficult to call safety a highlight, because every incident is one too many. Nevertheless, we are pleased to report that the safety level of our staff reached a level comparable to that of our best performing customers. Thanks to good maintenance of our terminals and our skilled employees, we only had 0.15 process safety incidents per 200,000 worked hours in 2014. This is significantly better than the year before. The safety of our processes also increased.

The effects of the merger of the divisions Vopak North America and Latin America can also be called a highlight. Not only because it increased the efficiency of the whole division, but also because it greatly increased the career possibilities of all staff members. In addition, I am happy with the training and development result for 2014. We trained our employees through the computer based operational learning modules, conducted a specific program for our top talents and trained our commercial group on sales skills."

Financial performance

"Vopak Americas performed well in 2014. Our results rose in the United States and Canada. Brazil faced difficult times, but I am satisfied with our safety and service achievement, since we have been able to meet the demands of our customers."

2015 and beyond

"For 2015, we expect further growth in the United States and Canada. The shale revolution is not going to end anytime soon. Recent energy legal reforms in Mexico are expected to provide opportunities for Vopak. Brazil faces economic uncertainty."

Sustainability

In the Americas the increased awareness of vapor emissions has resulted in the installation of a vapor treatment plant at Deer Park.

Currently two of our terminals in the Americas are certified with the ISCC (International Sustainability & Carbon Certification) for the storage of biofuels: Galena Park and Deer Park.

Total Injury Rate (TIR)

0.26

Carbon emissions in metric ton

77,132

Global LNG

Result joint ventures
in EUR millions
28.1

Vopak LNG

Vopak LNG is an independent global LNG regasification terminal operator. Together with joint venture partners, Vopak LNG owns and operates two large-scale terminals: Gate terminal in the Netherlands, and Altamira - TLA in Mexico.

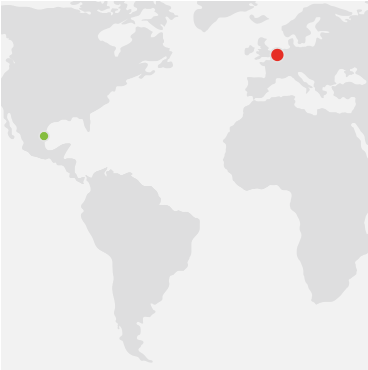
Highlights of 2014

Dietrich Gerstein, Global Director LNG: "Our biggest achievement in 2014 was the decision to build additional infrastructure at Gate terminal in the Port of Rotterdam. The new infrastructure will allow us to load smaller carriers independently from Gate terminal's large-scale LNG import business. This increases our ability to offer services to our customers to distribute LNG as fuel for ships or to small-scale LNG receiving terminals, mainly in Northwest Europe.

Early in 2014, we started operating a truck-loading bay at Gate terminal. A large number of customers have started to use this service and to truck LNG to various destinations in Europe."

Strategy and business review

"With the growing interest in green energy, the demand for natural gas is expected to increase further in the coming decades. Vopak's LNG business will profit from such market growth. We will first focus on Asia Pacific where we see the highest growth rates. There we see opportunities in traditional LNG import terminals as well as in new business segments such as LNG break bulk and the trading or transshipment of LNG.
The business review has led to some alignments in our LNG organization with the opportunities ahead."



Dietrich Gerstein (55)

is Global Director LNG since 2013. He holds a PhD degree in Mining Engineering from the Technical University of Berlin.

Market developments

"The global LNG market will transform in the coming years from a seller's market into a buyer's market. As a result of an increase in the supply of LNG, prices are under pressure. This is leading to changes in contract structures. Buyers now have the ability to negotiate more flexible contracts than before. This development opens new market opportunities for our LNG activities. The LNG trade is growing, especially in Asia Pacific, which is leading to a greater need for energy storage infrastructure. In the European market, LNG will have to compete against pipeline gas. Furthermore, environmental legislation and in particular carbon emission rights are not encouraging the use of natural gas for power generation. This may limit our growth potential."

Financial performance

"Our results were stable and we increased our focus in business development. Meanwhile, we continued our safe operations."

2015 and beyond

"We have ambitious targets to grow Vopak's LNG business in 2015 and beyond. Both organic growth and acquisitions should help us within Vopak in the years to come to grow the LNG activities."

Sustainability

LNG terminals differ from the regular terminal operations because the LNG terminals are more process related operations. Therefore, the standard amount of energy used, is much higher than at regular storage terminals. Some regasification terminals have to vent natural gas to the atmosphere during maintenance. Natural gas impacts greenhouse gas. The Gate terminal in Rotterdam is already a zero emission terminal. At Altamira - TLA in Mexico the volume of vented gas could be reduced to very low levels and should reach zero shortly. Both terminals pay highest attention to running their operations in a sustainable manner. The total amount of electricity used in the two LNG terminals is 22% of Vopak's total electricity consumption.

The total energy consumption (including e.g. gas, oil and electricity) of both LNG terminals is almost one third of the total energy consumption of Vopak's terminal network. Despite this high energy consumption, the carbon emissions of the LNG terminals is 16% of the total emissions.

The vented emissions are accounted for in the Green House Gas calculations in the sustainability chapter of this combined Annual Report.

Get the best out of ourselves and each other

Case study 3
Alignment of our organization

To achieve our objectives as a company, it was necessary to **introduce some changes**

Vopak has attained a unique position in the world market. In order to maintain this position in a challenging environment, the company had to adjust the size and shape of its teams in line with the vision of the company for the future. We worked hard to limit compulsory redundancies and support those employees who lost their jobs. Where possible, we re-assigned employees to other parts of the business.

Streamlining the organization in line with the vision of the company for the future

Case study 3 Alignment of our organization

Chairman of the Executive Board and CEO Eelco Hoekstra: "Our company has a unique culture with great qualities. Entrepreneurship, creativity, growth drive, approachability, comradeship, a laugh now and then. We don't want to lose that. But to achieve our objectives as a company, it was necessary to introduce some changes."

Vopak is facing a new reality. And to gain a greater understanding of the consequences of these developments, Vopak decided to perform a business review. The outcome was clear. The criteria for our terminal portfolio were updated and we had to streamline the organization in line with the vision the company needed for the future. This meant that we had to adjust the size and shape of our teams. "The changes were not related to the employees' individual performance but to a clear idea of the organizational structure, positions and roles that Vopak will need to achieve its goals", says Hoekstra.

New opportunities

As a consequence, some employees lost their jobs or were re-assigned to other parts of the business. Being confronted with this new reality was challenging, says Luis Palacios, former Human Resources Manager in Peru. "When I was informed about the disinvestment process in Peru and, almost at the same time, received the proposal to move to Canada to become Human Resources Manager, I had mixed feelings. Then I remembered something Dick Richelle (Vopak Americas' Division President) said. If you do a good job the opportunities will come and when it happens it is important to be up to the challenge and willing to learn. So I saw the proposal as a great opportunity, not only professionally but also from a personal perspective. Currently, we are making the arrangements for the move. My family is very excited about the change. We are ready to face our first winter in Canada."

More oxygen

Employees all over the world are seizing the new opportunities that new organization is offering. Looking back on the last decade Hoekstra says that despite all the positives, managing a growing company also had its downsides when it came to HR issues. "When there is growth, there is personal development for everyone and the atmosphere is almost automatically positive. On the other hand, people are not always challenged to give their best. The risk of everlasting growth is that it might result in stagnation. There is a lot of potential in our company that we can call on by bringing more oxygen, more movement into the organization. In the end, I am convinced that people like to be challenged. If we are more stimulating, we can create new opportunities for employees willing to give their best to Vopak. We now see that many people in the organization are taking full advantage of this."

When Pascal Ciadella's previous role as Regional Marketing Manager Oils for the EMEA division became redundant, he felt disappointed. Yet, now he is more than happy with his new position as Manager Commercial Terms and Contracts in the Global Sales and Marketing team at the Head Office. "My experience in the company and the fact that I already knew most of my colleagues gave me a head start. I'm determined to make this new role indispensable."

Robert van der Hoek had already fulfilled his position as Business Analyst when the EMEA division would become superfluous. "I indicated to my manager that I was interested in a sales position. He gave me his full support while I explored my options for the future within the company. When the message came that the organization was to be realigned, I was ready to sign a contract with Vopak Belgium as a sales manager. The transfer has been very smooth. I am happy that I anticipated to these developments."

Pascal Ciadella, since 1987
Now: Manager Commercial Terms and Contracts
Formerly: Regional Marketing Manager Oil for EMEA
"many colleagues gave me their support"

Robert van der Hoek, since 2007
Now: Sales Manager Vopak Belgium
Formerly: Business analyst EMEA
"a smooth transfer"

Luis Palacios, since 2006
Now: Human Resources Manager Canada
Formerly: Human Resources Manager Peru, Chile, Ecuador
"a great opportunity"

Sustainability.

Carbon emissions
457
Metric Kiloton

Total Injury Rate
0.39

Energy consumption
6,430
Terajoule

Sustainability at the core of every decision

Our sustainability vision and ambition

Vopak has been facilitating global trade flows for almost 400 years. To continue fulfilling this role, it is essential that Vopak stays 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 responsibility is to provide safe, efficient and clean liquid bulk storage and handling services. We abide by existing rules and regulations as a minimum 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 dialog 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.

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? So sustainability means keeping our company 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 there is no harm to people's health or the environment. Our role and 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 in respect of price, supply chain specifics and customer demands. We want 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 borne out of a continuous dialog 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 responsibility towards sustainability as laid down in the Vopak Code of Conduct and our Sustainability Policy.

Our sustainability behavior

In pursuing our business strategy, we advocate the following behavior:

- **Integrity and ethics**: At Vopak, we have a responsibility towards all our stakeholders to operate ethically and with integrity in all areas of our activities. Integrity has been and will continue to be key in establishing and maintaining our reputation, a critical intangible asset. Vopak's business behavior based on integrity, one of Vopak's seven core values, is laid down in our Code of Conduct
- **Human rights**: Vopak respects human rights as described in the United Nations' Universal Declaration of Human Rights and accepts its responsibility to ensure that all of its subsidiaries respect human rights 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 engaging with communities living in the vicinity of our operations. We behave as a responsible citizen and work hard to minimize any negative impact of our operations whilst maximizing the positive impact

Stakeholder engagement

Vopak aims for both transparency and an open dialog with its various stakeholders, including but not limited to customers, suppliers and neighbors. Vopak highly values stakeholder views and input, enabling us to fine tune our sustainability policy including target and measurement formulation. Such a dialog 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 sustainability 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 undertake audits at our terminals. The purpose of these audits is to assess the controls in place for internal processes, verify the integrity of our terminals, pre-assess implementation plans and 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 during roadshows and conferences take place. In addition, we organize regular communications through webcasts and our website. All such communication moments enable us to be transparent towards all stakeholders.

Just as important are our contacts with a wide variety of non-governmental organizations, sustainability organizations and government representatives in the countries where we operate. Vopak has been included in a number of external benchmarks (e.g. VBDO, the Carbon Disclosure Project and the Transparency Benchmark of the Dutch Ministry of Economic Affairs) during 2014.

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

- **Customers**: Increasingly put sustainability high on their agenda. They require Vopak, as an important link in their supply chain, to align its sustainability policy at a minimum with theirs
- **Neighbors and local communities:** Increasingly require Vopak to engage with them to address issues like stench and odors
- **Authorities:** Issue stricter regulations and increase inspections for the industry as a whole
- **Employees:** Value a company that cares, helps 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 initiated a change in our sustainability reporting from the GRI 3.1 to the GRI G4 guidelines with the intention to report in accordance with the comprehensive option of the GRI G4 guidelines. This change required a restatement of our sustainability focus and as a follow-up of the sustainability assessment in 2012 (reported in the 2012 Sustainability Report), a materiality assessment was carried out in 2014.

This materiality assessment served as a basis for determining the content of this report. The process applied consisted 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, centered around our four themes of sustainability. From this longlist, 25 key areas were subsequently identified as being relevant to our business, according to our stakeholders.

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

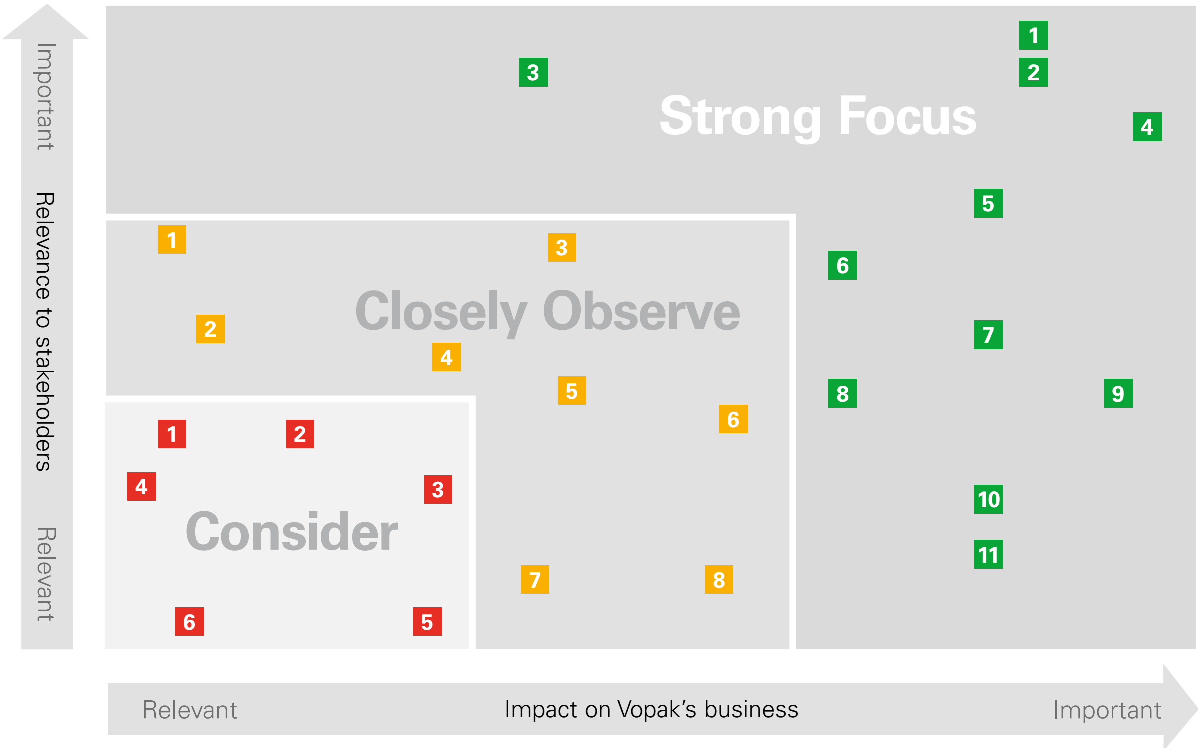
Vopak has set the priority by reviewing all relevant topics on significance of the topic for stakeholders and significance of the topic for the business. In terms of significance among stakeholders, each issue was ranked based on prevalence weighted per stakeholder group (for example customer relationship management was ranked higher relative to labor conditions and human rights on the vertical axis). In terms of significance for the business, each issued was ranked based on potential impact on the company (for example safety and occupational health 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.

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 on these topics and have translated them into 11 areas of attention
- **Closely Observe:** We want to demonstrate our social responsibility regarding these topics. We measure and (partly) report on them in our report
- **Consider:** These are important topics for Vopak and are accordingly managed but not reported

Materiality matrix



Consider

1 Diversity
2 Noise
3 Waste management
4 Transparancy 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 Carbon
8 Stakeholder management

Strong Focus

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

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

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

Reporting strengths and weaknesses
In 2014, Vopak was included in several external benchmarks:
- 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. On a scale of A (best) to E (lowest), Vopak scored in 2014 a level of 66C, which is an improvement compared to the level of 64D achieved in 2013
- Dow Jones Sustainability Index (DJSI). In 2014, Vopak participated and scored 59%, compared to the sector (Oil and Gas Storage) slightly below our 2013 score of 67%, but well above the 51% average score of our peer group
- Transparency Benchmark. The Dutch Ministry of Economic Affairs produces an annual report on Dutch companies' corporate social responsibility reporting. Vopak scored 110 out of a total 200 points in 2014, a decrease of 23% compared to 2013

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.

Results benchmarks 2013

Categories	Results	
	Strong	Weak
Environment	Fuel efficiency Climate strategy Environmental reporting	No reporting on NOx and SOx emissions [1] No reporting of releases to the environment No reporting on individual locations
Human resources	Occupational health and safety	Human capital development
Business behavior	Risk and crisis management	Tax transparency per individual location
Human rights	Code of conduct and ethics	No reporting on impact on local communities
Stakeholder management	Management of customer relationship	Supply chain and stakeholder management

1. Is reported as of 2014.

Our sustainability strategy

Sustainability is at the core of our strategy of growth leadership, operational leadership and customer leadership. To embed sustainability 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.

Health and safety

Provide a healthy and safe workplace for our employees and contractors

Environmental care

Be energy and water efficient and reduce emissions and waste

Responsible partner

Be a responsible partner for our stakeholders

Excellent people

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 and retention (including training)

Health and safety

Objectives

Safety (both personal and process safety) is our first priority. It is our responsibility to deliver services in a safe manner, to provide a safe and healthy workplace for Vopak employees and for our contractors and 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 policy.

In 2014, we did not have any fatalities of either our own personnel or of contractors (compared to one contractor fatality in 2013). However, regrettably, we had one third party fatality in 2014. A driver received a fatal electric shock operating a truck-mounted crane near an overhead power line whilst picking up equipment that was located on non-operational Vopak property.

Our present Health and Safety focus is on improving 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.

Vopak Global SHE Day

On 15 May 2014, we celebrated our seventh annual Vopak Global SHE Day. Every Vopak location organizes a special program for the SHE Day. During this SHE Day, the whole company, including employees and contractors, is engaged in a dialog 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 just one day, but its impact is long lasting.

The theme of the Global SHE Day in 2014 was 'Front Line Execution' with the slogan 'Safety and Service go Hand in Hand!' The goal was to highlight that service and safety are crucial to our business.

Eelco Hoekstra, Chairman of the Executive Board and CEO, said:
"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 when 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. 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 to prevent accidents. Following a pilot implementation in 2013, we are monitoring our safety performance according to the American Petroleum Institute Recommended Practice 754 process safety performance indicators for refining and petrochemical industries (API RP 754).

My Learning Operations

'My Learning Operations' (MLO), an online training tool, was introduced in 2012 and globally deployed in 2013. With this training tool we aim to train our employees in Vopak's safety critical and key operational processes. The most important part of the tool is the Vopak Fundamentals on Safety training, including a test that each operational employee has to pass with a 100% score.

Our aim was to have trained and assessed all employees on the Vopak Fundamentals on Safety by the end of 2014. All locations, with the exception of a few joint ventures and greenfield locations, are currently live in the Learning Management System (LMS): 66 locations and 4,375 participants were included in the training by the year-end.

During 2014, more than 95% of these employees were trained and passed our Vopak Fundamentals training. New staff, including those of new terminals, will be trained and certified in 2015.

High risk

Contractors have the highest risk of work-related injuries next to our own field staff employees. We aim to mitigate this through a triple effort:

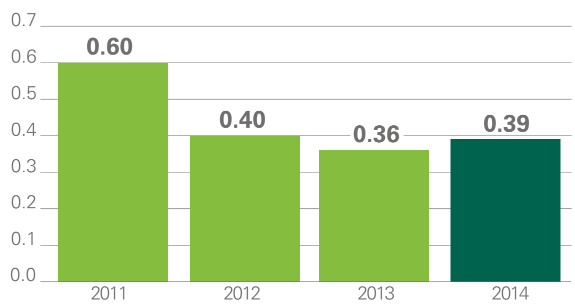
- Improving assets and tools (such as Personal Protection Equipment)
- Setting clear operating procedures and monitoring adherence to these procedures by our own staff
- Providing adequate training

Facts and figures

Injuries

The global combined (i.e. own employees and contractors) Total Injury Rate (TIR) indicator (0.39) was slightly above the target (0.36) and slightly above the TIR indicator for 2013 (0.36). The Total Injury Cases (TIC) decreased by seven injuries to 70. The TIC decreased at the divisions: Americas (four cases less), Europe Middle East & Africa (one case less) and the Netherlands (six cases less). The TIC increased at the division Asia (two more cases) and Vopak Global LNG (two more cases). The total number of working hours was approximately seven million hours lower in 2014 and was not matched by the reduction in incidents; hence the TIR indicator slightly increased.

Total Injury Rate (own employees and contractors)
Per 200,000 working hours



Lost Time Injury Rate

We experienced a decrease of five individual cases. However, the Lost Time Injury Rate indicator for our employees and contractors combined increased from 0.12 in 2013 to 0.13 in 2014 (based on the terminals in scope).

Total Injury Rate per region

The TIR indicator per region shows variations mostly caused by large construction projects (e.g. in Asia we had 15.3 million contractor hours, and in the Netherlands we had seven times fewer contractor hours).

Total Injury Rate per division

	2014
Americas	0.26
Asia	0.24
Europe, Middle East & Africa	0.75
Global LNG	0.69
Netherlands	0.76
Global HQ	-
Vopak	0.39

The 2013 figures were reviewed at a consolidated level.

The TIR indicator at Vopak Global LNG resulted from two injuries and a limited number of working hours. The TIR indicator in the Netherlands Division was mainly driven by contractor incidents, whereas the TIR indicator in the EMEA division was driven by both contractors and own personnel.

Process incidents

The number of process incidents that occurred at our tank terminals is an important measure of our safety and environmental care. In 2014, there were 36 Tier 1 and Tier 2 Process Incidents (total significant incidents according to API RP 754) compared to 56 in 2013. Process incidents, including product spills, product contaminations and fires, including any smoldering, are all reported.
There has been an increase in the number of fires reported (40 compared to 26 in 2013). The reported fires are of low severity (smoldering and very small burns) and hence not classified as Tier 1 or Tier 2 incidents. The total PSER in 2014 was 0.20, compared to 0.35 in 2013.

Process incidents 2014

	Tier 1 PSE Count	Tier 2 PSE Count	Tier 1 & Tier 2 PSER
Americas	-	4	0.15
Asia	1	4	0.05
Europe, Middle East & Africa	6	6	0.41
Global LNG	1	-	0.35
Netherlands	4	10	0.71
Global HQ	-	-	-
Vopak	12	24	0.20

The 2013 figures were reviewed at a consolidated level.

Spills

The total quantity of product spilled (Tier 1 and Tier 2) in 2014 was 260 metric ton, which is a significant decrease compared to 2013 (558 metric ton). 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 2014, there were two serious (Tier 1) incidents regarding loss of containment; one vapor emission (105 metric ton of Naphtha) at Vopak Terminal Europoort, and one liquid spill of rapeseed oil (83 metric ton) at Vopak Terminal Vlaardingen. The spill of rapeseed oil was contained within the bund wall and no releases to the sub-soil or aquifers occurred.

Safety targets for 2015

For 2015, Vopak has set its targets for safety performance at a Process Safety Events Rate (PSER) of maximum 0.29 and a Total Injury Rate (TIR) of maximum 0.34.

Environmental care

Objectives

Our objectives on environmental care are to be energy and water efficient and to reduce emissions and waste. In pursuing these objectives, we consistently comply with guidelines as set out in operating licenses, legislation and our own global standards. Our current focus is on the prevention of soil and water contamination, the prevention of significant spills, and the prevention of stench and odors.

The care for our environment is an integrated part of our 'License to Operate', which means that Vopak aims to minimize its impact on its surroundings and areas of biodiversity. This includes energy consumption, emissions, treatment of contaminated water, use of the surface area, and care for areas of high biodiversity.

We have standardized our approach at a global level in our internal Vopak standards, which map the impact our operations may have on the environment. This helps us address the issue of how to minimize our impact, including the carbon footprint of our operations. We are committed to developing a sound waste management system and minimizing our energy consumption, soil contamination, air and surface water emissions, and water consumption.

Main achievements

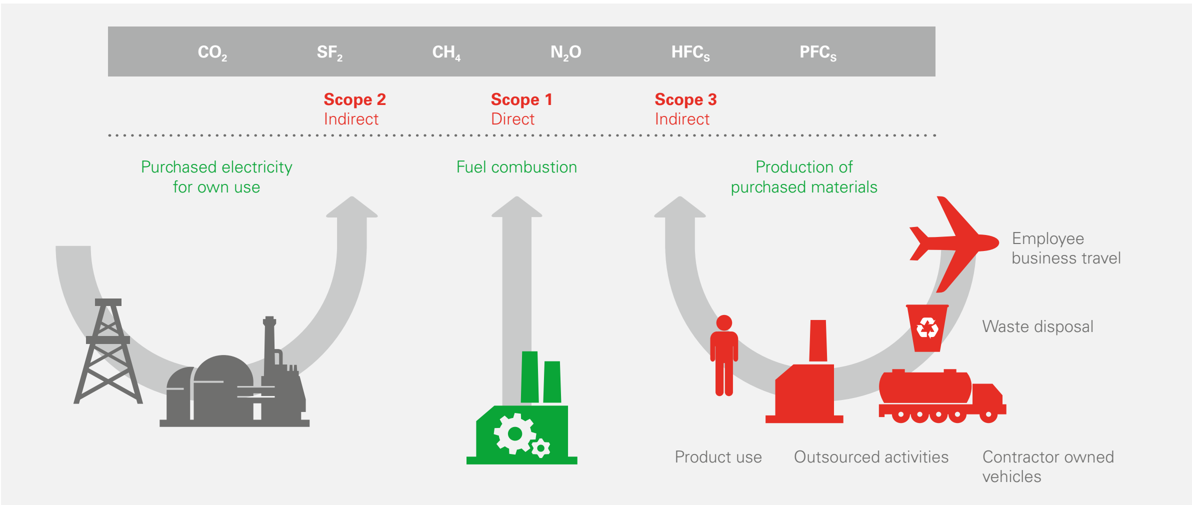
Following the results of the materiality analysis, Vopak has adopted the environment related key areas into its measuring and reporting system. NO_x and SO_x emissions are being reported for the first time this year.

Energy and carbon reporting

Scope of carbon reporting

The way in which Vopak reports on its energy use and carbon emissions (based on CO_2 emissions) encompasses Scope 1 (direct energy use and emissions from combustion of fossil fuels) and Scope 2 (indirect energy use and emissions from electricity purchased for our own use). To provide an insight into the energy used outside the organization, we report on the energy content of the throughput of hydrocarbons at our terminals. Vopak does not report on its Scope 3 emissions.

Scope of carbon reporting



Vopak's energy consumption depends on the products we store for our customers, the climate 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.

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, broken down by direct energy source, is shown in the following table.

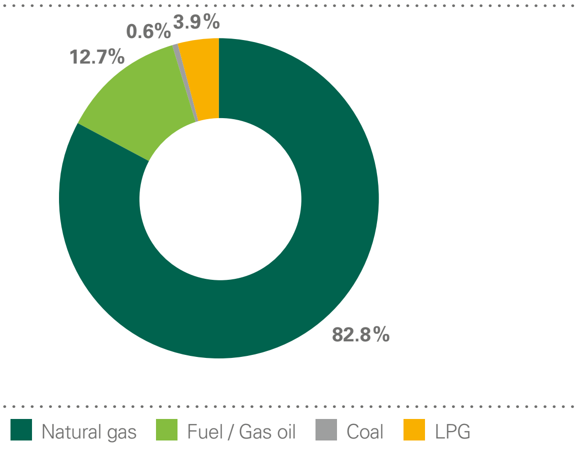
Direct energy used by source

Energy source in TJ	2011	2012	2013	2014
Natural gas	3,368	3,013	3,187	2,629
Fuel / Gas oil	250	365	428	405
Coal	26	8	29	18
LPG	124	647	132	125
Total direct energy (TJ)	**3,768**	**4,033**	**3,776**	**3,177**
Total relative direct energy (MJ/cbm)	**155**	**148**	**136**	**108**

The quantity of LPG consumed does not only reflect 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.

In 2014, one joint venture terminal (in China) used coal to generate steam in its boiler house. The switch to natural gas usage for this purpose was made during 2014 (September).

Direct energy used by source %



Indirect energy use

Electricity is the main source of indirect energy used. At Gate terminal, we also use warm water from an adjacent electric power plant. This means that we do not have to use energy to heat and vaporize the liquefied natural gas. In this way, the terminal saves an equivalent of 51.8 million cbm of natural gas per year, which would be required to provide the same amount of energy. Our LNG terminal in Mexico uses sea water to heat and vaporize the liquefied natural gas. In addition, an extra emission of 30,000 metric ton of CO_2 into the atmosphere is thus prevented.

Indirect energy use

Energy source	2011	2012	2013	2014
Storage capacity (mln cbm)	24.4	27.3	27.7	29.5
Steam (TJ)	N.R.[1]	N.R.[1]	7.0	20.0
Indirect heating (TJ)	115	1,247	1,689	1,638
Electricity (TJ)	1,091	1,497	1,670	1,595
Total indirect energy (TJ)	**1,206**	**2,744**	**3,366**	**3,253**
Total relative indirect energy (MJ/cbm)	**49**	**101**	**122**	**110**

1. Not reported

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.

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.

Total carbon emissions (in CO_2 equivalents)

	Emissions for Vopak including joint ventures			
	2011	2012	2013	2014
Direct carbon (Kiloton)	213	241	223	189
Indirect carbon (Kiloton)	154	228	280	268
Total carbon emission (Kiloton)	**367**	**469**	**503**	**457**
Total relative carbon emission (kg/cbm storage)	**15.1**	**17.2**	**18.1**	**15.5**

Our carbon emissions resulting from direct energy decreased by 15%. We experienced a very mild winter in Europe and we noted a decline in the overall gas consumption in Estonia specifically by 13 million cbm of natural gas (equivalent to almost 500 TJ), due to a lower throughput.

SOx and NOx emissions

As noted earlier, Vopak now reports on its NOx and SOx emissions as part of the outcome of the materiality analysis.

- The NOx emissions for 2014 amounted to 547 metric ton
- The SOx emissions for 2014 amounted to 13 metric ton

NOx emissions originated from our own direct energy combustion of fuels (e.g. natural gas and fuel/gas oil). The SOx emissions were caused by the combustion of low sulfur heavy fuel oil, diesel and coal (in China).

Energy consumption outside the organization

The energy content of the total throughput of hydrocarbons in our global network during 2014 amounted to 5.5 million TJ. Vopak's energy consumption amounts to only 1/1000 of this total energy content.

Land and water

As the owner and user of over 1,900 hectares of land, Vopak is responsible for taking care of this land, as reflected in our objectives. Our terminals are equipped with secondary containment systems to prevent spills and other contamination from entering the soil and groundwater, especially at locations where the risk of spillage and loss of containments can occur (such as tank pits, pump pits and loading stations). We identify the total amount of secondary containment and, based on a risk approach, improve the protection of the sub-soil and groundwater at our terminals.

Water management is an important responsibility, especially the quality and quantity of discharge to surface water. At Vopak we are committed to assessing the 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. In total Vopak treated 2.2 million cbm of contaminated waste water (onsite and offsite). We strive to treat all contaminated water at our terminals.

In addition, we have used over 56 million cbm of process water at our LNG terminals, for the vaporizers that regasify LNG into ambient temperature gas for onward pipeline transportation. This process water does not ever come in contact with the LNG itself.

Biodiversity & impact on our surroundings

Within Vopak we have defined the following areas of special concern:

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

Applying this definition means that 80% 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. 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 on contamination are:

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

Waste

The waste generated in our operations is the property of the customer (e.g. the sludge from the tanks during cleaning operations is the property of our customer). However, when waste is disposed of, it falls (partly) under the responsibility of Vopak meaning that any waste generated and disposed of will be handled according to our internal Vopak Standard for hazardous waste. The total amount of hazardous waste will be reported in 2015.

Biodiversity

A study conducted together with Wageningen University and TNO in 2011 assessed the impact of our regular business on its surroundings. One or more of the following impacts 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

The results of this study are used in our Environmental Impact Assessments (EIA) for every new terminal project. In all cases we address and solve issues arising immediately during the engineering phase and, when necessary, take appropriate specific measures. In 2014, we obtained two new greenfield areas, for which EIAs were commissioned. The specific cases are described below.

Specific measures

Case 1 Port of Antwerp

The Species Protection Program of the Antwerp Port (Belgium) consists of 14 individual species protection programs (specifically for the natter jack toad, common swift, sand martin, house martin, peregrine, tern, black-headed gull, blue throat, marsh harrier, marsh hellebortin, fen orchid, white hellebortin, brown argus and bat) but also guarantees the protection of other species in addition to flora and fauna. Vopak constructed, with respect to this location, a new habitat with pools and sandy dunes for the relocation of natter jack toads.

Case 2 Thames Oilport

At Thames Oilport (UK) an extra greenfield area was purchased in order to create a green buffer between the terminal operations and the community. As part of this we have agreed to fund, through working together with the Hardy Orchid Society and local authorities, the relocation of approximately 200 rare bee orchids from our greenfield location to a local wildlife park ahead of site redevelopment.

Responsible partner

Objectives

Vopak wants 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.

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 and sustainability approach. Likewise, we aim to choose suppliers whose commitment to sustainability matches our own.

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 the highest level of quality for our stakeholders.

Main achievements

Key suppliers

In 2013, Vopak selected a number of key suppliers of hoses, loading arms, pumps and tank building contractors. For 2014 we extended this key suppliers list to include:

- Scaffolding contractors and suppliers
- Paint contractors and suppliers
- Isolation contractors and suppliers

These key suppliers have committed themselves to comply with our Code of Conduct and are periodically monitored on compliance.

Community impact: vapor, odor and stench

In 2014, we achieved significant progress towards resolving our vapor issues at Vopak Terminal Europoort (Netherlands) through engineering and operational control. We still received seven reportable stench complaints, which were considered to be non-Vopak complaints. As a result of the stench complaints at Vopak Terminal Europoort, we have increased attention to this issue at other locations and have ensured that learnings and best practices from the Europoort terminal are shared.

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, 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 locally specific community program. 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 creates a conflict of interest. Vopak is committed to being a good neighbor and engages with communities living close to our operations. We behave as a responsible citizen and work to have a positive impact on the communities where we operate. For example, we are sponsoring long-term community projects such as an education project in South Africa.

Our expansion projects in execution generated over 23 million man hours during 2014. These man hours are mostly related to local contractors. The majority of the maintenance and third party logistics is spent locally, which is equal to 25% of our other operating expenditures.

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.

In 2014, Vopak screened all final investment proposals for human rights issues. Our screening was based on the identification of the country in which the project is being carried out (OECD or other) and the characteristics of the investment proposal (major repairs or expansion). The screening included an assessment of the areas where the risks of human rights issues are high. For these projects, specific agreements between all the stakeholders in the project are to be made which detail the manner in which parties will uphold human rights.

All partners, (main) 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, 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.

Associations

Through participations in various working groups and discussion fora, 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).

In 2014, Vopak was involved in three types of associations:

Branch organizations:
These include numerous organizations at 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 European Petrochemical Association, the Gulf Petrochemicals and Chemicals Association and the Network for Industrially Contaminated Land in Europe (NICOLE). In 2014, Vopak joined the NICOLA organization, the South African equivalent of NICOLE.

Technical affiliations:
Vopak is a member of the American Petroleum Institute (API), the Engineering Equipment and Materials Users' Association (EEMUA), the Nederlands Normalisatie instituut setting 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 ordening the activities in the sub-soil on land as well as on the seabed) and the Petrobot program. The Oil Companies International Marine Forum (OCIMF) is a voluntary association of oil companies with an interest in the shipment and terminalling of crude oil, oil products, petrochemicals and gas.

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.

Awards received

Americas: Honored with Safety Improvement Award from the International Liquid Terminals Association (ILTA).

Permit violations and fines

In 2014, Vopak received three formal permit violations of which two (one in China and one in Canada) resulting in a fine. The total amount of fines received was EUR 10,000.

One permit violation in Canada, relates to non-compliance with regulations. A routine inspection found that five railcars were not properly secured after unloading. Vopak has a shared responsibility with our customers and their transportation firms for these types of operations (e.g. labelling, correct safety documents, closing of trucks and railcars).

One permit violation in China related to the construction of pipelines alleged to have insufficient spacing in-between.

For the claim related to LNG Terminal Altamira, please refer to note 8.8 Contingent assets and contingent liabilities in the Consolidated Financial Statements.

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 a total of eight whistleblower cases reported to the trusted person in 2014. All whistleblower cases were followed up with one case (reported in December 2014) undergoing investigation. None of these cases were related to discrimination. Two of these cases were investigated and identified as fraud.

There were four other cases of fraud detected through internal monitoring.

Commitments and achievements

In our 2013 Sustainability Report and at the 2014 Annual General Meeting of Shareholders, Vopak made a number of commitments with respect to sustainability. These are listed in the table below together with actual performance.

Commitments and achievements

Subject	Commitment	Achievement
People safety	Strive to achieve a TIR of 0.34 per 200,000 working hours, or less for own employees and contractors in 2014	In 2014 our Total Injury Rate amounted to 0.39
Process safety	Reduce the number of Process Safety Events Rate (PSER, according to API RP 754) to a maximum of 0.33 incidents per 200,000 working hours	In 2014 we achieved a PSER of 0.20
Reduction Energy consumption	5% reduction in relative energy consumption (kg/cbm storage)	In 2014 we achieved a reduction in relative energy consumption of 16%
Materiality Matrix	Present a validated materiality matrix, outlining the relevant issues to stakeholders	The results of the stakeholder analysis and materiality matrix are included in this chapter
Strategy	Redefine the sustainability strategy based on the materiality	Included in this chapter
Defined KPIs and specific targets	Define the KPIs fit for the materiality and set targets on the important KPIs	KPIs are defined; for some KPIs targets are set for others we strive for continuous improvement

Excellent people

Objectives

Our ambitions and the high quality service we aim for start with our people. Vopak aims to attract and retain the best people and create an agile and solution-driven culture. Vopak invests in long-term relationships with its employees by creating a work environment that nurtures their talents and skills. We devote attention to job satisfaction, personal development, competitive terms of employment and a good work-life balance.

We foster the Vopak spirit, loyalty and enthusiasm in our employees of both genders and of many different nationalities by being inclusive, setting clear targets and managing performance. Another key area we are currently focusing on is training people through a comprehensive training program throughout our disciplines.

Compensation and Benefits

Vopak's global total compensation philosophy is to provide market-competitive pay and benefits while rewarding employees for strong individual and business performance, constantly balancing costs and market competiveness. Vopak applies a salary policy between median (mid-market) and the third quartile (75th percentile) relevant for the country in which we operate.

The organization's total compensation package includes base salary and may include incentive pay, such as cash bonuses and a share-based compensation for our management group. It also includes comprehensive benefits, which vary by country, depending on the local market practice, tax and social security structure.

Talent Management

At Vopak we have a structured and coordinated approach to managing talent. First by ensuring we identify talent, and second by encouraging our talent to follow training and development programs. Ultimately, our aim is to provide employees with opportunities for their careers and, at the same time, to ensure that as a company we have the right skills available, fully aligned with our short-term and long-term business objectives.

Vopak has a global talent review process that assesses the development needs of the top 100 managers and leaders of Vopak. It provides a clear view of our succession strategy and plan for the future development of our leadership team. In 2014, special focus was given to retaining top talent. The development of talents is a responsibility of all our leaders: leading by example and coaching young talents is key to our success. The adjustment of our leadership profile will be on the agenda for 2015 to ensure alignment with our dynamic business environment.

Our employees are subject to regular performance appraisals, which provides insights in individual strengths and weaknesses, identifies potential training requirements and opens up the dialog for career progression. The performance appraisal process helps identify common themes of development within our global terminal portfolio, which are subsequently picked up centrally and implemented in the global people development agenda. Vopak again placed significant emphasis on people development in 2014. We updated and further enhanced our learning programs in areas such as safety, operations (My Learning Operations as described in the section Operational leadership), commerce (Enhanced Sales Capability Program) and leadership development (IManage and IBuild). All our employees have access to regular training.

Facts and figures

Employees

Total number of employees	2011	2012	2013	2014
Subsidiaries (FTE)	3,921	3,932	4,010	3,860
Subsidiaries and joint ventures (headcount)	5,994	6,209	6,088	5,779

Gender and nationality of managers and professionals

	Executive Board		Division management teams		Global staff directors		Global staff HQ	
% employees	2014	2013	2014	2013	2014	2013	2014	2013
Gender								
Male	100%	100%	81%	81%	85%	85%	76%	74%
Female	–	–	19%	19%	15%	15%	24%	26%
Nationality								
Dutch	100%	100%	7%	27%	77%	85%	92%	86%
Other [1]	–	–	93%	73%	23%	15%	8%	14%

1. Any nationality other than Dutch.

For the total Vopak community the majority of our employees are male with just over 15% being female.

Within Vopak, 35% of our employees are employed through a Collective Labor Agreement (CLA), most of which work in the operations and maintenance departments at our terminals.

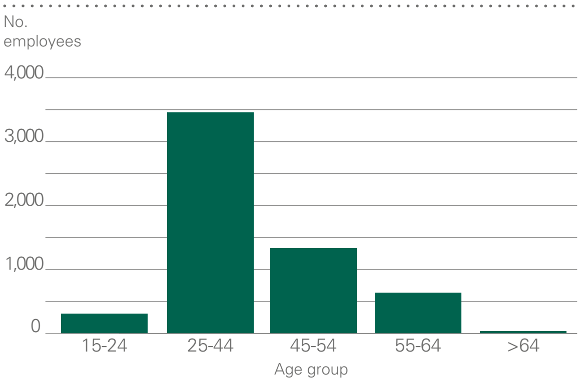
Employee turnover

	Exit	Relative turnover (%)	Divestments (%)
Americas	186	19.8%	8.4%
Asia	140	7.1%	-
Europe, Middle East & Africa	88	6.1%	-
Global LNG	6	3.7%	-
Netherlands	68	7.2%	-
Global HQ	19	9.7%	-
Total Vopak	**507**	**8.8%**	**1.3%**

The staff turnover rates at some divisions are high because of divestments (e.g. the divestment of our terminal in Peru), 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

Age structure



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

Sickness rate

	2014
Americas	1.1
Asia	1.0
Europe, Middle East & Africa	2.9
Global LNG	2.2
Netherlands	3.5
Global HQ	2.0
Vopak	1.8

There are no reported cases of employees suffering from occupational diseases.

In 2013, Vopak had a sickness rate of 2.0%.

“Making a difference as a responsible partner”

Case study 4
Domino Foundation

All over the world we support activities that improve people’s lives

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, infrastructure or nature development. On every terminal our employees are encouraged to actively participate in community programs.

Case study 4 Domino Foundation

Rather than giving money to charities in an ad-hoc manner, in 2014 Vopak Terminal Durban in South Africa started a long-term relationship with the Domino Foundation, a charity that focuses on orphaned and vulnerable children at key development stages in their lives. "This has made the Corporate Social Responsibility Program very tangible for all employees and contractors", says Carla Manion, SHEQ Compliance Manager in Durban.

Vopak was already a financial contributor to Domino. "We wanted to give our employees an opportunity to get practically involved as well", says Manion. "This is why we approached the foundation to see how we could work together on the long term in a more hands-on capacity."

We approached the foundation **to see how we could work together** on the long term in a more hands-on capacity

Many projects

"Domino runs many projects where we can offer our expertise", says Manion. "From upgrading facilities at schools and orphanages, to mentoring Grade 11 children. The diversity of activities means every member of staff can get involved in something that appeals to them on a personal and professional level. Colleagues with a technical background and some of our contractors, for instance, upgraded the water supply for the greenhouse where Domino grows vegetables for their soup kitchen. It is now fully automated. For us, this was a fun project, to Domino's, this was significant, because it meant the vegetable garden finally became economically viable."

"Establishing a sustainable collaboration with a company like Vopak is very valuable to us", says Mickey Wilkins, CEO of the Domino Foundation. "Although the gap between the rich and poor population in South Africa is closing, there is still a large number of people, especially children, who are vulnerable and who have limited prospects in life. Our aim is to empower these kids so they can make a real change for the future of their communities."

We are all about **empowering people**

Empowering people

Wilkins: "We are all about empowering people. This is key to achieving sustainable development. A good example of this is the way Vopak people are tutoring students of one of the schools we are working with. Because they lacked the specialist resources, subjects like mathematics and chemistry were underdeveloped in all students. Vopak came through by providing tutoring and giving these kids the opportunity to see an actual laboratory, sparking an interest in science and technology. These kids have now seen what they can achieve if they apply themselves."

Manion: "Our people have many skills that we can offer to society as a whole. But we realize that we need to rely on specialists to guide us in achieving sustainable development opportunities for the communities we are trying to help. We help Domino, but Domino also helps us. And the same goes for the community we are now actively involved with. Our people get to help kids develop themselves further in life. And by doing so, our people gain insight into themselves and discover new talents. We also notice that our relationship with contractors is changing for the better, because we are working together with them outside the terminal under very different circumstances."

Risks and opportunities related to climate change

Introduction

Business-related risks are elaborated on in the section Risks and risk management in the Governance and compliance chapter. In addition, we have identified potential risks and opportunities related to climate change as well as carbon emission trading scheme.

Climate change

The Intergovernmental Panel on Climate Change (IPCC) has identified changes in the global climate system, including an increase in average temperature, changes in precipitation, a sea level rise, extreme events (such as hurricanes) and other physical changes in the global and/or regional climate.
When looking at these individual physical effects on Vopak's operations, we have identified the following key items that are of direct importance as well as indirect importance to Vopak:

Direct effects on a global scale

Temperature increase

The projected long-term warming (associated with doubled CO_2 concentrations) is likely to be in the range of 2°C to 4.5°C. 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 involving: increased intense tropical cyclone activity, increased frequency of floods and large-area floods in many regions, including higher sea levels, increased risk of drought in Australia, eastern New Zealand, and the Mediterranean, with exceptional seasonal droughts in central Europe and Central America.

This leads to two scenarios:

1) 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.

2) 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 area, Japan and Vietnam are increasingly vulnerable.

Indirect global effects

Global warming will result in fewer cold days/nights, and warmer and more frequent hot days/nights which may affect the health of the population. The spread of worldwide diseases may increase. As an 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 on the date 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 into 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 a so-called floodwall. For Vopak, this resulted in the obligation to raise the dikes through a sheet pile wall around the site (over 2 km, 1 meter extra height).

Carbon emission trading scheme

Introduction

More and more countries are setting up or plan to set up a carbon emission 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 for the last years, 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 this number of countries (where Vopak is also active) will grow in the near future (e.g. China will introduce their Carbon emission system in January 2016). For an overview of all the carbon emission systems currently in place or being implemented in the near future please refer to: www.worldbank.org.
All these individual carbon-pricing regulations impact Vopak directly and indirectly.

Direct impact

The direct effects of Carbon emission systems are:

- **Additional administration and audits:** Demonstration of our carbon emissions will be needed in regions where a carbon emission system is present. This will involve additional administration at the specific location. However, in those specific locations where we exceed the carbon emission 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. At present, nine Vopak terminals are included in the European Trading System, which accounts for approximately 50% of Vopak's total direct carbon emissions. The terminals are: Europoort, Botlek, Vlaardingen, Vlissingen, Westpoort, Eemshaven and Gate terminal in the Netherlands, the Tallinn terminal in Estonia and Thames Oil Port in the UK. At the current CO_2 price (31 December 2014: between EUR 7.00 and EUR 8.00) this will result in carbon emissions costs of approximately EUR 180,000 to EUR 210,000 per year based 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, currently chemical companies are already calculating their business cases, depending on the region, based on carbon prices of approximately EUR 17 to EUR 66 per metric ton CO_2 emission (source: ExxonMobil 2014 Outlook for Energy) in 2040. Based on these potential increases in carbon emission costs (which are not yet known at the time of this Annual Report) the annual emission costs in the European Union could vary between EUR 1.5 and EUR 5.7 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 there will be no CO_2 allowances free of charge in 2040.

Indirect impact
Customers could leave certain areas, 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 customers or a change in logistics requirements, and potentially result in a loss of customers and/or lower demand for storage capacity.

Regulatory opportunities
One of the biggest opportunities arising from the legislation and regulations is Carbon Capture. Vopak and Gasunie are jointly investigating 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 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 and are expanding our services in this specific field, which started already in 2007, with the building of dedicated storage facilities in various countries, including Brazil, the Netherlands, Malaysia and the US (in our future outlook we assume an EBITDA contribution from the storage of biofuels and vegoils of 7.5%-10% of the total EBITDA).

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 last year, Vopak has engaged PwC to provide limited assurance on its sustainability reporting.

This report on Vopak's sustainability performance is aligned with the sustainability reporting guidelines of the Global Reporting Initiative (GRI). Our 2014 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.

Informing stakeholders about Vopak's sustainability performance has two benefits:
- It enhances the support for and credibility in the way Vopak manages its sustainability issues
- It allows for a dialog 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 information is internally available. These GRI G4 aspects reflect those issues that are relevant to our business and operations.

Below is a table reconciling the key focus areas per Vopak terminology to the aspects of GRI G4. 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 areas	Corresponding GRI G4 Aspect
1. Customer relationship management	Product and service labelling
2. Corporate governance	Governance and compliance
3. Reduction of energy consumption	Energy and emissions
4. Safety and occupational health management	Safety and occupational health, asset integrity and process safety
5. Risk and crisis management	Strategy and analysis
6. Prevention of soil contamination	Effluents and waste, emergency preparedness
7. Local community engagement	Local communities
8. Prevention of water contamination	Effluents and waste and (ecosystem services including) biodiversity
9. Talent attraction and retention	Employment, training and education, labour/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 index as published on our website), covering the calendar year 2014, is to inform our stakeholders about our sustainability policy and performance, in connection with our main strategic objectives and targets. The GRI Index specifies the references to the indicators in scope, as well as any omissions and reasons thereof. This report specifically reviews developments and performance in 2014 and is based on topics identified as highly material for Vopak. Information that has a more static nature or is considered to have a lower reporting priority and is therefore included in the GRI index on our website.

Reporting scope

Boundary settings

The reporting period covered by this Annual Report is the 2014 calendar 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 have combined 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 not under our operational control. Terminals under operational control means application of Vopak´s operational standards, adherence to Vopak´s Code of Conduct, and being part of the three-year cycle of Vopak´s so-called Terminal Health Assessments (THA). Four terminals report voluntarily. These are the two LNG terminals – Gate in Rotterdam and Altamira-TLA in Mexico, and Vopak Terminal Korea and Engro Vopak Terminal in Pakistan.

The table below reconciles the storage capacity per the financial statements used for sustainability reporting purposes:

In million cbm

Total storage capacity according to Vopak Annual Report	**33.8**
Terminal	
Maasvlakte Olie Terminal	- 1.1
Sabtank (Al Jubail)	- 1.4
Sabtank (Yanbu)	- 0.3
Vopak Terminals of Canada - Quebec City (former Canterm terminals)	- 0.2
Vopak Terminal of Canada - Montreal East (former Canterm terminals)	- 0.4
Vopak Terminal Haiteng Gulei	- 0.9
	- 4.3
Total storage capacity according to sustainability scope	**29.5**

Capacity developments

This annual report includes changes in our 2014 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.

Acquisitions: 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

Capacity was expanded in 2014 by an increase in storage capacity at existing terminals and the addition of new terminals (Pengerang), divestments and acquisitions:

- Consolidated companies : 349,063 cbm
- Joint ventures : 1,419,766 cbm
- Total expansion : 1,768,829 cbm

Number of employees

The starting point of the Vopak sustainability program is that every person employed by a Vopak operated entity will be counted as one person.

All reported employees in the sustainability part of this Annual Report are based on actual headcount. The number of employees in other parts in this report is based on Full-Time Employees (FTEs).

Safety extends to contractors

Please note that safety relates not only to Vopak employees, but also to our contractors. All reported Tier 1 and Tier 2 safety incidents are included in our sustainability reporting.

Measurement: Methods and standards

Within Vopak we use internal standards for safety and incident reporting, environmental issues, technical design issues, etc. 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	International Energy Agency 2013

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

Regaining the trust and understanding of our neighbors

Case study 5
Stakeholder management Rozenburg (Netherlands)

Stench problems at Vopak Europoort Terminal in Rotterdam, the Netherlands in 2013 led to hundreds of complaints from neighbors in nearby residential areas. By actively looking for solutions and engaging with all relevant stakeholders and by offering complete transparency, Vopak was able to regain the trust and support of its neighbors.

Our 'License to Operate' also depends on **the support and understanding** of our neighbors

Case study 5 Stakeholder management Rozenburg

Vopak aims to be a responsible member of the communities in which it operate. We store products that are crucial to our economy and our daily lives but can endanger people's health and the environment, or cause inconvenience, if stored or handled inappropriately. Our 'License to Operate' also depends on the support and understanding of our neighbors.

This is especially evident in the Port of Rotterdam. Some of our terminals are located in close vicinity to residential areas. How close? Jos Steeman, Managing Director of Vopak Europoort, points out the location of the Europoort terminal on satellite images on his phone. "This is us, and here, right across the river are the towns of Rozenburg and Maassluis. The closest point is within 300 meters and 30,000 people live within a two kilometer radius."

Vopak has always been at the forefront of working towards a transparent relationship with the community, says Paméla Blok-van Werkhoven, Official Representative of the Rozenburg Municipality. "In 2013, when we experienced a lot of inconvenience because of stench problems, Vopak really came through."

> It showed us that **Vopak was taking us seriously**

The problems started when rising demand for fuel oils increased the activity levels at the terminal. Steeman: "Every time our 40-year old storage tanks were filled with fuel oil, 2,000 cbm of vapor was released into the air every hour. The vapor isn't harmful to public health or the environment, but it does cause stench. Especially in certain weather conditions this caused a lot of problems in the surrounding area. This led to 422 formal complaints from residents in 2013."

Being a resident herself, Blok-van Werkhoven was affected by the problems as well. However, she was impressed by Vopak's efforts to find a solution. "Most importantly, Vopak was very forthcoming in communicating with all of us. They admitted that they were the cause of the problems and let us know how they planned to find solutions. They were very transparent and communicated proactively. We and the other parties involved really appreciated this. It showed us that Vopak was taking us seriously."

"Finding solutions proved to be quite challenging", says Steeman. "This was not something we could fix instantly. Existing systems weren't equipped to handle the large quantities of vapor we had to deal with. It took time and a lot of effort to find technically sound solutions. We worked hard to come up with solutions for the short term, medium-long term and long term. To alleviate the problems for our neighbors in the short term we decided to monitor the situation ourselves and suspend activities if the odor and the weather circumstances posed a potential problem. This even meant that we had to let customers wait before they could unload when these conditions occurred."

"It was evident Vopak was making an effort", says Blok-van Werkhoven. "For us this made all the difference. Even though there were still problems in the beginning, every time stench occurred, Vopak was quick to communicate that they were working on it and eventually they succeeded in finding a permanent solution."

Steeman: "In the end, we found several solutions to tackle these stench problems. It took a lot of effort and creativity as well as major investments. This knowledge can now be applied at other terminals as well. This not only applies to the technical solutions, but especially in the way we managed the communication with our stakeholders. What proved to be especially important was providing our neighbors with a clear understanding of the cause of the problems and giving them a realistic horizon as to when we would be able to implement solutions."

Governance and **compliance**.

Supervisory Board and Remuneration report

Corporate Governance

Risks and risk management

Supervisory Board members

Mr Anton van Rossum (Chairman)

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

Mr Anton van Rossum (Chairman)

Mr Anton van Rossum (Dutch, born 12 May 1945). Other positions held were 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 2015. He is a member of the Board of Directors of Credit Suisse Group A.G. and Solvay S.A. (until May 2014) and member of the Supervisory Boards of Münchener Rückversicherungs-Gesellschaft, Rotterdam School of Management (Chairman) and Netherlands Economic Institute (Chairman). He does not own Vopak shares.

Mr Mel Groot (Vice-chairman)

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

Mr Mel Groot (Vice-chairman) (from 18 December 2014)

Mr Mel Groot (Dutch, born 22 October 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. (Vice- chairman) and Anthony Veder Group N.V. Mr Groot is also non-executive director of Safilo SpA and Chairman of Stichting HAL Pensioenfonds. He does not own Vopak shares.

Mr Martijn van der Vorm (Vice-chairman)

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

Mr Martijn van der Vorm (Vice-chairman) (until 18 December 2014)

Mr Martijn van der Vorm (Dutch, born 20 August 1958) is the former Chairman of the Executive Board of HAL Holding N.V. Mr Van der Vorm was first appointed to the Supervisory Board on 3 November 2000. Although his term ran until 2016, he decided to step down as per 18 December 2014. He is a member of the Supervisory Board of HAL Holding N.V. (Vice-chairman). He does not own Vopak shares.

Mr Frans Cremers (Member)

Chairman of the Audit Committee

Mr Frans Cremers (Member)

Mr Frans Cremers (Dutch, born 7 February 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 Board of Directors of Stichting Preferente Aandelen Philips and Stichting Preferente Aandelen Heijmans and a member of the Supervisory Boards of Royal Imtech N.V. (Vice- chairman), N.V. Luchthaven Schiphol, Unibail-Rodamco S.E., Parcom Capital Management B.V. and SBM Offshore N.V. (Vice- chairman). Mr Cremers is also a member of the Capital Market Committee of AFM. He does not own Vopak shares.

Mr Carel van den Driest (Member)

Member Audit Committee

Mr Carel van den Driest (Member)

Mr Carel van den Driest (Dutch, born 22 November 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), N.V. Nederlandse Spoorwegen (Chairman) and Teslin Capital Management B.V. (Chairman). He does not own Vopak shares.

Mr Chun Kai Lam (Member)

Member of the Remuneration Committee

Mr Chun Kai Lam (Member)

Mr Chun Kai Lam (Singapore, born 12 May 1947). Other positions held were 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. His current term ends in 2015. He is a member of the Supervisory Board of SinoChem International, China (Independent Director and Chairman Remuneration Committee) and Hertel Holding B.V. Mr Lam is also Executive Advisor to the CEO of Yokogawa Electric, Japan. He does not own Vopak shares.

Mr Rien Zwitserloot (Member)

Chairman of the Remuneration Committee

Mr Rien Zwitserloot (Member)

Mr Rien Zwitserloot (Dutch, born 25 August 1949) previously held the position of 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 is a member of the Supervisory Boards of TenneT Holding B.V., Amsterdam Capital Trading Group B.V., Energie Beheer Nederland B.V. and Vroon Group B.V. He does not own Vopak shares.

Supervisory Board report

Supervision

The Supervisory Board met eleven times during 2014. It held six regular meetings, one additional meeting regarding the budget and four ad hoc conference calls regarding investment proposals and the business review. None of the Supervisory Board members were frequently absent from the Supervisory Board meetings. Average attendance at regular meetings was 83%, while attendance at the additional meeting was 67% and the average attendance on the four conference calls was 96%. 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.

As part of the Supervisory Board's responsibilities, it discussed Vopak's strategy during a two-day session held in Houston. During these meetings, the Supervisory Board members discussed several so-called 'quantified scenarios' relating to drivers for Vopak's business such as developments in bio-based chemicals, shipping, light feedstock and fuel oil scenarios. The Supervisory Board paid a visit to the Deer Park Terminal in Houston.

The Supervisory Board discussed and approved the 2015 budget, quarterly reports and various investment proposals related to global expansion. These include investment proposals concerning the Americas, the Netherlands (Europoort and Botlek), expansions in Canada, investment proposals relating to LNG/LBBR and the proposal to cancel and withdraw the financing preference shares and dissolve the Stichting Administratiekantoor Financieringspreferente Aandelen Vopak.

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. Among these were safety, health, environmental and sustainability issues; the company's other operational and financial objectives and financial performance; pensions; financing of the company; financial reports; the combined Annual & Sustainability Report 2014; succession planning for senior management; and the company's views on the Focus Letter 2015 from Dutch corporate governance platform for institutional investors Eumedion.

External auditors were present at the meetings where the annual results and unaudited half-year results were discussed. The interim report and auditors´ report 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 considered and shared with the Supervisory Board. The Supervisory Board discussed the design and operation of the company's risk management and control systems. At a meeting not attended by 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 2014 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, based on an extensive questionnaire completed by all Supervisory Board members, was that it meets the requirements.

Composition of the Supervisory Board

The Supervisory Board consists of six members: Mr A. van Rossum (Chairman), Mr M. Groot (Vice-chairman), Mr F. Cremers, Mr C. van den Driest, Mr Chun Kai Lam and Mr R. Zwitserloot. Mr M. van der Vorm served as member of the Supervisory Board (Vice-chairman) until 18 December 2014, on which date he was succeeded by Mr M. Groot. For more information about our Supervisory Board members, we refer to the Supervisory Board members section in this report.

All Supervisory Board members, except for one, qualify as independent in the meaning of best practice provision III.2.2 of the Dutch Corporate Governance Code (the Code). Mr Van der Vorm, who resigned as Supervisory Board member on 18 December 2014, did not satisfy all the independence criteria of best practice provision III.2.2. Mr Groot succeeded Mr Van der Vorm as member of the Supervisory Board as per 18 December 2014. He similarly does not satisfy all independence criteria of the Code. The Supervisory Board and the Executive Board are of the opinion that the respective members offer or offered considerable added value to the Supervisory Board. The added value of Mr Van der Vorm and Mr Groot respectively relates to their capabilities, knowledge and experience of managing and investing in internationally-operating companies.

Audit Committee

The Audit Committee met five times in 2014. 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, fraud 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 combined Annual & Sustainability Report 2014, the dividend proposal for 2014, the proposal to cancel and withdraw the financing preference shares and to dissolve 'Stichting Administratiekantoor Financieringspreferente Aandelen Vopak' and the Focus Letter 2015 from Dutch corporate governance platform for institutional investors Eumedion.

The Audit Committee considered the 2014 plan of the external auditor and the Internal Audit department's plan for 2015, as well as Internal Audit reports during 2014 and the progress realized in implementing recommendations from audits. The committee also discussed the scope and plan of the 2014 external auditors, the recommendations in the management letters and the current and future relationship with the external auditors. The Audit Committee monitored auditor independence when non-audit services were provided. In compliance with the Dutch Corporate Governance Code (the Code) one meeting was held with the external auditor without the presence of the Executive Board members. In connection with the mandatory rotation of the external auditor, the Audit Committee advised the Supervisory Board in 2013 to propose to the Annual General Meeting of Shareholders at 23 April 2014 to appoint Deloitte Accountants B.V. as the external auditor of the company and to commission them to audit the annual financial statements of the company for the financial year ending 31 December 2015. This process continued in 2014 and the proposal has been adopted by the AGM. Finally, the Audit Committee assessed its own performance throughout the year and its regulations, supported by an extensive questionnaire that was discussed by all its members.

The committee's performance met the requirements in all areas. During 2014, Mr Cremers continued to act as financial expert as defined in the relevant best practice provisions of the Code.

Selection and Appointment committee

The Selection and Appointment Committee met twice in 2014, in April and in December. The attendance rate was 100%. It discussed the function description of the Executive Board members and the topic of diversity. It also discussed the regulations of this committee and reviewed its tasks and responsibilities as well as the appointment of Mr M. Groot as member of the Supervisory Board.

Remuneration Committee

The Remuneration Committee met three times during the year. In addition, the committee occasionally held informal consultations and was advised by internal professionals and external advisors.

During the year, five proposals were developed and submitted for approval to the Supervisory Board:

1. The payout of the short-term incentive for the Executive Board members for 2013
2. The number of awarded shares for the Executive Board members as part of the long-term incentive plan (share-matching plan) for the period 2009-2013
3. The targets for the short-term and long-term incentive plans for 2014
4. The annual base salary levels for the Executive Board members for 2015
5. The annual fee for Supervisory Board members for 2015 and 2016

Furthermore, special attention was given to the following items of the remuneration policy:

1. The target for the long-term incentive plan for the period 2014-2016 in view of the realignment of the company's strategy as announced in July 2014
2. The composition of the peer group following delisting, acquisitions or mergers of several peer group companies and the evaluation of additional benchmarks of specialized remuneration consultants including job level based data for a larger number of companies listed on the Dutch stock exchanges for larger and medium-sized companies
3. The impact of new Dutch fiscal legislation on the current pension plan for members of the Executive Board

For details of the remuneration policy please refer to the corporate website. For details of the remuneration during 2014 as well as the shareholding positions of the members of the Executive Board and the Supervisory Board please refer to the remuneration report section of this Annual Report.

The Supervisory Board and the Executive Board are very grateful to Mr Van der Vorm for his valuable contribution to the company since 2000. During his 14 year tenure as member of the Supervisory Board, the Audit Committee and the Selection and Appointment Committee, he has supervised in an excellent and committed manner the development of Vopak to a global market leader with tank storage as the core activity. The extensive business, financial and governance experience of Mr Van der Vorm was highly valuable to Vopak.

The Supervisory Board would like to express its sincere appreciation to the Executive Board and all the company's employees for their efforts in 2014 and for the corresponding results. 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, 26 February 2015

The Supervisory Board
A. van Rossum (Chairman)
M.F. Groot (Vice-chairman)
(from 18 December 2014)
M. van der Vorm (Vice-chairman)
(until 18 December 2014)
F.J.G.M. Cremers
C.J. van den Driest
Chun Kai Lam
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 Supervisory Board during 2014.

Remuneration policy 2014

According to the remuneration policy, which was established in 2010 and has been applied since then, the Supervisory Board annually decides on a total remuneration package for the Executive Board composed of 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 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 incentive opportunities related to the threshold, target and maximum results of the pre-set targets.

Variable component	Type of incentive	Performance criterion	Incentive as % of annual base salary			
				Threshold [2]	Target	Maximum
Short-term variable remuneration	Cash	50%: Financial target (EBITDA) [1]	Chairman	12.5%	50%	75%
		50%: Non-financial targets (personal and process safety, customer/employee satisfaction and EB effectiveness)	Member	11.25%	45%	67.5%
Long-term variable remuneration	Shares (50%) Cash (50%)	Financial target (EPS) Implementation of the adjusted strategy	Chairman	40%	80%	120% [3]
			Member	30%	60%	90% [3]

1. Distribution at target level.
2. No variable remuneration is paid below the threshold level.
3. Annualized values of an award over the 3-year period at the date of award, excluding the share price developments during the performance period.

For 2014, the long-term incentive opportunity was increased following the decision taken by the AGM in April 2014.

The pension plan was also adjusted, on a cost neutral basis, to accommodate the changes in the Dutch pension legislation. Further adjustments to this plan will be made in 2015 following additional legislation.

For further details of the remuneration policy 2014 please refer to the corporate website.

Remuneration Executive Board 2014 (audited)

The total remuneration for the members of the Executive Board in 2014 increased to EUR 3.6 million, compared to EUR 1.8 million in 2013. The difference is due to the fact that the Executive Board more than met the ambitious short-term incentive targets for 2014, compared to a lower realization of the targets in 2013. In addition, the difference in the costs associated with long-term incentive plans reflects the difference between the lower costs in 2013, resulting from a release of provisions, and the higher 2014 costs based on the accrued upon assessed future realization.

The table hereafter shows the actual remuneration for each member of the Executive Board in 2014.

The long-term incentive numbers refer to the costs taken by the company during the financial year 2014 considering the start of the new long-term incentive plan for the period 2014-2016. For details on the long-term incentive plans which were actually vested in 2014, please refer to the section long-term variable remuneration hereafter.

In EUR thousands	Annual base salary		Short-Term Incentive		Long-Term Incentive [1]		Pension		Total [1]	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
E.M. Hoekstra	612	600	397	125	288	-170	121	118	1,418	673
J.P. de Kreij	510	500	298	94	180	-112	187	145	1,175	627
F. Eulderink	475	465	277	87	167	-141	130	127	1,049	538
Total	**1,597**	**1,565**	**972**	**306**	**635**	**-423**	**438**	**390**	**3,642**	**1,838**

1. The 2013 numbers for the long-term incentive and related total remuneration for 2013 in this report differ from the numbers reported last year since at that time the numbers referred to the awards actually settled and transferred in 2013. The 2013 numbers in this report refer to the actual costs for 2013 and are provided to facilitate a meaningful comparison from year to year.

Details on the long-term incentive costs for 2014 and the comparison with the costs for 2013 are disclosed in note 6.2 to the Consolidated Financial Statements. It should be noted that the negative numbers for 2013 do not refer to any repayment of received long-term awards, but are a result of the fact that the costs taken for the years prior to 2013 more than covered the actually required amounts and therefore could be partly released in 2013.

Annual base salary

Following general salary market developments in the Netherlands, the annual fixed base salaries of the Executive Board members were increased by 2% compared to 2013.

Short-term variable remuneration

Early in 2015, the achievements on the pre-set short-term incentive (STI) targets for 2014 were evaluated. The next table shows the results for each board member and each performance criterion. The results are provided in terms of the realization percentage versus the target, the realization as percentage of the base salary and the actual short-term incentive payout.

				Results as % of target and as % of base salary									
	Base salary	Total opportunity		Financial		Safety		Employee satisfaction		Effectiveness		Total STI	
	2014	Target	Max	Target	Salary	Target	Salary	Target	Salary	Target	Salary	Salary	in EUR
E.M. Hoekstra	612,000	50%	75.0%	176%	44.01%	50%	4.17%	100%	8.33%	100%	8.33%	64.84%	396,828
J.P. de Kreij	510,000	45%	67.5%	176%	39.61%	50%	3.75%	100%	7.50%	100%	7.50%	58.36%	297,626
F. Eulderink	475,000	45%	67.5%	176%	39.61%	50%	3.75%	100%	7.50%	100%	7.50%	58.36%	277,201

With regard to the financial target, the EBITDA -excluding exceptional items- for 2014 resulted in EUR 763 million, which exceeded the ambitious target set at the beginning of the year. New capacity and cost efficiency programs contributed to this EBITDA result for 2014.

Results on the pre-set non-financial performance targets for the short-term incentive were also positive.

The worldwide safety performance improved this year on process safety and stabilized on personal safety. A combination of efforts in terminal health assessments, training in operations and safety, direct supervision and specific investments resulted in fewer spills, contaminations and personal incidents. Although the process safety targets were met, the personal safety results remained just below the target. For further information about our safety performance, please refer to the sustainability chapter.

To determine the employee satisfaction a survey was held among all employees of Vopak worldwide. The survey was important to poll the opinion of employees after the strategic business review, realignment of the company and related cost efficiency and divestment programs. Based on an 83% response rate, an 85% sustainable engagement score was realized. This score is considerably higher than the logistics and oil and gas market and only slightly below that of high performing international companies.

Finally, the Supervisory Board evaluated the team effectiveness of the Executive Board as very good, given the early, comprehensive and courageous response to the declining growth rates in the world economy and the increasing price pressure in parts of the storage industry.

Long-term variable remuneration

The next table summarizes the settlement of the Share Matching Plan 2009-2013 and the Long-Term Share Plan 2010-2013 in 2014.

	Share Matching Plan 2009 - 2013			Long-Term Share Plan 2010 - 2013	
Value in EUR	Number of invested shares	Number of awarded matching shares	Value of awarded matching shares	Value of awarded shares	Total value of LTI awards 2014
E.M. Hoekstra	2,838	2,639	111,313	293,324	404,637
J.P. de Kreij	18,284	17,004	717,229	293,324	1,010,553
F. Eulderink	-	-	-	293,324	293,324

Share Matching Plan 2009-2013

In 2014, Executive Board members participating in the Share Matching Plan 2009-2013 received matching shares, based on the realized increase in the earnings per share -excluding exceptional items- during the five- year plan period from EUR 1.62 to EUR 2.45. This increase resulted in a vesting percentage of 93% (maximum 200%) of the number of shares that were personally invested by the respective board member in 2009 and retained for the full five-year period.

Mr Hoekstra received the matching shares in his previous capacity as Division President Asia. Mr Eulderink was not eligible to receive matching shares under this plan, since he was not yet employed by the company at the beginning of the plan period.

Long-Term Share Plan 2010-2013

In December 2013, the Supervisory Board made use of its discretionary power under the Plan and awarded a gross value of EUR 300,000 to each of the Executive Board members. Despite the fact that the target was not realized, the Executive Board was rewarded for the total value creation during the plan period, in terms of financial performance, investments, development of the customer portfolio and the developments in operational excellence. The reward translated into 6,954 shares with a value of EUR 293,324 at the actual moment of share transfer in February 2014. For further information, please refer to the Annual Report 2013.

Share ownership

The share portfolios of each of the Executive Board members at year-end 2014, the evolution of these portfolios during the year and the requirement in 2014, are indicated in the following table. The requirement shows the number of shares, which should be held in deposit before a sale of awarded shares can be effectuated. The share portfolio can be built up over time from awarded shares and or privately acquired shares at the expense and risk of the board member.

The overview does not include conditionally awarded shares under the Long-Term Share Plan 2014-2016.

In number of shares	Net transferred shares in 2014: Share Matching 2009	Net transferred shares in 2014: Share Plan 2010	Total shares year-end 2014 [1]	Share portfolio requirement 2014
E.M. Hoekstra	1,541	4,242	22,871	14,722
J.P. de Kreij	9,250	3,780	350,286	12,268
F. Eulderink [2]	-	4,423	5,173	11,427

1. The market value of the Vopak share at end 2014 is EUR 43.09 per share.
2. Since F. Eulderink was appointed in 2010, he did not participate in the Share Matching Plan 2009-2013.

All share transactions were performed in accordance with the policy and for the account and risk of the Executive Board members concerned.

In accordance with the policy, Vopak did not provide any personal loans, advances or guarantees to the Executive Board members.

Remuneration Supervisory Board 2014 (audited)

The fees to be paid to the members of the Supervisory Board in 2014 were approved by shareholders during the AGM in 2013 for the 2 year period 2013 and 2014. The table below shows the amounts each member received individually in 2014, resulting in a total cost to the company of EUR 0.39 million, which is equal to 2013.

In EUR thousands	Supervisory Board	Audit Committee	Nomination Committee	Remuneration Committee	Total 2014	Total 2013
A. van Rossum	70.0	-	7.0	7.0	84.0	84.0
M. van der Vorm	50.0	8.5	5.0	-	63.5	63.5
F.J.G.M. Cremers	50.0	15.0	-	-	65.0	65.0
C.J. van den Driest	50.0	8.5	-	-	58.5	60.0
Chun Kai Lam	50.0	-	-	7.0	57.0	57.0
R.G.M. Zwitserloot	50.0	-	-	10.0	60.0	58.5
Total	**320.0**	**32.0**	**12.0**	**24.0**	**388.0**	**388.0**

In accordance with the policy, Supervisory Board members did not receive any fixed allowance or performance-related incentives. The company reimbursed travel costs for Supervisory Board members living outside the Netherlands, which are not included in the table.

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 2013 and year-end 2014.

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 compared to 2013. 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. We have also developed a clear policy with regard to sustainability. For details of the Sustainability Policy please refer to the corporate 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 to the AGM any changes to the composition of the Executive Board. Similarly, the Supervisory Board annually reviews its own performance and proposes changes to the composition of the existing Supervisory Board members to the AGM. Finally, the Supervisory Board ensures 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 ones. 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 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 power to appoint, suspend and dismiss members of the Executive Board and Supervisory Board, the AGM has other authorities such as passing resolutions for legal mergers and split-offs, adopting financial statements, and profit appropriation. Furthermore, the AGM determines the remuneration policy for the Executive Board, and has to approve any significant amendments to the policy. The AGM 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 adopted by the 2013 AGM. 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 day of the AGM.

The Dutch Corporate Governance Code

Vopak has evaluated its corporate governance setup against the Dutch Corporate Governance Code (the Code) and concluded that it satisfies the principles and best practice provisions of the Code applied in 2014, with the exception of the following five 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 Plan (LTIP) 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 put an explicit target on 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 experience and knowledge of the oil, petrochemical or LNG industries in the regions in which Vopak is active, or other business knowledge relevant 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.

5. Best practice provision III.3.5. (composition)

With respect to this best practice provision, it should be noted that Mr Van der Vorm was reappointed as a member of the Supervisory Board for a fourth and maximum term of four years at the AGM of 25 April 2012. Section III.3.5 of the Code limits the number of four-year terms to a maximum of three. However, the regulations of the Supervisory Board provide that the Supervisory Board may decide otherwise, which it did in the case of Mr Van der Vorm, based on his outstanding performance as a member of the Supervisory Board and his valuable knowledge and experience. Mr Van der Vorm resigned as member of the Supervisory Board on 18 December 2014, following his decision to step down from the Executive Board of HAL Holding NV (as announced by HAL Holding NV on 6 August 2014).

The number of exceptions has decreased by one compared to 2013, one exception has been added (best practice provision II.2.5 (blocking of shares) and two exceptions no longer apply (best practice provision III.2.1 (independence of Supervisory Board members) and best practice provision III. 5.11 (Remuneration Committee). On 23 April 2014 (the date of reappointment of Mr Van den Driest at the annual general meeting) Mr Van den Driest had not been a member of the Executive Board in the five years prior to his reappointment. Accordingly, Mr Van den Driest qualifies as an independent Supervisory Board member as per 23 April 2014. An exception reported in 2013 with regard to best practice provision III.5.11 does no longer apply, as Mr Zwitserloot succeeded Mr Van den Driest as Chairman of the Remuneration Committee as of 1 January 2014.

Vopak has various 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.

The regulations are:
- 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 Act on Financial Supervision. Vopak also maintains the Insider Lists specified by this Act Regulations on suspected irregularities ('whistle-blower regulation')

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
- Report of Stichting Administratiekantoor Financieringspreferente Aandelen Vopak
- Management Authorization 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 company´s ability to issue cumulative preference shares (`protective preference shares´) to Stichting Vopak. Such defensive preference shares will be issued, in the event Stichting Vopak exercise its option right. On 18 October 1999, the AGM 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 EGM of 17 September 2013, resolved to increase Stichting Vopak's right to acquire protective preference shares in such 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. On 17 September 2013, the option agreement with Stichting Vopak was amended 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 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 2014, a total of 127,835,430 ordinary shares had been issued, as well as 41,400,000 financing preference shares, all with a nominal value of EUR 0.50 each. The 41,400,000 financing preference shares were cancelled at 1 January 2015.

Restrictions on the transfer of shares and depositary receipts for 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 Stichting Vopak and other parties pursuant to Article 10A, paragraph 7 of the Articles of Association. No restrictions apply to the transfer of depositary receipts for financing preference shares issued by the Stichting Administratiekantoor Financieringspreferente Aandelen Vopak. With regard to the protective preference shares, the Articles of Association provide that any transfer requires approval from the Executive Board.

Major holdings subject to mandatory disclosure

More information on major shareholdings that are subject to mandatory disclosure pursuant to Sections 5:34, 5:35 and 5:43 of 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.

Restrictions on voting rights attaching to financing preference shares

A description of the depositary receipts for financing preference shares and a restriction on the voting rights attaching to those shares can be found in the section Stichting Administratiekantoor Financieringspreferente Aandelen Vopak ('the Foundation').

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 of shareholders. For the appointment of members of the Executive Board, the Supervisory Board makes a non-binding nomination. Upon the appointment of members of the Supervisory Board, the Supervisory Board may make a non-binding or binding nomination.

The general meeting of shareholders 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 of shareholders requires a majority of at least two-thirds of the number of votes validly cast.

Share issuance and repurchase

The general meeting of shareholders or the Executive Board, if so designated by the general meeting of shareholders, resolves or decides on the issuance of shares. Any share issuance is subject to approval by the Supervisory Board. The Executive Board, subject to the approval of the Supervisory Board, was authorized from 17 September 2013 up to 21 March 2014 to issue cumulative preference C-shares up to the maximum number of cumulative preference C-shares that can be issued pursuant to the authorized share capital included in the Articles of Association as they will read at the time of issuance. This authorization was not exercised in 2014.

The Executive Board is authorized until 23 October 2015 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 2014). 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. This authorization was not exercised during 2014.

Key agreements containing change-of-control provisions

An agreement entered into with the holders of financing preference shares on 8 July 2009 provides that, in the event of a public bid for the shares in Vopak´s capital which may result in a change of control over the shares carrying the right to cast more than 50% of the votes attached to all issued shares in its capital, Vopak will be obliged, subject to approval by the holders of a majority of the depositary receipts for financing preference shares, to convene a general meeting of shareholders before the period set for offering shares under the public bid has expired, in which a resolution to cancel all outstanding financing preference shares will be placed on the agenda for discussion.

Please also refer to the change-of-control provision on 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 departure from best practice provision II.2.8 of the Code.

Risks and risk management

The execution of Vopak's strategy over recent years has led to a well-diversified global terminal network, supporting our leadership position in the independent tank storage market. The growth strategy is focused on capturing entrepreneurial opportunities whilst effectively managing risks, a vital combination for a sustainable successful business.

Although assessing the probability, impact and timing of risks and opportunities is challenging, a core responsibility of the Executive Board is to take balanced decisions based on thorough analyses of all relevant perspectives and to clearly communicate to all stakeholders the significance of potential risks affecting the successful execution of our strategy. Such analyses are embedded at every level of the organization, ensuring that risk management is an integral part of our day-to-day operations. This is fundamental to ensure ambitions, as laid out in our strategy, are safeguarded and risks are assessed and mitigated.

The Executive Board, in formulating Vopak's strategy, defines the company's risk-reward appetite. The Board takes into account the expectations of all stakeholders, including customers, shareholders, employees and regulators in a well-balanced manner. Our risk-reward appetite remains largely unchanged compared to 2013. The risk-reward appetite for growth is considered low to high depending on the right balance between risk and long-term reward. Each growth opportunity is separately evaluated.

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
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.

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

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.

Growth leadership

Changing markets

Our business model remains sound. Demand for storage continues; new market dynamics in the energy and petrochemical landscape leads to increased volatility in certain product-market combinations.

Vopak continues to see positive long-term developments for our company following in-depth analyses of various scenarios and global trends in the energy and chemical markets including but not limited to:

- US shale developments
- Expected Asian growth paths
- LNG increasingly used as a transport fuel
- The likelihood of further rationalization in the refinery and petrochemical sector

However, we expect regional divergence, changing product market combinations and geopolitical developments such as those concerning Iran and Russia to present challenges to our business in the short term, particularly in Europe.

During the first half of 2014, a business review was conducted. The outcome reconfirmed our three pillar strategic orientation. It also identified the potential to further align the execution of our strategy to ensure the global spread of our terminal portfolio captures the changing landscape.

The criteria against which we assess our existing terminals and business development activities were updated and are:

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

This has initiated a divestment program of around 15 primarily smaller terminals.

Key to this analysis are the insights in product flows and customer developments performed by our Global Sales & Marketing team in conjunction with the Divisions and local teams. This includes evaluating the potential consequences for our business of the recent drop in the price of crude oil over a relatively short period of time. These insights continue to support our terminal strategy, location and, in more detail, terminal design at the local level.

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 through expansion of storage capacity by existing providers, as well as the entrance of various new entrants, resulting in a substantial incremental supply of storage capacity. As a result, we recognize the growing risk of overcapacity in certain product-market combinations that 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. These developments have been factored into our strategic realignment.
We consciously focus on both improving service levels and creating cost efficiencies; cornerstones of our competitive position enabling our customers to also be more competitive in their overall supply chain.

At the terminal level, long-term terminal master plans are used to guide their future in terms of investments required and expected earnings. In developing and revising these plans, we continue to leverage off improvements made in recent years (as confirmed in the business (execution) review) in asset integrity, safety performance and service offering. Sustaining and improvement capex programs are being optimized, enabling a reassessment of our cost base whilst ensuring our high safety and service levels are maintained and/or further enhanced. Productivity and organizational efficiency enhancements throughout the company not only support our earnings performance but also aim to achieve higher customer satisfaction through high quality service provision.
In short, our value creation plans assist in ensuring our competitive position is enhanced, and earnings potential captured, while supporting the balanced risk-return profile we aim for.

Expansion brings additional challenges

Projects will only be selected if they fit the criteria described above. Projects under construction represent sizeable investments and can be complex due to business, financing, environmental, cultural and political circumstances. For joint ventures, alignment with and between the interests of partners is essential for success. Building and operating new terminals requires access to a skilled workforce and ensuring that the required permits are obtained on time. Our chosen project partners, suppliers and joint venture partners need to be financially sound and have high levels of integrity.

These risks are mitigated through Vopak's standard global project methodology, repeatable formulas with standard design criteria, performing appropriate background checks, hiring specific experts, knowledge management, peer reviews, strong relationship management and country studies. Going forward, the focus on a selected number of key strategic business development opportunities ensures full and dedicated attention to these projects. Functional guidance from Divisions and Global is provided at all stages of project development from the initial investment proposal to post completion. Where appropriate and possible, we obtain non-recourse project financing which provides an 'outside' view on a project's soundness. Readiness reviews at appropriate times and post completion reviews ensure that lessons learned are captured and disseminated throughout the organization.

Ideally, new capacity has customer commitment in place; attainment of a healthy level of customer commitment in terms of take-up and duration is currently challenging. Experienced and dedicated commercial teams are in place globally, regionally and locally to focus on marketing this new capacity.

Permit lead time and renewal

Permits to operate, such as concessions from port authorities, are essential to enter or continue operating in a market. In several instances we see that authorities have increasingly demanding procedures and we could face long lead times to acquire or renew permits or concessions for our locations. We actively monitor the status of permits where we operate and proactively start the process if renewals are needed. We always use the Vopak values as our framework in dealing with those organizations responsible for permitting.

Operational leadership

Safety and environmental risk remains 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 are our highest reputational risk. We continued to embed our high standards in safety in 2014 through various programs focusing on operator skills, safety awareness, safety behavior and improvements initiated throughout the organization. Whilst we recognize that cultural differences exist, our strive for high safety standards throughout the company is relentless. Safety is the cornerstone of our business and is applicable for all stakeholders entering our sites, including contractors, surveyors, transportation companies, suppliers, and barging and shipping companies. Reinforcing this message is not only the requirement that all operational staff complete the safety fundamentals exam on an annual basis but also the decision taken during 2014 that all staff without exception are to take the same exam and to achieve a 100% pass rate by the end of 2014. Our Terminal Health Assessment (THA) program covering every terminal on a three-year cycle with qualified assessors, ensures that our standards are implemented and adhered to. Results of each assessment are shared up to the Executive Board level. Our structured approach to maintenance and continuous intensive sustaining capex programs keep our assets in the required condition and also further reduce safety and environmental risks. During 2014, our capex programs were reviewed in depth on a terminal level under Global and Divisional guidance to ensure that the correct balance between optimization and ensuring asset integrity over a longer period is maintained at economic investment levels.

100% Operating compliance is non-negotiable

Compliance with environmental- and operational permits, laws and regulations regardless of location is necessary for our 'License to Operate', which ensures business continuity. Fines and penalties can be sizeable. Understanding the compliance requirements is critical. This ensures correct monitoring takes place and that the required documentation and reporting thereof is carried out. Governments are becoming stricter and in the more developing countries, regulations are frequently changing. It is the responsibility of each terminal to be compliant, with the support of Division and Global as necessary. External specialists are used if it is considered appropriate to do so. More information on the broader legal and compliance risks is provided below.

Business is increasingly dependent on Information Technology

Information Technology is a significant catalyst for improving, innovating and creating organizational as well as process efficiencies in our business. We have defined a long-term IT strategy and investment portfolio to ensure needs are met. This involves replacing core applications on time and fulfilling the demands of our customers, supply chain partners, employees and shareholders. IT projects are no different to other projects but have global reach and require strong project management in accordance with the standard Vopak project methodology with peer reviews, readiness reviews, use of specialists and such. Ensuring high level engagement between our IT leadership team and the business is critical to their success.

Global technology developments also have an important impact on the way we run our business in the future. We are focusing and investing in digitizing our processes to be able to lower our costs and enhance our customers' experience. These new agile technologies will also contribute to safer operations at all our terminals. We expect that the IT landscape will become an important factor to optimize our processes within the terminal operations as well as the interactions in the global supply chain with our partners. Security is therefore of crucial importance. Our information security policy requires that we implement and maintain controls, processes and tools that ensure continuity of information systems and the confidentiality, privacy and integrity of confidential and sensitive information. We are using the infrastructure of professional service providers to increase the levels of protection of applications and data. Compliance with our policy and with the various legal and regulatory requirements is continuously managed and monitored. By updating our security policies and implementing ISO 27001, we will continue to be protected and ready to resolve most issues in time. We also perform terminal security risk assessments, reviews on our outsourced service providers and we have defined a way to mitigate the risks related to the impact of social media.

Customer leadership

Improving customer satisfaction is critical

Consistent provision of high-quality services is fundamental to our commercial strategy. We recognize that the quality and safety of our service is a distinctive factor, 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 even better service through training courses, competence management, standardizing processes and further improving our information systems. To truly embed a customer-focused service culture, customer satisfaction is a key target for employees in short-term incentive plans.

People

Workforce alignment to strategic ambitions

An outcome of the business review undertaken in the first half of 2014 has been to align workforce requirements with our strategic ambitions. Many organizational and productivity improvements across the Globe took place during the second half of 2014 and the program will continue in 2015. A systematic approach is taken to ensure core activities and controls are at the very least maintained. It is important that employees who are affected, are treated with respect and that those remaining understand their role in the new organization. We recognize that communication is key, with messaging being cascaded down from the Executive Board to senior management and to all employees accordingly.

Employing the right people with the right skills in the right location (employee retention)

In general, but particularly with the recent workforce alignment, it is essential to retain employees who are critical 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 recognize the difficulty in attracting persons with the right competencies in a number of our locations 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 using the strength of Vopak´s network enable us to bring in the required resources when needed; for example a project, a terminal or country manager. This fluid movement of persons across the globe is critical for spreading and embedding the Vopak values; the framework in which all our staff should operate.

Every two years, an employee engagement survey is carried out for the whole company. This gives good insight into how our people think and what is important to them with respect to the organization. We learn from their responses in order to ensure there is a match between the ambitions of our people and the company.

Legal, compliance and other risks

Legal and compliance

Vopak may be held liable for any non-compliance with laws and regulations. For example, in a number of countries there is specific legislation relating to the administration and tracking of 'controlled products' (the United Nations lists these products). Another example is the US/European sanctions that are in place regarding doing business with certain countries. We mitigate this risk by monitoring and adapting to changes in legal systems, regulatory controls and practices in the countries in which we operate. Our procedures and controls for ensuring compliance are updated promptly. Some of the products that we store and handle for customers, such as ethanol, are subject to duties. As more products with duties are handled, Vopak´s financial risk exposure increases, requiring continuous attention to adequate procedures, processes and controls. Sufficient working capital, inventory management and supportive processes are preconditions that we safeguard through implementation of our key control framework and subsequent monitoring thereof. Where necessary, control mechanisms are tightened. The effects of stricter environmental regulations are covered as far as possible by making specific and sustainable investments (e.g. vapor treatment systems).

We notice an increase in attention to bribery prevention across the globe from all stakeholders. Both the UK Bribery Act and US Foreign Corrupt Practices Act in particular have caused many companies to redefine their policies. Vopak itself has put new policies in place in recent years and continues to emphasize adherence to the Code of Conduct and require attendance of anti-bribery training programs by all employees. The whistleblower procedure in place also enables individuals to raise items of concern in a confidential manner. All whistleblower notifications are promptly investigated and reported to the Executive Board. Our Compliance Committee is also in place to guide achievement of our compliance goals. Areas of focus are operations, HR, privacy, tax, customs, competition, fraud, corruption and reporting.

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.

Vopak´s insured risks are partly covered by a Vopak captive reinsurance company and by transferring risks to the insurance market. 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 economy in the Eurozone and developments elsewhere in the world 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 have been reviewed and measures have been taken to limit the exposure.

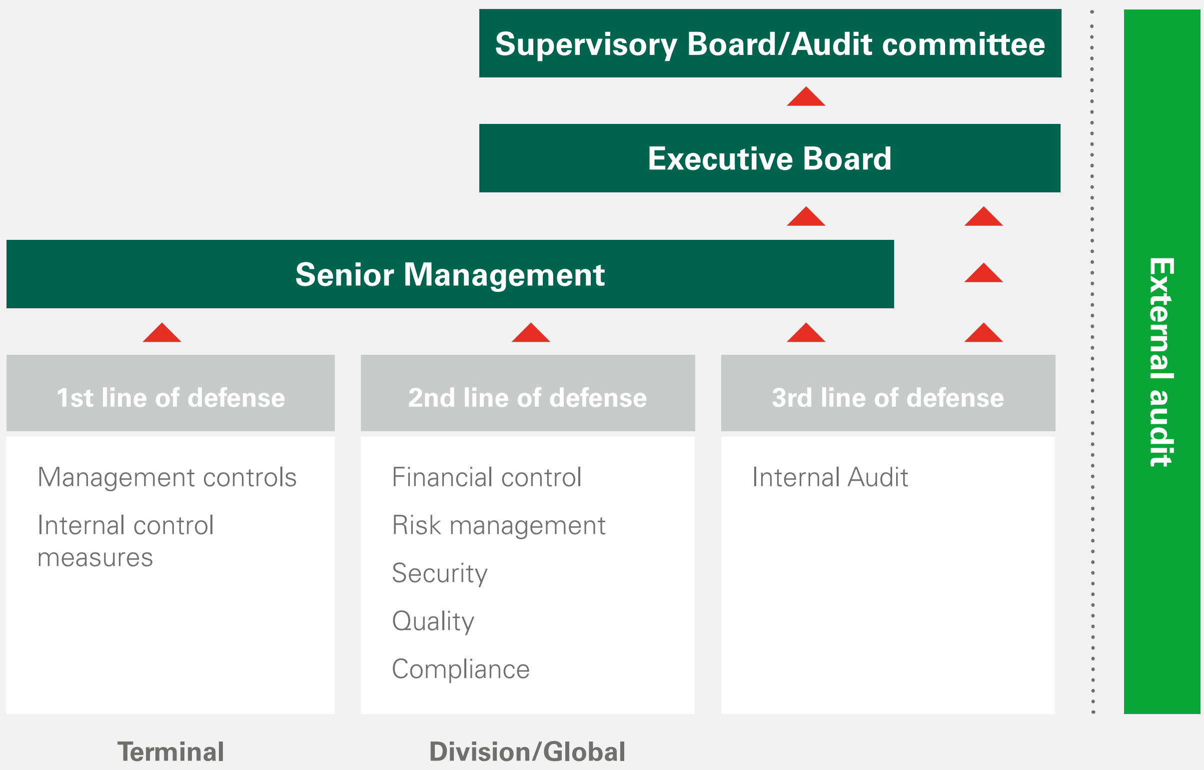
Our financial risks are considered in detail in Section 5.6, 5.7 and 5.8 to the Consolidated Financial Statements.

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 remaining duration of our outstanding long-term debt is approximately eight years; the repayment profile is well-spread over an even longer period. 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.

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

Internal control framework



are reviewed each quarter and ahead of every significant investment. Active cash management takes place on a daily basis.

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 conscious of risks faced, their identification and putting in place mitigating actions is critical and all layers of the organization are involved in our risk management processes; terminal management, Divisional management, Global Functions, the Strategy Committee and the Executive Board. The Audit Committee is involved 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 legislation, and supervising the codes of conduct.

Our risk management framework

The aim of our risk management and internal control structure is to achieve a balance between an effective, professional enterprise and the risk reward appetite that we have defined. Our risk management process and internal controls make a significant contribution to the identification and adequate management of strategic and market risks.
This consequently supports the company in achieving our operational and financial targets and complying with legislation and regulations.

Risk management and internal control approach

The Executive Board, under guidance of the Supervisory Board, has ultimate responsibility for Vopak´s risk management and internal control structure. Divisional management teams 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 are considered to 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.

Key to our control process is the regular reporting cycle. Reports are prepared 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. Joint ventures are included in the reporting cycle. The identification and mitigation of risks is included here. 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 Division and terminals and likewise between Global and Division. The quality of activities is continually assessed. The overall coordination of the risk management process is the responsibility of the Global Risk Function – a joint responsibility of Global Internal Audit and Global Control & Business Analysis. This function reviews and analyses the input with consequent reporting to the Executive Board on a bi-annual basis.

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.

Each quarter, the Executive Board, Global Control & Business Analysis and the division management teams discuss progress on implementing the company's strategy, business plans, key performance indicators, quarterly results, key risks, opportunities and progress on mitigating measures.

At the end of the year, terminal and divisional managers use the Control Risk Self-Assessment to determine how effective the risk management and internal control structures were. The results and trend analyses are discussed with the Executive Board. Divisions also complete the Entity Monitoring and Control Self-assessment. The analyses discussed with the Executive Board are completed by Global Internal Audit having reviewed both assessments. As an outcome of these reviews, Divisions are also requested to ensure action plans addressing areas of attention are developed by each terminal as necessary.

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 on a quarterly basis as part of the progress on the company's results. Both the internal and external audit functions (latter as part of financial audit) provide further assurance on the correct functioning of risk management, perform procedures regarding the internal control framework in the field and provide assurance on sustainability data reported. A risk-based approach is used in developing and executing the annual audit plan of internal audit. The results of all audit and assurance activities are discussed each quarter with the Executive Board and the Audit Committee.

The management of our terminals, divisions, global functional directors and the Executive Board sign Letters of Representation at the end of the half year and the full year.

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

Shareholder information

In EUR	2014	2013
Share price at 1 January	42.52	53.31
Highest share price	44.21	55.11
Average closing share price	39.41	45.59
Lowest share price	32.44	40.52
Share price at 31 December	43.09	42.52
Free float	51.4%	45.7%
Average number of shares traded per day	294,709	295,369
Market capitalization at year-end	5,508,428,679	5,435,562,484

Share price movement in 2014
In %

Information per ordinary share of 0.50

In EUR	2014	2013
Earnings	1.94	2.45
Earnings excluding exceptional items	2.31	2.45
Equity attributable to owners of parent	13.78	13.86
Dividend (proposal 2014)	0.90	0.90
Payout ratio	46%	37%
Payout ratio excluding exceptional items	39%	37%

Investor Relations

Vopak is transparent and non-selective in disclosing information to investors and other parties interested in the company's financial and non-financial status. Our objective is to provide information to stakeholders about developments at Vopak, ensuring this information is equally and simultaneously accessible to all interested 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 more than 300 meetings during (reverse) roadshows with current or potential investors during 2014 and organized several field trips to terminals. Vopak holds press conferences coinciding with the publication of its annual and half-year results, and organizes a meeting with financial analysts following the publication of the annual and half-year results. The publication of first and third quarter results is followed by a telephone conference with analysts. These sessions can be followed via the company´s website in either a video or audio webcast, and information presented at these meetings is 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.

Listing

Vopak ordinary shares are listed on the NYSE Euronext stock exchange in Amsterdam, the Netherlands, and Vopak is a constituent of the Amsterdam Midkap Index (AMX), ticker symbol VPK (ISIS nr. NL0009432491). Options on Vopak shares are also traded on NYSE 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 ('trading updates').

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 any 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 dialog 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 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 desirable capital ratios and financing structure, as well as the flexibility it requires to successfully pursue its growth strategy. At the same time, Vopak wants to assure its shareholders of a consistent dividend policy.

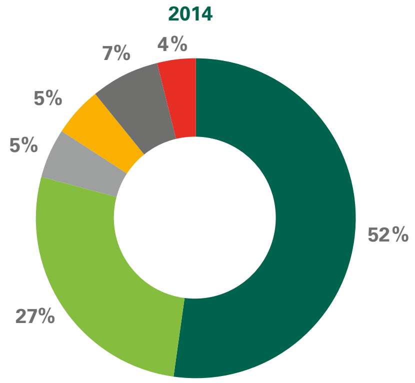
Investors and their advisors can raise their questions directly to Chiel Rietvelt, Manager Investor Relations, tel. +31 (0)10 400 2776.
E-mail: chiel.rietvelt@vopak.com

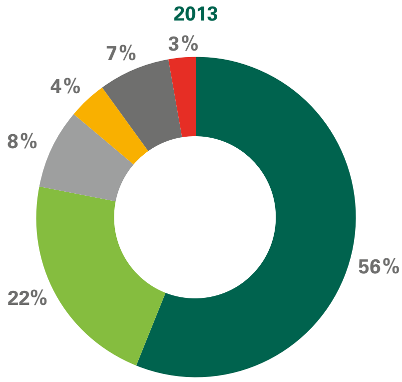
Royal Vopak shareholders

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 ordinary shares and financing preference shares as per February 2015.

	Ordinary shareholdings	Date of notification
HAL Trust	48.15%	01-01-15
SPO Advisory Corp.	6.64%	13-08-13

Geographical distribution of holders of shares outstanding





Shares outstanding

	2014	2013
Weighted average number of ordinary shares	127,515,368	127,423,536
Weighted average number of ordinary shares, diluted	127,515,368	127,423,536
Number of ordinary shares at year-end	127,835,430	127,835,430
Financing preference shares	-	41,400,000
Total number of shares outstanding	**127,835,430**	**169,235,430**
Ordinary shares [1)]	127,625,430	127,433,030
Financing preference shares	-	1,407,600
Total voting rights at year-end	**127,625,430**	**128,840,630**

1. Excluding treasury shares in 2014: 210,000 and in 2013: 402,400.

Financial calendar

2015	
27 February 2015	Publication of 2014 annual results
22 April 2015	Publication of 2015 first-quarter results trading update
22 April 2015	Annual General Meeting
22 April 2015	Financial market update
24 April 2015	Ex-dividend quotation
27 April 2015	Dividend record date
29 April 2015	Dividend payment date
21 August 2015	Publication of 2015 half-year results
06 November 2015	Publication of 2015 third-quarter results trading update

2016	
26 February 2016	Publication of 2015 annual results
20 April 2016	Publication of 2016 first-quarter results trading update
20 April 2016	Annual General Meeting
22 April 2016	Ex-dividend quotation
25 April 2016	Dividend record date
28 April 2016	Dividend payment date
19 August 2016	Publication of 2016 half-year results
07 November 2016	Publication of 2016 third-quarter results trading update

Continuously challenging our systems and our processes.

Case study 6 Operational leadership

We can now capitalize on **our globally embedded knowledge**

At terminals all over the world, Vopak is working on optimizing sustaining capex programs without affecting the safety and efficiency of operations. "We are continuously challenging ourselves to find better ways to organize maintenance and capex projects. Using best practices from other terminals in our network is proving to be especially beneficial", says Maintenance Manager Ronalda Lao Lingat from Sebarok Terminal in Singapore.

Case study 6 Operational leadership

Optimizing sustaining capex is an important challenge for every terminal. A systematic approach over the last decade ensures that Vopak's worldwide network of terminals is in excellent condition. We have also increased our knowledge and experience on how to organize our maintenance programs even more efficiently. We can now capitalize on our investments. All around the world, there are excellent examples of how this can be achieved.

Challenge everything you do

The Teesside Terminal, for example, has an excellent track record of sustaining capex allocation and is still finding new ways to improve further. "In the past, we had a tendency to want to fix everything immediately. We now have a more pragmatic view of improving the allocation of sustaining capex", says Dave Tripp, Terminal Manager. "For instance, we are working on installing overfill devices on all our tanks for increased safety. It is not possible to stop our operation completely and install them all in one go; however we have an action plan based on realistic targets and also on sound risk assessments. All important factors are taken into account."

We were able to **learn from best practices of similar terminals** in our global network

This approach is in compliance with the requirements of the UK Health and Safety Executive (HSE). "Communication is key in dealing with the HSE. We are very open about how we assess the risks and what we base our decisions on."

Reinvent work processes

Sebarok Terminal in Singapore has improved its sustaining capex programs considerably in the last few years. "We completely reinvented the way tank inspections and upgrading work are handled," says Maintenance Manager Ronaldo Lao Lingat. "In 2008, a review that showed we had some backlog in tank inspections. Instead of the usual four tank inspections every year, we had to make a plan to inspect nine tanks a year for the next four years. The challenge was immense, but we learned so much during this time."

"What proved especially beneficial is that we were able to learn from best practices of similar terminals in our global network", says Lao Lingat. "Even though our installations and the process for tendering are quite different, we learned from colleagues from Europoort Terminal in the Netherlands that it pays to look beyond your usual group of contractors. This is how we found contractors who were able to work faster. By changing the sequence of the work, and also by looking at possibilities for parallel work, we were able to shorten the lead times even further, which meant that we could minimize the impact on our daily operations and the service to our customers. This is experience we can share with other colleagues around the world."

Critical questions

Before any job, Lao Lingat and his colleagues ask themselves three questions. "The first one: do we really need this job done? What happens if we don't do it? Is there an alternative? Sometimes you can find a cheaper option that still gives the same results and achieves the same or even better safety conditions. Secondly: is this what we need? Is the solution fit-for-purpose, or are we adding something we don't really need? As an old terminal, we do look at investments than can enhance our USP (unique selling point) in order to remain relevant. But only if it leads to a financial payback. And finally: are we getting the best deal and is there a way to improve this further? For instance, by looking for ways to bundle tenders."

"The best outcome is one that ticks all the boxes", adds Tripp. "Through our increasing experience and shared knowledge, we are finding new ways of optimizing sustaining capex programs."

Financial Statements.

EBITDA in EUR millions

762.8

Compared to 2013

+1%

Net profit ordinary shareholders in EUR millions

294.2

Compared to 2013

-6%

Cash flows from operating activities (net) in EUR millions

702.8

Compared to 2013

+6%

Financial Statements

The Consolidated Financial Statements and notes

Consolidated Financial Statements

Consolidated Statement of Income

In EUR millions	Note	2014	2013
Revenues	2.3	1,322.5	1,295.2
Other operating income	2.4	26.4	27.2
Total operating income		**1,348.9**	**1,322.4**
Personnel expenses	2.5	340.2	331.5
Depreciation and amortization	3.6	239.2	216.8
Impairment	3.7	40.4	21.4
Other operating expenses	2.6	335.1	341.6
Total operating expenses		**954.9**	**911.3**
Operating profit		**394.0**	**411.1**
Result of joint ventures and associates using the equity method	2.7	74.5	122.7
Group operating profit		**468.5**	**533.8**
Interest and dividend income	5.10	7.9	3.3
Finance costs	5.10	- 97.7	- 108.6
Net finance costs		**- 89.8**	**- 105.3**
Profit before income tax		**378.7**	**428.5**
Income tax	7.1	- 83.1	- 67.6
Net profit		**295.6**	**360.9**
Non-controlling interests	5.4	- 45.2	- 42.4
Net profit owners of parent		**250.4**	**318.5**
Net profit holders of financing preference shares		- 3.3	- 5.8
Net profit holders of ordinary shares		**247.1**	**312.7**
Basic earnings per ordinary share (in EUR)	8.1	**1.94**	**2.45**
Diluted earnings per ordinary share (in EUR)	8.1	**1.94**	**2.45**

Consolidated Statement of Comprehensive Income

In EUR millions	Note	2014	2013
Net profit		**295.6**	**360.9**
Exchange differences and effective portion of hedges on net investments in foreign activities		54.3	- 73.2
Use of exchange differences and effective portion of hedges on net investments in foreign activities	5.2	-	- 0.9
Effective portion of changes in fair value of cash flow hedges	5.2, 5.4	- 44.1	22.8
Effective portion of changes in fair value of cash flow hedges joint ventures	5.2	- 23.9	24.3
Use of effective portion of cash flow hedges to statement of income	5.2	- 0.7	2.5
Use of effective portion of cash flow hedges joint ventures	5.2	0.3	-
Other comprehensive income to be reclassified to statement of income in subsequent periods		**- 14.1**	**- 24.5**
Remeasurement of defined benefit plans	7.2, 8.4	- 114.4	34.7
Other comprehensive income not being reclassified to statement of income in subsequent periods		**- 114.4**	**34.7**
Other comprehensive income, net of tax		**- 128.5**	**10.2**
Total comprehensive income		**167.1**	**371.1**
Attributable to:			
Holders of ordinary shares		106.3	333.6
Holders of financing preference shares		3.3	5.8
Owners of parent		**109.6**	**339.4**
Non-controlling interests		57.5	31.7
Total comprehensive income		**167.1**	**371.1**

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-14	31-Dec-13
ASSETS			
Intangible assets	3.2, 3.7	91.5	67.6
Property, plant and equipment	3.3, 3.7	3,622.4	3,306.9
Joint ventures and associates	3.4	942.2	811.5
Finance lease receivable	8.2	34.4	-
Loans granted	8.2	23.4	13.3
Other financial assets		0.9	0.7
Financial assets		**1,000.9**	**825.5**
Deferred taxes	7.2	52.7	20.2
Derivative financial instruments	5.7, 5.8	19.4	12.9
Other non-current assets	8.3	28.0	28.4
Total non-current assets		**4,814.9**	**4,261.5**
Trade and other receivables	4.2	263.9	312.2
Loans granted	8.2	10.8	12.9
Prepayments		27.1	22.8
Derivative financial instruments	5.7, 5.8	8.1	9.0
Cash and cash equivalents	5.5	182.0	178.7
Assets held for sale	3.5	101.6	25.9
Total current assets		**593.5**	**561.5**
Total assets		**5,408.4**	**4,823.0**
EQUITY			
Issued capital	5.1	63.9	84.6
Share premium	5.1	194.4	215.2
Treasury shares	5.1	- 6.5	- 10.8
Other reserves	5.2	- 143.0	- 116.4
Retained earnings	5.3	1,649.4	1,636.9
Equity attributable to owners of parent		**1,758.2**	**1,809.5**
Non-controlling interests	5.4	144.6	118.0
Total equity		**1,902.8**	**1,927.5**
LIABILITIES			
Interest-bearing loans	5.5	2,183.5	1,872.8
Derivative financial instruments	5.7, 5.8	125.8	158.5
Pensions and other employee benefits	8.4	216.3	64.0
Deferred taxes	7.2	223.0	202.2
Provisions	8.5	19.0	22.5
Other non-current liabilities		7.7	-
Total non-current liabilities		**2,775.3**	**2,320.0**
Bank overdrafts and short-term borrowings	5.5	112.3	7.4
Interest-bearing loans	5.5	152.5	123.2
Derivative financial instruments	5.7, 5.8	10.2	8.1
Trade and other payables	4.3	374.7	367.7
Taxes payable		56.7	51.2
Pensions and other employee benefits	8.4	1.7	2.3
Provisions	8.5	20.2	15.6
Liabilities related to assets held for sale	3.5	2.0	-
Total current liabilities		**730.3**	**575.5**
Total liabilities		**3,505.6**	**2,895.5**
Total equity and liabilities		**5,408.4**	**4,823.0**

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 2012		**84.6**	**248.2**	**- 11.2**	**- 102.4**	**1,404.6**	**1,623.8**	**128.8**	**1,752.6**
Net profit		-	-	-	-	318.5	318.5	42.4	360.9
Other comprehensive income, net of tax		-	-	-	- 13.8	34.7	20.9	- 10.7	10.2
Total comprehensive income		**-**	**-**	**-**	**- 13.8**	**353.2**	**339.4**	**31.7**	**371.1**
Dividend paid in cash	5.3, 5.4	-	-	-	-	- 120.3	- 120.3	- 47.1	- 167.4
Capital injection	5.4	-	-	-	-	-	-	4.6	4.6
Capital reduction	5.1, 5.3	-	- 33.0	-	-	-	- 33.0	-	- 33.0
Release revaluation reserve	5.2, 5.3	-	-	-	- 0.2	0.2	-	-	-
Measurement of equity-settled share-based payment arrangements	5.3	-	-	-	-	- 0.4	- 0.4	-	- 0.4
Vested shares under equity-settled share-based payment arrangements	5.1, 5.3	-	-	0.4	-	- 0.4	-	-	-
Total transactions with owners		**-**	**- 33.0**	**0.4**	**- 0.2**	**- 120.9**	**- 153.7**	**- 42.5**	**- 196.2**
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	-	-	-	-	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**

Consolidated Statement of Cash Flows

In EUR millions	Note	2014	2013
Cash flows from operating activities (gross)	2.9	**750.6**	**713.2**
Interest received	5.10	3.5	3.3
Dividend received	5.10	0.5	-
Income tax paid		- 51.8	- 56.2
Cash flows from operating activities (net)		**702.8**	**660.3**
Investments:			
Intangible assets	3.2	- 13.2	- 11.2
Property, plant and equipment	3.3	- 505.5	- 541.4
Joint ventures and associates	3.4	- 40.2	- 82.4
Loans granted	8.2	- 14.6	- 15.1
Other non-current assets		- 1.5	- 0.2
Acquisitions of subsidiaries including goodwill	3.1	- 78.4	-
Acquisitions of joint ventures and associates	3.4	- 52.2	- 7.8
Total investments		**- 705.6**	**- 658.1**
Disposals and repayments:			
Intangible assets	3.2	0.1	0.2
Property, plant and equipment	3.3	7.0	4.9
Joint ventures and associates	3.4	-	7.7
Loans granted	8.2	10.1	18.0
Finance lease receivable	8.2	5.3	-
Subsidiaries		-	28.2
Total disposals and repayments		**22.5**	**59.0**
Cash flows from investing activities (excluding derivatives)		**- 683.1**	**- 599.1**
Settlement of derivatives (net investment hedges)		- 10.9	2.5
Cash flows from investing activities (including derivatives)		**- 694.0**	**- 596.6**
Financing:			
Repayment of interest-bearing loans	5.5	- 3.2	- 0.5
Proceeds from interest-bearing loans	5.5	249.3	37.4
Finance costs paid		- 87.1	- 105.2
Settlement of derivative financial instruments		2.0	- 4.6
Dividend paid in cash	5.3	- 114.8	- 112.1
Dividend paid on financing preference shares	5.3	- 5.7	- 8.2
Paid share premium financing preference shares	5.1	- 33.0	- 33.0
Sale treasury shares	5.1	5.0	-
Proceeds and repayments in short-term financing	5.5	- 61.6	- 93.7
Cash flows from financing activities		**- 49.1**	**- 319.9**
Net cash flows		**- 40.3**	**- 256.2**
Exchange differences		7.6	- 4.6
Net change in cash and cash equivalents due to assets held for sale		-	- 3.6
Net change in cash and cash equivalents (including bank overdrafts)		**- 32.7**	**- 264.4**
Net cash and cash equivalents (including bank overdrafts) at 1 January		**171.3**	**435.7**
Net cash and cash equivalents (including bank overdrafts) at 31 December	5.5	**138.6**	**171.3**

Section 1 Basis of preparation

Significant changes to the structure of the consolidated financial statements were implemented in 2014 to ensure a more readable report with a logical structure taking into account the characteristics of Vopak's business. The notes have been grouped into eight thematical 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 (in prior years presented in a separate chapter 'Summary of significant accounting policies').

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 2014
- 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 (Netherlands). Vopak is listed on the Amsterdam NYSE Euronext. The consolidated financial statements of the company for the year ending on 31 December 2014 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 2014 and 2013 by all entities. Except for the new and amended standards adopted by the Group (see below), there were no material changes to those accounting policies during the year.

The financial statements were approved by the Executive Board and the Supervisory Board on 26 February 2015 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, 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 2014

Except for the changes below, the Group has consistently applied the accounting policies for the years 2014 and 2013.

With effect from 1 January 2014, the Group has implemented:

IFRS 10 'Consolidated financial statements'

Under IFRS 10, subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group has power over an entity, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. The application of IFRS 10 has no significant effect on the Group's consolidated financial statements.

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 has been signed between Vopak and HAL with respect to confidentiality, the process of exchanging information and visitation rights to the Audit Committee meetings for an independent financial expert on behalf of HAL.

IFRS 11 'Joint Arrangements'

IFRS 11 focuses on the rights and obligations of the parties to the joint arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. In a joint operation, the parties with joint control have rights to the assets and obligations for the liabilities of the arrangement resulting in that the parties have to recognize their relative share of the joint operation's assets, liabilities, revenues and expenses. In a joint venture, the parties with joint control have rights to the net assets of the arrangement and the parties have to use the equity method. The Group only has joint ventures. The application of IFRS 11 has no significant effect on the Group's consolidated financial statements.

IFRS 12 'Disclosures of Interests in Other Entities'

IFRS 12 increases the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates and entities with non-controlling interests. The application of IFRS 12 resulted in additional disclosures in the consolidated financial statements.

Amendments

Several other amendments apply for the first time in 2014 but do not materially impact the consolidated financial statements of the Group.

Going concern

The Executive Board and Supervisory Board have assessed, during the preparation of the consolidated financial statements of the Group, the going concern assumptions. The Executive Board and Supervisory Board believe that no events or conditions give rise to doubt about the ability of the Group to continue in operation within 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, the conclusion is based on 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 fair value or at its proportionate interest in the fair value of the net assets acquired, 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 investee 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 its assets and obligations for its 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 interest of the Group 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	2014	2013	2014	2013
US dollar	1.21	1.38	1.33	1.33
Singapore dollar	1.60	1.74	1.68	1.66
Chinese yuan	7.54	8.34	8.19	8.17
Australian dollar	1.48	1.54	1.47	1.38
Pound sterling	0.78	0.83	0.81	0.85
Brazilian real	3.23	3.24	3.12	2.87

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 because the entity has the currency of a hyperinflationary economy, the bolivar, as the 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 2014 as well as in 2013, 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.

For the operations in Venezuela the income and expenses are adjusted for the effects of changes in purchasing power from the start of each reporting period. The historical cost value of non-monetary items such as property, plant and equipment are also adjusted for the hyperinflation effects from the date at which they were originally recognized. The net monetary gain or loss incurred due to the application of hyperinflation accounting is recognized in the currency exchange results included in net finance costs.

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 117.

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 finance costs paid and the settlement of derivative financial instruments (interest rate swaps) is included in cash flow from financing activities. This revised presentation better reflects the distinction in operating and financing activities as reported internally to management. In previous years these items were shown under operating activities (2013: total cash outflow of EUR 109.8 million), the comparative figures are 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 continuously reviewed. 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)
- 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. 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 4.2)
- 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 2014 compared to 2013, and the approach to capital management and risk management activities remained unchanged compared with 2013.

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.

In this section, the following notes are presented:

- 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 like real estate interests in Rotterdam (Netherlands). The global LNG activities are presented separately under Non-allocated.

Statement of income

In EUR millions	Revenues [1]		Depreciation and amortization		Result of joint ventures and associates		Group operating profit	
	2014	2013	2014	2013	2014	2013	2014	2013
Netherlands	442.1	442.5	86.7	76.8	2.5	2.4	166.0	165.8
Europe, Middle East & Africa	257.6	248.2	50.0	44.6	17.9	35.9	68.3	91.0
Asia	370.1	358.8	55.9	55.0	22.2	48.9	235.3	227.5
of which Singapore	*258.8*	*245.6*	*34.4*	*32.7*	-	-	*160.4*	*151.9*
Americas	246.6	239.6	42.1	36.4	0.1	7.4	63.0	58.9
of which United States	*145.9*	*140.4*	*23.1*	*20.9*	-	-	*37.1*	*36.9*
Non-allocated	6.1	6.1	4.5	4.0	31.8	28.1	- 9.0	- 6.9
of which global LNG activities	*3.9*	*4.1*	*0.1*	-	*28.1*	*28.5*	*23.0*	*23.6*
Total [2]	**1,322.5**	**1,295.2**	**239.2**	**216.8**	**74.5**	**122.7**	**523.6**	**536.3**
Exceptional items:								
Netherlands							- 5.0	- 1.5
Europe, Middle East & Africa							- 19.9	-
Asia							- 11.6	6.5
Americas							- 11.7	- 7.5
Non-allocated							- 6.9	-
Total including exceptional items							**468.5**	**533.8**
Reconciliation consolidated net profit [3]								
Group operating profit							468.5	533.8
Net finance costs							- 89.8	- 105.3
Profit before income tax							**378.7**	**428.5**
Income tax							- 83.1	- 67.6
Net profit							**295.6**	**360.9**

1. There are no single external customers which represent 10% or more of the Group's total revenues.
2. Group operating profit is excluding exceptional items.
3. 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		Joint ventures and associates		Total assets		Total liabilities	
	2014	2013	2014	2013	2014	2013	2014	2013
Netherlands	1,431.0	1,326.9	0.9	7.6	1,431.9	1,334.5	100.8	124.3
Europe, Middle East & Africa	879.3	834.7	312.0	295.8	1,191.3	1,130.5	204.5	205.7
Asia	1,172.9	1,012.0	501.4	382.3	1,674.3	1,394.3	293.9	260.6
of which Singapore	*688.7*	*567.7*	*1.0*	-	*689.7*	*567.7*	*235.9*	*199.5*
Americas	800.4	612.4	1.5	1.8	801.9	614.2	176.2	132.5
of which United States	*392.4*	*339.0*	-	-	*392.4*	*339.0*	*123.8*	*97.9*
Non-allocated	182.6	225.5	126.4	124.0	309.0	349.5	2,730.2	2,172.4
of which global LNG activities	*2.3*	*33.6*	*117.1*	*118.5*	*119.4*	*152.1*	*5.1*	*6.2*
Total	**4,466.2**	**4,011.5**	**942.2**	**811.5**	**5,408.4**	**4,823.0**	**3,505.6**	**2,895.5**

Investments [1]

In EUR millions	Intangible assets		Property, plant and equipment		Other non-current assets		Joint ventures and associates		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Netherlands	1.7	1.6	213.2	220.8	-	-	-	-	214.9	222.4
Europe, Middle East & Africa	1.4	1.5	108.4	112.0	-	-	0.2	26.1	110.0	139.6
Asia	0.1	0.4	87.5	112.9	1.4	0.1	34.1	50.0	123.1	163.4
of which Singapore	*0.1*	*0.1*	*51.1*	*55.0*	*0.4*	-	*0.3*	-	*51.9*	*55.1*
Americas	0.4	0.3	92.5	89.4	0.1	0.1	-	-	93.0	89.8
of which United States	*0.1*	-	*30.0*	*45.3*	-	-	-	-	*30.1*	*45.3*
Non-allocated	9.6	7.4	3.9	6.3	-	-	5.9	6.3	19.4	20.0
of which global LNG activities	-	-	*1.7*	*0.7*	-	-	*5.5*	*4.2*	*7.2*	*4.9*
Total	**13.2**	**11.2**	**505.5**	**541.4**	**1.5**	**0.2**	**40.2**	**82.4**	**560.4**	**635.2**

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 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.
For impairments, reversal of impairments, disposal of investments and discontinued operations, the Group does not apply a threshold. For the other items, the Group considers an event as exceptional when the effect exceeds the threshold of EUR 2 million. To increase transparency, these exceptional items are disclosed separately in the notes when relevant.

Exceptional items

In the fourth quarter of 2014, the management applied its judgment in respect of the exchange rate used to translate the Group's Venezuelan operations (reference is also made to note 2.8). It was concluded that the Venezuelan operations should be translated by using the SICAD II exchange rate instead of the previously applied exchange rate.

As a result, the Group applied a consolidation rate of EUR/VEF 60.5 to its Venezuelan operations for the year ending on 31 December 2014. The impact of this exceptional change in the translation exchange rate on the consolidated financial statements of the Group was as follows:

In EUR millions	Impact
Statement of income	
Revenues	- 6.5
Group operating profit	- 2.9
Net income	- 1.7
Statement of financial position	
Property, plant and equipment	- 17.3
Net assets	- 16.4
Cash and cash equivalents	- 1.0

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

In EUR millions	Note	2014	2013
Change in estimate fx rate Venezuela	2.3	- 2.9	-
Termination fee	2.4	3.3	-
Gains on sale of property, plant and equipment	2.4	0.1	-
Impairments	3.7	- 40.4	- 21.4
Gains on assets held for sale	2.4	-	7.1
Demolition provision	2.6	3.6	- 3.4
Reorganization costs	2.5, 2.6	- 5.8	- 2.2
Operating profit		**- 42.1**	**- 19.9**
Impairments joint ventures and associates	3.7	- 16.1	-
Reversal impairments joint ventures and associates	3.7	3.8	7.3
Gains on sale of joint ventures and associates	2.7	-	6.4
Result joint ventures and associates	2.7	- 0.7	3.7
Group operating profit		**- 55.1**	**- 2.5**
Finance costs	5.10	0.2	- 3.0
Profit before income tax		**- 54.9**	**- 5.5**
Tax on above-mentioned items	7.1	7.7	6.5
Total effect on net profit		**- 47.2**	**1.0**

Consolidated Statement of Income excluding exceptional items

In EUR millions	2014	2013
Operating profit	**436.1**	**431.0**
Result of joint ventures and associates using the equity method	87.5	105.3
Group operating profit	**523.6**	**536.3**
Net finance costs	- 90.0	- 102.3
Profit before income tax	**433.6**	**434.0**
Income tax	- 90.8	- 74.1
Net profit	**342.8**	**359.9**
Non-controlling interests	- 45.3	- 42.2
Net profit owners of parent	**297.5**	**317.7**
Net profit holders of financing preference shares	- 3.3	- 5.8
Net profit holders of ordinary shares	**294.2**	**311.9**
Basic earnings per ordinary share (in EUR)	**2.31**	**2.45**
Diluted earnings per ordinary share (in EUR)	**2.31**	**2.45**

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	2014	2013
Storage services	1,043.9	1,038.6
Product movements	111.8	103.4
Storage and handling related services	126.6	121.1
Other services	40.2	32.1
Revenues	**1,322.5**	**1,295.2**

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	2014	2013
Management fee joint ventures and associates	13.9	12.2
Gains on sale of property, plant and equipment	4.6	0.3
Gains on assets held for sale	-	7.1
Other	7.9	7.6
Total	**26.4**	**27.2**

The 2014 termination fee of EUR 3.3 million is recognized as an exceptional item under Other and is related 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 associated services are rendered by employees of the Group.

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	2014	2013
Wages and salaries		268.8	262.2
Social security charges		34.7	34.8
Contribution to pension schemes (defined contribution)		9.9	10.8
Pension charges (defined benefit plans)	8.4	25.7	24.7
Long-term incentive plans	6.2	3.0	- 1.6
Early retirement		7.4	4.1
Other personnel expenses		30.2	33.7
Capitalized personnel expenses		- 39.5	- 37.2
Total		**340.2**	**331.5**

Personnel expenses include costs related to the organizational alignment (EUR 5.3 million).

In 2013, other personnel expenses include the recognition of the Dutch crisis tax of 16% for remunerations above EUR 150,000. The total amounts to EUR 1.2 million, of which EUR 0.3 million relates to the members of the Executive Board. No recognition of Dutch crisis tax is applicable in 2014.

Average number of employees (in FTEs)

During the year under review, the Group employed an average of 4,362 employees and temporary staff (2013: 4,454). The movements in the number of employees at subsidiaries (in FTEs) were as follows:

In FTEs	2014	2013
Number at 1 January	**4,010**	**3,932**
Joiners	310	470
Leavers	- 429	- 356
Acquisition	47	-
Deconsolidation	- 78	- 36
Number at 31 December	**3,860**	**4,010**

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 in 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 lease term. 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	2014	2013
Maintenance	54.7	52.4
Energy and utilities	48.6	53.9
Operating lease	49.7	49.4
Environmental, safety and cleaning	30.3	33.6
Advisory fees	22.1	20.5
Insurance	23.4	21.5
Rents and rates	20.5	19.1
Third party logistics	18.2	16.9
IT	15.0	16.4
Other	52.6	57.9
Total	**335.1**	**341.6**

Exceptional items were recognized in 2014 for the reversal of the provision for the demolishment of terminal Sydney A in Australia (EUR 3.6 million), which was provided for in 2013. Due to changed circumstances it is estimated that demolition is no longer required.

In 2013, besides the provision for demolishment of terminal Sydney A, exceptional items were recognized for the restructuring of the Americas division (EUR 1.0 million).

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	2014	2013
Result of joint ventures and associates	3.4	86.8	109.0
Impairments joint ventures and associates	3.4	- 16.1	-
Reversal of impairments joint ventures and associates	3.4	3.8	7.3
Gains on sale of joint ventures and associates		-	7.6
Losses on sale of joint ventures and associates		-	- 1.2
Total		**74.5**	**122.7**

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 is presented under Additional information 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), a substantial portion of the income flow is in US dollar 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 into EUR of income statements and net assets of foreign subsidiaries, 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. Currently the country of Venezuela operates a number of alternative exchange mechanisms, the official CENCOEX rate (VEF 6.3 per US dollar) and 'SICAD I' and 'SICAD II'. The latter was newly introduced in 2014.

As disclosed below, Vopak has changed the rate at which it consolidates its Puerto Cabello Terminal in Venezuela to the SICAD II rate (VEF 50.0 per US dollar ultimo 2014) during the fourth quarter of 2014. In this multiple foreign exchange rate system, Vopak is exposed to the risk that the SICAD II rate will further devalue. Because the Venezuelan bolivar denominated assets, liabilities, income and expenses of our Venezuelan operations are translated to euros for consolidation purposes, a further devaluation of the Venezuelan bolivar going forward could result in lower translated results, assets and liabilities in the consolidated figures of Vopak, which are presented in euros.

Sensitivity of 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 2014, excluding exceptional items):

- Revenues would differ by EUR 15.5 million (2013: EUR 15.1 million)
- Group operating profit before depreciation and amortization (EBITDA) would differ by EUR 8.3 million (2013: EUR 8.0 million)
- Group operating profit (EBIT) would differ by EUR 5.8 million (2013: EUR 5.6 million)
- Net profit would differ by EUR 4.3 million (2013: EUR 3.8 million)

A 10 dollar cent change in the EUR/SGD exchange rate approximately affects Vopak's figures as follows (based on figures for 2014, excluding exceptional items):

- Revenues would differ by EUR 15.4 million (2013: EUR 14.8 million)
- Group operating profit before depreciation and amortization (EBITDA) would differ by EUR 11.4 million (2013: EUR 10.9 million)
- Group operating profit (EBIT) would differ by EUR 9.3 million (2013: EUR 8.9 million)
- Net profit would differ by EUR 5.3 million (2013: EUR 5.2 million)

Accounting estimates and judgments

As a result of the country of Venezuela having introduced a number of alternative currency exchange mechanisms (CENCOEX , SICAD I and SICAD II), 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 reassessed the most appropriate exchange rate in the fourth quarter of 2014. It was concluded that the SICAD II 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. This is a change compared to the previous management estimate.

Although our operation in Venezuela is subject to exchange controls, the impact on the company is limited. The total cash and cash equivalents reported at 31 December 2014 in Venezuela is limited (EUR 1.2 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	2014	2013
Net profit		**295.6**	**360.9**
Adjustments for:			
- Depreciation and amortization	3.6	239.2	216.8
- Impairment	3.7	40.4	21.4
- Net finance costs	5.10	89.8	105.3
- Income tax	7.1	83.1	67.6
- Movements in other non-current assets		1.2	1.4
- Movements in other long-term liabilities		7.7	-
- Movements in provisions excluding deferred taxes		- 7.3	- 9.6
- Movements in non-controlling interests	5.4	- 30.4	- 42.5
- Dividend received from joint ventures and associates	3.4	91.8	123.0
- Result joint ventures and associates	2.7	- 74.5	- 116.3
- Measurement of equity-settled share-based payment arrangements	5.3	1.0	- 0.4
- Result on sale of intangible assets		-	- 0.1
- Result on sale of property, plant and equipment	2.4	- 4.1	0.1
- Result on sale of joint ventures and associates	2.7	-	- 6.4
- Result on sale of assets held for sale	2.4	-	- 7.1
Total adjustments		**437.9**	**353.2**
Realized value adjustments of derivative financial instruments		- 18.1	16.8
Movements in other current assets (excluding cash and cash equivalents)		32.7	- 32.6
Movements in other current liabilities (excluding bank overdrafts and dividends)		- 11.3	35.0
Effect of changes in exchange rates on other current assets and liabilities		13.8	- 20.1
Cash flows from operating activities (gross)		**750.6**	**713.2**

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.

In this section, the following notes are presented:

- 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 which 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.

Upon disposal of all or part of an interest in, or upon winding-up of an entity, cumulative currency translation differences related to that entity are generally 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. 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.

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. 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.

Acquisition of subsidiaries

On 27 March 2014, Vopak acquired 100% of the shares of Canadian Terminals Inc. (Canterm), a company with two distribution terminals for the storage and handling of refined products in Montreal and Quebec City (Canada) with a total storage capacity of 509,000 cbm.

This acquisition provides the Group with strategic locations to further improve its position in the Eastern Canada Region. Both terminals are located on the banks of one of the largest navigable waterways in the world, the Saint Lawrence River, the main shipping route to and from the Great Lakes. Montreal offers the best location for imports of refined products resulting from recent refinery closures in the region. The Port of Quebec City offers deep-water access.

The goodwill of EUR 15.0 million primarily relates to the location of the terminals, possible economies of scale from combining the acquired terminals with the current operations in Canada and the working force present at these terminals. The total goodwill balance has been allocated to the operating segment Americas.

The acquisition was for a gross cash consideration of EUR 80.0 million. Details of net assets acquired and goodwill are as follows:

Net assets and liabilities acquired

In EUR millions	27-Mar-14
Consideration	
Cash consideration	80.0
Total consideration transferred	**80.0**
Fair value of identifable assets acquired and (contingent) liabilities assumed	
Customer relationships	2.5
Permits	2.2
Property, plant and equipment	66.5
Trade and other receivables	0.9
Cash and cash equivalents	1.6
Trade and other payables	- 0.5
Environmental liabilities	- 1.9
Deferred tax liabilities	- 6.3
Total identifiable net assets	**65.0**
Goodwill	15.0
Total	**80.0**
Analysis of cash flows on acquisition	
Net cash acquired	1.6
Cash paid	80.0
Net cash outflow	**78.4**

Direct costs relating to this acquisition were charged to the other operating expenses in the statement of income and amounted to EUR 0.3 million.

The contribution of the acquired terminals to the consolidated revenues and the consolidated net profit of the Group is immaterial. This also applies for the pro-forma revenue and pro-forma profit, which would have been recognized when the acquired terminals would have been consolidated from 1 January 2014.

Divestment of subsidiaries

On 2 September 2014, the concession for the terminal in Peru ended 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 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, that is 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		36.2	78.6	21.3	136.1
Accumulated amortization and impairment		- 5.6	- 63.4	- 9.3	- 78.3
Carrying amount in use		**30.6**	**15.2**	**12.0**	**57.8**
Purchase price under construction		-	10.0	-	10.0
Carrying amount at 31 December 2012		**30.6**	**25.2**	**12.0**	**67.8**
Movements:					
Additions		-	11.2	-	11.2
Disposals		-	- 0.1	-	- 0.1
Reclassification to assets held for sale		- 0.6	-	-	- 0.6
Amortization	3.6	-	- 6.9	- 1.4	- 8.3
Exchange differences		- 1.6	- 0.5	- 0.3	- 2.4
Carrying amount at 31 December 2013		**28.4**	**28.9**	**10.3**	**67.6**
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**

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 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		45.4	226.0	4,117.2	204.8	4,593.4
Accumulated depreciation and impairment		-	- 108.6	- 1,713.6	- 123.6	- 1,945.8
Carrying amount in use		**45.4**	**117.4**	**2,403.6**	**81.2**	**2,647.6**
Purchase price under construction		49.7	11.2	407.0	11.1	479.0
Carrying amount at 31 Decembery 2012		**95.1**	**128.6**	**2,810.6**	**92.3**	**3,126.6**
Movements:						
Additions		5.9	37.1	475.5	22.9	541.4
Disposals		-	-	- 4.7	- 0.3	- 5.0
Reclassification to assets held for sale		- 0.4	- 0.1	- 9.3	-	- 9.8
Reclassification		0.3	- 9.6	6.3	3.0	-
Depreciation	3.6	-	- 8.4	- 185.0	- 15.1	- 208.5
Impairment	3.7	-	- 0.4	- 14.3	- 6.7	- 21.4
Exchange differences		- 5.8	- 5.0	- 102.1	- 3.5	- 116.4
Carrying amount at 31 December 2013		**95.1**	**142.2**	**2,977.0**	**92.6**	**3,306.9**
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**

The Group leases assets with a total book value of EUR 18.3 million at 31 December 2014, of which substantially all risks and rewards lie within the Group. The finance lease obligation (EUR 18.3 million) is recognized under other long-term 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 (2013: 29) unlisted joint ventures and 4 (2013: 2) 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).

All entities are classified as joint ventures because joint control is established by contract and the Group only has rights to the net assets of these entities. No significant judgments were made by the Group with regards to the classification of these entities.

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 ror 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	Note	2014	2013	2014	2013	2014	2013
Vopak's share in net assets		737.2	685.0	10.8	2.3	748.0	687.3
Goodwill on acquisition		63.5	58.9	-	-	63.5	58.9
Carrying amount at 1 January		**800.7**	**743.9**	**10.8**	**2.3**	**811.5**	**746.2**
Share in profit or loss	2.7	85.1	109.0	1.7	-	86.8	109.0
Impairments	2.7, 3.7	- 16.1	-	-	-	- 16.1	-
Reversal of impairments	2.7, 3.7	3.8	7.3	-	-	3.8	7.3
Net profit		**72.8**	**116.3**	**1.7**	**-**	**74.5**	**116.3**
Other comprehensive income	5.2	- 23.5	24.3	-	-	- 23.5	24.3
Comprehensive income		**49.3**	**140.6**	**1.7**	**-**	**51.0**	**140.6**
Dividends received	2.9	- 86.7	- 123.0	- 5.1	-	- 91.8	- 123.0
Investments		40.2	73.5	-	8.9	40.2	82.4
Acquisitions		2.3	7.8	55.8	-	58.1	7.8
Divestments		-	- 0.9	-	-	-	- 0.9
Reclassification to assets held for sale		-	- 7.3	-	-	-	- 7.3
Exchange differences		67.1	- 33.9	6.1	- 0.4	73.2	- 34.3
Carrying amount at 31 December		**872.9**	**800.7**	**69.3**	**10.8**	**942.2**	**811.5**
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 31 December		**872.9**	**800.7**	**69.3**	**10.8**	**942.2**	**811.5**

The fair value changes of derivatives are 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.

Acquisition and divestment

On 28 September 2014, the Group acquired a 30% equity interest in the associate Zhangzou Gulei Haiteng Jetty Investment Management Company Limited (China), with a deferred consideration of EUR 5.9 million. Vopak Terminal Haiteng comprises an industrial terminal, commissioned in 2013, consisting of 890,000 cbm storage capacity for petrochemical products. Long-term contracts have been signed for this industrial terminal to serve two petrochemical plants via pipelines. Furthermore, the Group increased its equity interest in the joint venture Vopak Terminal Ningbo Co. Ltd. from 37.5% to 50%.

Vopak's interest in Gate terminal B.V. increased from 47.5% at the end of 2013 to 47.63% due to a capital contribution in which not all shareholders participated.

In 2014, 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.

In 2013, the Group divested its 40% equity interest in Xiamen Paktank Company Ltd. in China and its 50% interests in Terminal Maritimo Vopak-Oxiquim Mejillones S.A. in Chile and Vopak Ecuador S.A. In total these divestments resulted in an exceptional gain of EUR 13.7 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 regards to the acquisition of the joint venture or associate.

Summarized statement of total comprehensive income

	EMEA joint ventures		Asia joint ventures		LNG joint ventures		Other joint ventures		Total joint ventures		Total associates	
In EUR millions	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenues	206.9	272.1	268.2	238.2	226.5	228.7	32.6	38.2	734.2	777.2	17.5	-
Operating expenses	- 100.8	- 114.7	- 98.3	- 59.5	- 60.4	- 61.7	- 11.4	- 14.9	- 270.9	- 250.8	- 4.6	-
Depreciation, amortization and impairment	- 49.9	- 47.5	- 77.7	- 22.7	- 41.2	- 40.8	0.2	- 7.7	- 168.6	- 118.7	- 4.3	-
Operating profit (EBIT)	**56.2**	**109.9**	**92.2**	**156.0**	**124.9**	**126.2**	**21.4**	**15.6**	**294.7**	**407.7**	**8.6**	**-**
Net finance costs	- 6.0	- 9.8	- 10.0	- 7.0	- 46.1	- 48.7	- 6.3	- 6.6	- 68.4	- 72.1	- 2.2	-
Income tax	- 4.4	- 12.9	- 28.4	- 31.6	- 23.8	- 21.3	- 1.3	- 1.8	- 57.9	- 67.6	- 0.7	-
Net profit	**45.8**	**87.2**	**53.8**	**117.4**	**55.0**	**56.2**	**13.8**	**7.2**	**168.4**	**268.0**	**5.7**	**-**
Other comprehensive income	0.3	1.3	- 4.6	- 1.4	- 38.4	46.5	- 5.6	4.7	- 48.3	51.1	-	-
Total comprehensive income	**46.1**	**88.5**	**49.2**	**116.0**	**16.6**	**102.7**	**8.2**	**11.9**	**120.1**	**319.1**	**5.7**	**-**
Vopak's share of net profit	17.9	35.9	20.5	48.9	28.1	28.5	6.3	3.0	72.8	116.3	1.7	-
Vopak's share of other comprehensive income	0.1	0.5	- 2.3	- 0.7	- 18.5	22.1	- 2.8	2.4	- 23.5	24.3	-	-
Vopak's share of total comprehensive income	**18.0**	**36.4**	**18.2**	**48.2**	**9.6**	**50.6**	**3.5**	**5.4**	**49.3**	**140.6**	**1.7**	**-**

Summarized statement of financial position at 31 December

	EMEA joint ventures		Asia joint ventures		LNG joint ventures		Other joint ventures		Total joint ventures		Total associates	
In EUR millions	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Non-current assets	1,010.7	936.4	1,728.3	1,381.3	1,133.9	1,110.6	104.0	156.3	3,976.9	3,584.6	504.9	70.8
Cash and cash equivalents	94.9	88.1	150.9	108.5	70.2	116.4	42.1	21.5	358.1	334.5	19.8	46.9
Other current assets	66.8	58.3	64.0	74.5	25.0	27.2	10.9	12.8	166.7	172.8	54.0	-
Total assets	**1,172.4**	**1,082.8**	**1,943.2**	**1,564.3**	**1,229.1**	**1,254.2**	**157.0**	**190.6**	**4,501.7**	**4,091.9**	**578.7**	**117.7**
Financial non-current liabilities	184.7	186.9	767.1	489.3	763.9	790.7	85.7	121.9	1,801.4	1,588.8	310.5	43.6
Other non-current liabilities	121.1	92.8	37.5	35.0	252.9	194.6	22.1	10.8	433.6	333.2	17.9	-
Financial current liabilities	76.7	51.6	24.4	43.9	62.1	100.2	4.8	2.1	168.0	197.8	-	-
Other current liabilities	74.1	73.5	163.6	190.6	28.3	32.5	18.8	20.0	284.8	316.6	31.8	30.8
Total liabilities	**456.6**	**404.8**	**992.6**	**758.8**	**1,107.2**	**1,118.0**	**131.4**	**154.8**	**2,687.8**	**2,436.4**	**360.2**	**74.4**
Net assets	**715.8**	**678.0**	**950.6**	**805.5**	**121.9**	**136.2**	**25.6**	**35.8**	**1,813.9**	**1,655.5**	**218.5**	**43.3**
Vopak's share of net assets	283.1	269.0	442.1	379.3	68.6	73.9	11.7	15.0	805.5	737.2	63.1	10.8
Goodwill on acquisition	16.5	15.9	2.4	3.0	48.5	44.6	-	-	67.4	63.5	6.2	-
Vopak's carrying amount of net assets	**299.6**	**284.9**	**444.5**	**382.3**	**117.1**	**118.5**	**11.7**	**15.0**	**872.9**	**800.7**	**69.3**	**10.8**

Contingent assets and liabilities

Our LNG joint venture in Altamira received a material claim in 2014, 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 sale 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

The Group has announced that it has initiated a divestment program of around 15 primarily smaller terminals, contributing around 4% to the Group's overall EBITDA, with the objective of further aligning our global network.

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. 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.

Movements in assets held for sale

In EUR millions	Asset	Liability
Balance at 31 December 2013	**25.9**	**-**
Reclassifications to held for sale	79.5	- 2.0
Impairment	- 6.9	-
Exchange differences	3.1	-
Balance at 31 December 2014	**101.6**	**- 2.0**

During 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. Meanwhile on 10 February 2015, Vopak has announced that it has entered into a binding sale and purchase agreement for these assets.

Furthermore the assets held for sale also contains a plot of land in Yalova (Turkey), which was sold on 15 January 2015 at the carrying amount.

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	2014	2013
Amortization intangible assets	3.2	9.0	8.3
Depreciation property, plant and equipment	3.3	230.2	208.5
Total		**239.2**	**216.8**

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 are not 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% (2013: 6.0%).

Key accounting estimates and judgments

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 based either on market-multiples or indicative non-binding bids.

A sensitivity analysis is included under the relevant asset category.

When the fair value less cost of disposal of a terminal is based on (preliminary) offers received from interested parties, management has applied the assumption that these offers are a good reflection of the fair value of the terminals concerned and the assumption that it is probable that these terminals will be sold in the near future resulting in a situation where the carrying amount will principally be recovered through a sale instead of by continuing use. A change in one of these assumptions could potentially lead to a future impairment.

Impairment test results

The following table provides an overview of the total impairments and reversal of impairments per asset category.

In EUR millions	Note	2014	2013
Goodwill subsidiaries	3.2	2.9	-
Other intangible assets	3.2	1.1	-
Property, plant and equipment	3.3	29.5	21.4
Assets held for sale	3.5	6.9	-
Impairment		**40.4**	**21.4**
Joint ventures and associates	3.4	16.1	-
Reversal impairment joint ventures and associates	3.4	- 3.8	- 7.3
Total		**52.7**	**14.1**

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	2014	2013
Europe, Middle East & Africa	4.3	4.3
Asia	22.5	20.6
Americas	17.0	0.6
Global LNG (Non-allocated)	-	2.9
Carrying amount at 31 December	**43.8**	**28.4**

The 2014 goodwill impairment of EUR 2.9 million relates to our cancelled development project in France. No impairments were recognized for goodwill in 2013.

Assumptions applied

The recoverable value of an operating segment which includes goodwill is based on value in use. In the impairment tests, the growth factor for years four and five were based on a conservative rate of 2% for all operating segments. The pre-tax discount rate used depends on the risk profile of the cash-generating unit and was 7.5% for Asia, 10.3% for Americas and 7.5% for the other segments. The operating profit included in the calculations is based on the approved budget for 2015 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

In 2014, an impairment of EUR 1.1 million was recognized in the non-allocated segment for cancelled software development projects. No impairments were recognized on intangible assets in 2013.

Property, plant and equipment

Cancelled projects

The Group has completed its business review of the expansion projects under consideration. This review has led to the cancellation of several projects, which has led to an impairment of the related project costs. The total impairment for cancelled projects for the amount of EUR 18.4 million is allocated to the operating segments as follows:

In EUR millions	2014
Netherlands	3.9
Europe, Middle East & Africa	2.1
Asia	0.9
Americas	5.3
Global LNG (Non-allocated)	6.2
Carrying amount at 31 December	**18.4**

The table above shows the impairments related to the cancelled development projects recognized in property plant and equipment. The cancellation of the projects also resulted in an impairment of goodwill related to one of these development projects (EUR 2.9 million), and the impairment of software development projects (EUR 1.1 million). This resulted in an aggregate impairment charge for the cancelled projects of EUR 22.4 million.

In 2013, the Americas division recognized an impairment of EUR 13.1 million for a project in Perth Amboy (New Jersey, US) as there was insufficient economic viability due to the changed market circumstances, and on pre-engineering costs due to a scope change of the project in Bahía Las Minas (Panama).

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 approach resulted in an impairment for the amount of EUR 10.3 million for our operations in Sweden (EMEA division) based on preliminary offers received from third parties. Our Swedish operations are part of the strategic divestment program of the company and the impairments are caused by the (estimated) divestment proceeds which are expected to be lower than the carrying values.

In 2013, impairments of in total EUR 6.8 million were recognized in Asia, due to the postponement of an expansion project of the terminal in Vietnam and EUR 1.5 million for obsolescence of certain assets in the Netherlands.

Sensitivity
Value in use:
A reasonable change in the key assumptions applied for determining the value in use for the various terminals would not result in a material impairment.

Fair value less cost of disposal:
If the final offer for our terminals, the future normalized EBITDA or the transaction multiple would be 10% lower than expected, this could result in an aggregate impairment of approximately EUR 20.0 million for the terminals for which the recoverable value has been based on fair value less cost of disposal.

Joint ventures and associates
In 2014, our new terminal in Dongguan (China) was 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 terminal will come into operation in 2015 and faces a timing effect in the revenues due to slower industrial developments in the region than expected. On the reporting date, Vopak has legally not incurred any obligation with regard to this joint venture. As such, no additional liabilities are recognized.

In December 2014, the Dutch real estate joint ventures (part of the non-allocated operating segment) sold their office buildings to a third party 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 will be released to the statement of income on a straight-line basis during the contractual term of the lease contracts.

Sensitivity
Value in use:
A reasonable change in the key assumptions applied for determining the value in use for the various joint ventures could potentially lead to an aggregate impairment in the range of EUR 10 million to EUR 15 million.

Fair value less cost of disposal:
For some joint ventures, the fair value less costs of disposal is based on preliminary offers. If either the final offer for our joint ventures, the future normalized EBITDA or the transaction multiple would be 10% lower than expected, this would result in an aggregate impairment in the range of EUR 10 million to EUR 15 million for the joint ventures for which the recoverable value has been based on fair value less cost of disposal.

Assets held for sale

The fair value of the assets held for sale are all based on binding bids and consist of a plot of land in Turkey (EMEA division) and certain terminal assets in the United States (Americas division). All assets which are classified as held for sale are part of our divestment program.

The plot of land in Turkey was already classified as held for sale in 2012 and has been further impaired by EUR 6.9 million to its fair value less cost of disposal. This plot of land was divested in January 2015.

No impairments were recognized in 2014 for assets which were initially classified as held for sale 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	2014	2013
Movements in other current assets (excluding cash and cash equivalents)	32.7	- 32.6
Movements in other current liabilities (excluding bank overdrafts and dividends)	- 11.3	35.0
Total	**21.4**	**2.4**

Note 4.2 Trade and other receivables and related credit risk

Trade and other receivables are exposed to credit risk which might 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 were recognized under Other operating expenses.

Other receivables include the dividend receivables from joint ventures for which the decision about dividend distribution was taken before the end of 2014.

Trade and other receivables

In EUR millions	2014	2013
Trade debtors gross	122.6	89.6
Provision for impairment of trade debtors	- 4.6	- 2.7
Trade debtors net	**118.0**	**86.9**
Taxes receivable	45.4	51.0
Other receivables	100.5	174.3
Total	**263.9**	**312.2**

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 2014, trade receivables of EUR 50.1 million (2013: EUR 25.3 million) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2014			2013		
In EUR millions	Gross	Provision	Net	Gross	Provision	Net
Not past due	67.9	-	67.9	61.7	0.1	61.6
Past due up to 3 months	36.7	0.4	36.3	21.1	0.3	20.8
Past due 3 to 6 months	4.7	0.4	4.3	2.6	0.1	2.5
Past due more than 6 months	13.3	3.8	9.5	4.2	2.2	2.0
Total	**122.6**	**4.6**	**118.0**	**89.6**	**2.7**	**86.9**

Movements in the provision for impairment of trade receivables are as follows:

In EUR millions	2014	2013
Balance at 1 January	**2.7**	**0.7**
Impairments	2.3	2.6
Reversal of impairments	- 0.7	-
Receivables written off during the year as uncollectible	- 0.1	- 0.5
Exchange differences	0.4	- 0.1
Balance at 31 December	**4.6**	**2.7**

Exposure to bad debts is mostly related to rendering services to international manufacturers. 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 2014.

Other receivables
The total dividend receivable from joint ventures amounted to EUR 19.8 million at the end of 2014 (2013: EUR 48.3 million). Also for the other items of Other receivables there are no amounts overdue nor impaired and there have been no material defaults in the past.

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	2014	2013
Trade payables	51.8	44.2
Accrued expenses	104.1	96.8
Deferred revenues	60.6	57.1
Accrued interest expenses	6.1	7.4
Wage tax and social security charges	6.5	6.8
Prepaid government grants	-	1.6
Other creditors	145.6	153.8
Total	**374.7**	**367.7**

Section 5 Capital structure

The notes in this section provide an 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 recognized 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 recognized directly in equity.

Share capital

The company´s authorized share capital amounts as at 31 December 2014 to EUR 190,800,000, divided into 140,000,000 ordinary shares, 190,800,000 protective preference shares and 50,800,000 financing preference shares, all with a nominal value of EUR 0.50 each.

The issued share capital at 31 December 2014 consisted of 127,835,430 ordinary shares, of which 210,000 shares are held in the treasury stock in connection with existing commitments under the long-term incentive plan 2014-2016.

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 2012	**127,835,430**	**41,400,000**	**169,235,430**	**- 430,804**	**84.6**	**248.2**	**- 11.2**
Capital reduction	-	-	-	-	-	- 33.0	-
Vested shares under equity-settled share-based payment arrangements	-	-	-	28,404	-	-	0.4
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**

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 at 2 January 2015, of which EUR 0.7 million was distributed from retained earnings. In the consolidated statement of financial position this liability has been recognized under Trade and other payables.

After adoption of the financial statements 2013 by the Annual General Meeting, the Company delivered 93,866 shares from treasury stock, for the purposes of fulfilling the Company´s obligation of the vested conditional shares under the long-term incentive plans. Furthermore 98,534 treasury shares were sold.

Capital management

A solid capital structure supports Vopak's objective to create long-term shareholder value while meeting the agreed upon covenants (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 aimed 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 2012	**36.2**	**- 145.2**	**5.3**	**1.3**	**- 102.4**
Exchange differences on net investments	- 102.0	-	-	-	- 102.0
Effective part of hedges of net investments	45.5	-	-	-	45.5
Tax effect on exchange differences and hedges	- 5.8	-	-	-	- 5.8
Use of exchange differences on net investments (to statement of income)	0.8	-	-	-	0.8
Use of exchange differences on net investments joint ventures (to statement of income)	- 1.1	-	-	-	- 1.1
Tax on release exchange differences and hedges	- 0.6	-	-	-	- 0.6
Movements in effective part of cash flow hedges	-	30.1	-	-	30.1
Tax effect on movements in cash flow hedges	-	- 7.5	-	-	- 7.5
Use of effective part of cash flow hedges (to statement of income)	-	3.3	-	-	3.3
Tax effect on use of cash flow hedges	-	- 0.8	-	-	- 0.8
Movements in effective part of cash flow hedges joint ventures	-	24.3	-	-	24.3
Depreciaton on revaluation of assets	-	-	- 0.3	-	- 0.3
Tax effect on depreciation on revaluation of assets	-	-	0.1	-	0.1
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
Depreciaton 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**

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	2015	2016	2017	2018	2019	> 2019	Total
Use of revaluation reserve derivatives	12.1	12.9	7.7	10.6	2.9	118.3	164.5

Note 5.3 Retained earnings

Movements in retained earnings were as follows:

In EUR millions	2014	2013
Balance at 1 January	**1,636.9**	**1,404.6**
Dividend paid in cash	- 120.5	- 120.3
Remeasurements of defined benefit plans	- 114.4	34.7
Capital reduction	- 0.7	-
Acquisition non-controlling interest subsidiaries	- 2.4	-
Vested shares under equity-settled share-based payment arrangements	- 1.1	- 0.4
Measurement of equity-settled share-based payment arrangements	1.0	- 0.4
Release of revaluation reserve due to depreciation	0.2	0.2
Net profit attributable to owners of parent	250.4	318.5
Balance at 31 December	**1,649.4**	**1,636.9**

Of the retained earnings, EUR 1,257.7 million can be distributed freely (see note 4 to the Company Financial Statements). The dividend paid in cash consists of a dividend on the financing preference shares of EUR 5.7 million and a dividend in cash of EUR 0.90 per ordinary share.

Note 5.4 Non-controlling interests

Statement of changes in non-controlling interests:

In EUR millions	2014	2013
Balance at 1 January	**118.0**	**128.8**
Net profit	45.2	42.4
Dividend	- 36.0	- 47.1
Capital injection	5.6	4.6
Acquisitions	- 0.5	-
Movements in effective part of cash flow hedges	0.3	0.2
Exchange differences	12.0	- 10.9
Balance at 31 December	**144.6**	**118.0**

Vopak´s controlling interests in the subsidiaries Fos Faster LNG Terminal SAS (France) and Vopak Perth Amboy LLC (US) increased from respectively 90% and 87.75% at year-end 2013 to both 100% at year-end 2014 due to transactions with the non-controlling partners.

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)	
	2014	2013	2014	2013	2014	2013	31-Dec-14	31-Dec-13
Total			**45.2**	**42.4**	**36.0**	**47.1**	**144.6**	**118.0**
of which Vopak Terminals Singapore Pte. Ltd.	*30.5%*	*30.5%*	*41.3*	*39.1*	*29.8*	*43.0*	*97.5*	*83.3*

The summarized financial information regarding Vopak Terminals Singapore Pte. Ltd. is as follows:

In EUR millions	31-Dec-14	31-Dec-13
Total non-current assets	530.4	489.9
Cash and cash equivalents	68.6	15.7
Other current assets	31.4	24.9
Total assets	**630.4**	**530.5**
Current liabilities	178.9	42.2
Total non-current liabilities	131.9	215.3
Total liabilities	**310.8**	**257.5**
Total net assets	**319.6**	**273.0**

In EUR millions	2014	2013
Revenues	258.8	245.6
Net profit	135.5	128.2
Other comprehensive income	31.3	- 28.6
Total comprehensive income	**166.8**	**99.6**
Operating cash flow	192.7	141.5
Increase/decrease (-) in cash and cash equivalents	52.9	- 34.1

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.

Reconciliation net debt

In EUR millions	Cash and cash equivalents	Short-term borrowings	Interest-bearing loans	Net interest-bearing debt
Carrying amount at 31 December 2012	**435.7**	**-**	**- 2,183.2**	**- 1,747.5**
Cash flows	- 256.2	-	56.8	- 199.4
Fair value gains and losses	-	-	0.8	0.8
Other non-cash movements	- 3.6	-	- 2.2	- 5.8
Exchange differences	- 4.6	-	131.8	127.2
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**
Non-current assets	-	-	-	-
Current assets	182.0	-	-	182.0
Non-current liabilities	-	-	- 2,183.5	- 2,183.5
Current liabilities	- 43.4	- 68.9	- 152.5	- 264.8
Carrying amount at 31 December 2014	**138.6**	**- 68.9**	**- 2,336.0**	**- 2,266.3**

In EUR millions	2014	2013
Net interest-bearing debt	**- 2,266.3**	**- 1,824.7**
Derivative financial instruments (currency)	22.2	- 86.1
Credit replacement guarantees	- 107.8	- 123.1
-/- Subordinated loans	- 87.0	- 79.4
-/- Others	- 4.1	-
Senior net debt for ratio calculation	**- 2,260.8**	**- 1,954.5**
Financial ratios		
Senior net debt : EBITDA	2.83	2.53
Interest cover	8.9	7.4

The fair value of the interest-bearing loans is disclosed in note 8.9.

Interest-bearing loans by currency

	Local currency		Euro	
In millions	2014	2013	2014	2013
Euro (EUR)	337.5	90.0	337.5	90.0
US dollar (USD)	1,906.2	1,909.5	1,569.8	1,378.3
Pound sterling (GBP)	35.0	35.0	45.1	42.1
Canadian dollar (CAD)	25.0	25.0	17.8	17.1
Singapore dollar (SGD)	365.0	575.0	227.7	330.7
Japanese yen (JPY)	20,000.0	20,000.0	138.1	137.8
Total			**2,336.0**	**1,996.0**

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 250 million was drawdown at year-end 2014. 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

	US PPs 2001	US PPs 2007	Other PPs and RCF	Total
Amount drawn at 31 December 2014 (in EUR millions)	4.7	310.0	2,021.3	2,336.0
Average remaining terms (in years)	1.0	3.9	8.6	8.0
Required ratios				
Senior net debt : EBITDA (maximum)	3.75	3.75	3.75	
Interest cover (minimum) [1]	4.00	3.50	3.50	

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

With a Senior net debt : EBITDA ratio of 2.83 and an interest cover ratio of 8.9, Vopak comfortably met the applicable financial ratios as at 31 December 2014.

Besides the loans mentioned in the table above a bank loan of SGD 140 million was drawn by Vopak Terminals Singapore Pte Ltd. (VTS) 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 be at least 4 : 1; and shareholders' equity must be at least SGD 150.0 million. These ratios were also comfortably met.

Cash and cash equivalents

In EUR millions	2014	2013
Cash and bank	102.5	83.4
Short-term deposits	79.5	95.3
Total	**182.0**	**178.7**

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 2014 was 0.5% (2013: 0.2%); these deposits have an average term of 28 days (2013: 3 days) and are subject to limited value changes.

Reconciliation with the consolidated cash flow statement is as follows:

In EUR millions	2014	2013
Cash and cash equivalents	182.0	178.7
Bank overdrafts	- 43.4	- 7.4
Total	**138.6**	**171.3**

The cash and cash equivalents were at the free disposal of the Group as at 31 December 2014 as well as at 31 December 2013.

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 continuously monitored 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 internally which are raised centrally. 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 is the bank loan of Vopak Terminals Singapore Pte. Ltd. (SGD 140 million), 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 each quarter the liquidity requirements are identified 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 250 million was used at year-end 2014. At 31 December 2014, the Group also had unused lines of credit of EUR 135 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 analyses 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. For the amounts of the financial guarantees and securities (see note 8.8), it is assumed that these can be called within one year.

	< 1 year		1-2 years		2-5 years		> 5 years	
In EUR millions	2014	2013	2014	2013	2014	2013	2014	2013
Cash and cash equivalents	182.0	178.7	-	-	-	-	-	-
Trade and other receivables	263.9	312.2	-	-	-	-	-	-
Loans to joint ventures and associates	9.6	6.0	-	-	19.6	9.5	2.0	2.0
Other loans	1.2	6.9	-	-	-	-	1.8	1.8
Finance lease receivable	4.8	-	5.0	-	15.6	-	92.2	-
Total undiscounted financial assets (excluding gross settled derivatives)	**461.5**	**503.8**	**5.0**	**-**	**35.2**	**9.5**	**96.0**	**3.8**
Redemption of interest-bearing loans	152.5	123.2	2.4	134.9	704.1	257.9	1,477.0	1,480.0
Short-term borrowings	68.9	-	-	-	-	-	-	-
Interest payments	90.2	86.3	88.6	80.8	244.4	225.3	347.7	380.6
Interest rate swaps	- 3.5	4.9	- 4.7	5.4	- 7.7	12.9	93.5	105.4
Trade and other creditors (excluding non-financial instruments)	203.9	206.4	-	-	-	-	-	-
Cash-settled equity-based liability	-	2.2	-	-	-	-	-	-
Financial guarantees and securities	148.0	162.4	-	-	-	-	-	-
Total undiscounted financial liabilities (excluding gross settled derivatives)	**660.0**	**585.4**	**86.3**	**221.1**	**940.8**	**496.1**	**1,918.2**	**1,966.0**
Derivative financial instruments outflow	- 58.2	- 272.0	-	- 58.2	- 388.7	- 76.3	- 529.8	- 708.0
Derivative financial instruments inflow	62.0	246.7	-	54.4	413.3	72.5	523.8	636.0
Total undiscounted gross settled derivatives	**3.8**	**- 25.3**	**-**	**- 3.8**	**24.6**	**- 3.8**	**- 6.0**	**- 72.0**
Liquidity movements	**- 194.7**	**- 106.9**	**- 81.3**	**- 224.9**	**- 881.0**	**- 490.4**	**- 1,828.2**	**- 2,034.2**

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 US dollar (USD), Singapore dollar (SGD), Chinese yuan (CNY), Brazilian real (BRL) and Japanese yen (JPY). 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 whose 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 2013, there were no hedges that exceeded the carrying amount of the underlying assets in the 2014 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 2014 and 2013 were effective (between 80% and 125%).

The market value of the currency part of derivative financial instruments at 31 December 2014 and 31 December 2013 in order of maturity date is shown below:

		31 December 2014			31 December 2013		
In EUR millions	Maturity	Assets [1]	Liabilities [1]	Notional amount	Assets [1]	Liabilities [1]	Notional amount
Forward foreign currency contracts [2]	< 1 year	0.4	4.0	301.7	1.4	-	138.1
Total net investment hedges		**0.4**	**4.0**	**301.7**	**1.4**	**-**	**138.1**
Forward foreign currency contracts	< 1 year	3.9	5.4	533.8	6.4	1.6	397.9
Cross currency swaps [3]	< 1 year	3.7	-	58.2	-	6.4	113.4
Cross currency swaps [3]	1-5 years	24.6	-	388.7	-	7.6	134.6
Cross currency swaps [3]	> 5 years	29.2	35.3	529.8	-	72.1	762.4
Total derivatives – no hedge accounting		**61.4**	**40.7**	**1,510.5**	**6.4**	**87.7**	**1,408.3**
Total derivative financial instruments		**61.8**	**44.7**	**1,812.2**	**7.8**	**87.7**	**1,546.4**

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 (2014: USD 1.1 billion and JPY 16 billion; 2013: USD 1.1 billion, JPY 16 billion and SGD 60 million) on fixed debt denominated in foreign currency.

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 2014 and 31 December 2013 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 2013				
USD	- 0.2	- 11.3	0.2	13.9
SGD	-	- 9.9	-	12.3
CNY	-	- 21.2	-	25.9
BRL	-	- 6.4	-	7.8
JPY	-	- 2.9	-	3.5
Total effect	**- 0.2**	**- 51.7**	**0.2**	**63.4**
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**

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 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 expense 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 2014, taking account of interest rate swaps, 84% (2013: 92%) of the total interest-bearing loans of EUR 2,336.0 million (2013: EUR 1,996.0 million) was financed at a fixed interest rate with remaining terms of up to twenty-six years.

The following interest derivatives were used:

- 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 164.5 million, net of tax had been recognized in equity up to 31 December 2014 (see note 5.2)
- Vopak Terminal Singapore Pte. Ltd. converted various floating-interest loans totaling SGD 67 million (EUR 41.8 million) into fixed-interest loans by means of different interest rate swaps. The terms of these interest rate swaps are until 17 August 2015 and are classified as cash flow hedges

All interest rate swaps were effective hedging instruments in 2014 and 2013 (between 80% and 125%).

The average fixed interest and the average floating interest on the interest-bearing loans at 31 December 2014 were respectively 4.5% (2013: 4.8%) and 1.0% (2013: 1.9%). The following statement will provide insight into the interest repricing calendar for the interest-bearing loans at the statement of the financial position.

	31 December 2014			31 December 2013		
In EUR millions	Floating	Fixed	Total	Floating	Fixed	Total
< 1 year	- 107.5	- 39.2	- 146.7	- 151.3	- 72.1	- 223.4
1-2 years	-	- 1.5	- 1.5	-	- 44.4	- 44.4
2-3 years	-	- 134.0	- 134.0	-	- 2.1	- 2.1
3-4 years	- 250.0	- 139.7	- 389.7	-	- 132.6	- 132.6
4-5 years	-	- 153.6	- 153.6	-	- 129.5	- 129.5
> 5 years	-	- 1,488.3	- 1,488.3	-	- 1,550.1	- 1,550.1
Total [1]	**- 357.5**	**- 1,956.3**	**- 2,313.8**	**- 151.3**	**- 1,930.8**	**- 2,082.1**

1. Of which currency component derivatives amounts to EUR 22.2 million (2013: EUR - 86.1 million).

The market value of the interest rate part of the derivative financial instruments at 31 December 2014, including credit risk, and 31 December 2013 in order of maturity date are shown below:

		31 December 2014			31 December 2013		
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	0.4	0.1	113.4
Cross currency interest rate swaps [2]	1-5 years	0.4	13.0	388.7	11.9	0.9	134.6
Cross currency interest rate swaps [2]	> 5 years	-	112.3	529.8	1.0	76.1	762.5
Interest rate swaps [3]	1-5 years	-	-	-	-	1.8	38.5
Total cash flow hedges		**0.5**	**125.3**	**976.7**	**13.3**	**78.9**	**1,049.0**
Interest rate swaps [4]	< 1 year	-	0.8	41.8	0.8	-	57.5
Total fair value hedge		**-**	**0.8**	**41.8**	**0.8**	**-**	**57.5**
Total derivative financial instruments		**0.5**	**126.1**	**1,018.5**	**14.1**	**78.9**	**1,106.5**

1. At fair value.
2. Cross currency swaps accounted are used to hedge future cash flow interest rate risks (2014: USD 1.1 billion and JPY 16 billion; 2013: USD 1.1 billion, JPY 16 billion and SGD 60 million) 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 (2013: SGD 67 million).
4. Interest rate swaps accounted for as fair value hedges are used to convert fixed debt to floating debt (2013: SGD 100 million). 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).

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 2014 and year-end 2013.

In EUR millions	Closing level 3-month	Increase 25% Net profit	Increase 25% Equity [1]	Decrease 25% Net profit	Decrease 25% Equity [1]
31 December 2013					
EUR	0.18%	- 0.1	60.4	0.2	- 67.4
USD	0.13%	- 0.1	- 24.8	0.1	25.9
SGD	0.31%	- 0.6	3.1	0.6	- 3.2
JPY	0.12%	-	- 11.5	-	12.5
Total effect		**- 0.8**	**27.2**	**0.9**	**- 32.2**
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**

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 Financial assets and liabilities and credit risk for more information.

Derivative financial instruments

	31 December 2014			31 December 2013		
In EUR millions	Assets	Liabilities	Total	Assets	Liabilities	Total
Currency derivative financial instruments	61.8	44.7	17.1	7.8	87.7	- 79.9
Interest derivative financial instruments	0.5	126.1	- 125.6	14.1	78.9	- 64.8
Total derivative financial instruments	**62.3**	**170.8**	**- 108.5**	**21.9**	**166.6**	**- 144.7**
Offsetting	- 34.8	- 34.8	-	-	-	-
Total	**27.5**	**136.0**	**- 108.5**	**21.9**	**166.6**	**- 144.7**
Non-current	19.4	125.8	- 106.4	12.9	158.5	- 145.6
Current	8.1	10.2	- 2.1	9.0	8.1	0.9
Total	**27.5**	**136.0**	**- 108.5**	**21.9**	**166.6**	**- 144.7**

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.

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	Note		2014		2013
Interest income			7.4		3.3
Dividends on other financial assets			0.5		-
Interest and dividend income			**7.9**		**3.3**
Interest expense			96.7		94.2
Capitalized interest			- 9.4		- 8.0
Interest component of provisions	8.5		1.3		0.9
Exchange differences on hedged items (no hedge accounting)			95.0		- 36.6
Derivative financial instruments:					
Fair value adjustments to derivative financial instruments (no hedge accounting)		- 92.6		43.4	
Fair value adjustments to interest rate swaps (fair value hedge)		- 0.5		- 0.8	
Fair value adjustments to loans (fair value hedge)		0.5		0.8	
Use of revaluation reserve derivatives (cash flow hedge)	5.2	- 1.0		3.3	
Interest component derivative financial instruments (net investment hedge)		2.8		2.8	
			- 90.8		49.5
Commitment fee			2.6		2.4
Exceptional finance expenses			- 0.2		3.0
Other			2.5		3.2
Finance costs			**97.7**		**108.6**
Net finance costs			**89.8**		**105.3**

Capitalized interest during construction was subject to an average interest rate of 5.1% (2013: 4.5%).

In 2013, exceptional finance expenses of EUR 3.0 million were recognized as a result of professional services related to the potential creation of a new class of listed cumulative preference C-shares.

Section 6 Governance

This section comprises notes related to Governance of the company, including Board Remuneration, External Auditor fees and transactions with related parties.

In this section the following notes are presented:

- 6.1 Remuneration to Board members
- 6.2 Long-term incentive plans
- 6.3 Related parties
- 6.4 Fees to auditors appointed at the Annual General Meeting

Note 6.1 Remuneration to Board members

For the remuneration of the Supervisory Board members and the Executive Board members we refer to the section of the Remuneration report marked with 'audited'.

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. The LTSP is for 50% an equity-settled share-based compensation plan and for 50% a cash-settled share-based compensation plan. The LTCP is a long-term remuneration settled in cash.

Earlier equity-settled share-based compensation plans (Share Matching Plan 2009 and 50% of the LTSP 2010-2013) and a cash-settled share-based compensation plan (50% of the LTSP 2010-2013) and the Cash Plan 2011-2013 vested end of 2013 and were settled in 2014.

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 (like 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 2014 equity-settled	LTSP 2014 cash-settled [1]	LTSP 2010 equity-settled	LTSP 2010 cash-settled [1]	SMP 2009	Cash Plan	Total 2014	Total 2013
E.M. Hoekstra	127.1	161.9	-	- 0.9	-	-	288.1	- 169.7
J.P. de Kreij	79.4	101.2	-	- 1.1	-	-	179.5	- 111.6
F. Eulderink	74.0	94.2	-	- 0.9	-	-	167.3	- 141.3
Current members Executive Board	**280.5**	**357.3**	**-**	**- 2.9**	**-**	**-**	**634.9**	**- 422.6**
Other	**569.6**	**590.8**	**44.1**	**- 14.6**	**115.6**	**1,043.3**	**2,348.8**	**- 1,188.0**
Total [2]	**850.1**	**948.1**	**44.1**	**- 17.5**	**115.6**	**1,043.3**	**2,983.7**	**- 1,610.6**

1. The total carrying amount of liabilities for cash-settled share-based payment at 31 December 2014 was EUR 1.0 million (31 December 2013: EUR 1.0 million).
2. Negative amounts are decreases of expected or actual settlements compared with the estimates at the beginning of the period.

LTSP 2014

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

LTCP 2014

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

Movements in the number of conditional awards in 2014

In numbers	E.M. Hoekstra	J.P. de Kreij	F. Eulderink	Other	Total
Outstanding at 1 January 2013	**22,360**	**44,256**	**16,914**	**204,878**	**288,408**
Vested	- 1,468	- 7,674	-	- 9,302	- 18,444
Change in expected average salary [1]	498	64	82	- 168	476
Outstanding at 31 December 2013	**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**

1. The conditional awards under the LTSP 2014 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

	Conditional awards 1)		Number of expected shares 2)			Allocated cost to 3)	
Participants	Number	Value at grant	Number	Value at vesting	Value for cost allocation	2014	2013
E.M. Hoekstra							
LTSP 2014, equity-settled (conditional)	17,540	712,826	11,752	NA	381,352	127,118	-
LTSP 2014, cash-settled (conditional)	17,540	712,826	11,752	NA	485,710	161,903	-
LTSP 2010, equity-settled (vested and settled)	9,276	276,515	4,242	178,928	126,157	-	- 34,466
LTSP 2010, cash-settled (vested and settled)	9,276	276,515	2,712	114,392	114,392	- 922	- 167,588
SMP 2008 (vested and settled in 2013)	1,468	23,136	2,261	97,110	35,633	-	3,467
SMP 2009 (vested and settled)	2,838	42,471	2,639	111,313	39,493	-	5,516
	57,938	**2,044,289**	**35,358**	**501,743**	**1,182,737**	**288,099**	**- 193,071**
J.P. de Kreij							
LTSP 2014, equity-settled (conditional)	10,962	445,496	7,345	NA	238,345	79,449	-
LTSP 2014, cash-settled (conditional)	10,962	445,496	7,345	NA	303,569	101,191	-
LTSP 2010, equity-settled (vested and settled)	9,181	269,095	3,780	159,440	110,792	-	- 36,007
LTSP 2010, cash-settled (vested and settled)	9,181	269,095	3,174	133,879	133,879	- 1,079	- 127,888
SMP 2008 (vested and settled in 2013)	7,674	111,081	11,818	507,583	171,066	-	16,675
SMP 2009 (vested and settled)	18,284	273,620	17,004	717,229	245,465	-	35,569
	66,244	**1,813,883**	**50,466**	**1,518,131**	**1,203,116**	**179,561**	**- 111,651**
F. Eulderink							
LTSP 2014, equity-settled (conditional)	10,210	414,934	6,841	NA	221,990	73,996	-
LTSP 2014, cash-settled (conditional)	10,210	414,934	6,841	NA	282,739	94,246	-
LTSP 2010, equity-settled (vested and settled)	8,498	247,875	4,423	186,562	129,638	-	- 6,038
LTSP 2010, cash-settled (vested and settled)	8,498	247,875	2,531	106,758	106,758	- 860	- 135,312
	37,416	**1,325,618**	**20,636**	**293,320**	**741,125**	**167,382**	**- 141,350**
Current members Executive Board	**161,598**	**5,183,790**	**106,460**	**2,313,194**	**3,126,978**	**635,042**	**- 446,072**
Other senior executives							
LTSP 2014, equity-settled (conditional)	64,313	2,613,680	43,091	NA	1,717,176	569,586	-
LTSP 2014, cash-settled (conditional)	64,313	2,613,680	43,091	NA	1,780,950	590,740	-
LTSP 2010, equity-settled (vested and settled)	84,729	2,720,120	15,033	634,092	494,137	44,049	- 334,428
LTSP 2010, cash-settled (vested and settled)	84,729	2,720,120	14,699	620,004	620,004	- 14,608	- 667,358
SMP 2008 (vested and settled in 2013)	9,302	146,599	14,324	615,216	203,793	-	21,954
SMP 2009 (vested and settled)	25,950	388,341	23,629	996,671	362,587	115,575	- 70,722
Others	**333,336**	**11,202,540**	**153,867**	**2,865,983**	**5,178,647**	**1,305,342**	**- 1,050,554**
Total LTIPs	**494,934**	**16,386,330**	**260,327**	**5,179,177**	**8,305,625**	**1,940,384**	**- 1,496,626**
Of which vested and settled in 2013	- 18,444	- 280,816	- 28,403	- 1,219,909	- 410,492	-	- 42,096
Of which vested and settled in 2014	- 270,440	- 7,731,642	- 93,866	- 3,959,268	- 2,483,302	- 142,155	1,538,722
Outstanding LTIPs 31 December 2014	**206,050**	**8,373,872**	**138,058**	**-**	**5,411,831**	**1,798,229**	**-**

1. On a target level of 100%. For the LTSP 2014 and LTSP 2010 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 LTSP 2014, LTSP 2010, SMP 2008 and and SMP 2009 are 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 LTSP 2014 and LTSP 2010 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 vested shares under LTSP 2010 are based on the discretionairy decision of the Supervisory Board in its board meeting of 5 November 2013 to adjust the vesting condition of the awards granted to the Executive Board, the Executive Board followed this decision for the vested shares of other senior executives. The actual vesting percentage the SMP 2009 is 93% (estimate 2013: 93%). The estimated vesting percentages of the LTSP 2014 are based on scenario analysis done by an independent qualified appraiser.
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 (audited) and Actual remuneration 2014 (audited) 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.

In 2014, the Group did not conduct 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	2014	2013	2014	2013	2014	2013
Other operating income	13.3	11.9	0.6	0.3	13.9	12.2
Interest income on borrowings to	0.5	0.4	-	-	0.5	0.4
Amounts owed by	31.2	17.5	-	-	31.2	17.5

Transactions with major shareholders

Besides dividend distribution and the payment of share premium to the financing preference shareholders, no related party transactions have been entered into with the major shareholders during the year.

Transactions with pension funds

Related party transactions with Vopak's pension funds are presented in note 8.4.

Note 6.4. Fees 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 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 PricewaterhouseCoopers individual partnerships and legal entities, including their tax services and advisory groups.

In EUR millions	2014	2013
Financial statements audit fees	1.3	1.3
Other assurance fees	0.1	1.0
Tax fees	0.1	0.2
Total	**1.5**	**2.5**

The financial statements audit fees include the aggregate fees in each of 2014 and 2013 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 independent auditor reasonably can provide, such as comfort letters.
In 2013, these services include assistance with and review of documents with regard to the potential creation of C-shares.

In line with the Dutch independence legislation, no tax advisory and compliance services were provided in 2014.

The total fees of PricewaterhouseCoopers Accountants N.V., the Netherlands, charged to the company and its consolidated group entities amounted to EUR 0.7 million in 2014 (2013: EUR 1.6 million).

Section 7 Income taxes

This section comprises all relevant disclosures and specifications regarding tax recognized in the consolidated financial statements.

In this section, the following notes are presented:

- 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	2014	2013
Current taxes		
Current financial year	59.1	52.8
Adjustments for prior years	1.2	- 0.4
	60.3	**52.4**
Deferred taxes		
Adjustments for prior years	1.5	- 4.1
Temporary differences	16.0	10.5
Recognition of tax losses and tax credits	4.9	10.7
Changes in tax rates	0.4	- 1.9
	22.8	**15.2**
Tax on profit	**83.1**	**67.6**

Reconciliation of effective tax rate

In EUR millions	2014		2013	
Profit before income tax		378.7		428.5
Tax on profit		83.1		67.6
Effective tax rate		**21.9%**		**15.8%**
Composition:	*Amount*	*%*	*Amount*	*%*
Weighted average statutory tax rate	89.1	23.5	100.8	23.5
Participation exemption	- 17.4	- 4.6	- 32.7	- 7.6
Non-deductible expenses	8.4	2.2	6.6	1.5
Changes in tax rates	0.4	0.1	- 1.9	- 0.4
Recognition of tax losses and tax credits	5.5	1.5	4.7	1.1
Tax facilities	- 1.8	- 0.5	- 0.2	-
Movements in prior-year taxes	2.8	0.7	- 4.5	- 1.1
Other effects	- 3.9	- 1.0	- 5.2	- 1.2
Effective tax (rate)	**83.1**	**21.9**	**67.6**	**15.8**

The income tax expense for 2014 amounted to EUR 83.1 million (2013: EUR 67.6 million). The effective tax rate for 2014 increased from 15.8% in 2013 to 21.9% in 2014 mainly due to a lower result of joint ventures and associates, which qualifies for participation exemption, as a percentage of the total profit before tax. Excluding exceptional items, the effective tax rate for 2014 and 2013 amounted to respectively 20.9% and 17.1%.

The weighted average statutory tax rate, which is based on the statutory corporate income tax rates applicable in the various countries, amounted to 23.5% (2013: 23.5%).

Income tax recognized in other comprehensive income

In EUR millions	Note	2014	2013
On changes in the value of cash flow hedges	5.2	- 14.9	7.5
On exchange differences and hedges	5.2	- 2.6	5.8
On use of cash flow hedges	5.2	- 0.2	0.8
On use of exchange differences and hedges	5.2	-	0.6
On remeasurements of defined benefit plans		- 39.4	13.8
Total		**- 57.1**	**28.5**

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	Temporary differences: Property, plant and equipment	Loans granted	Employee benefits	Other	Other	Offset assets and liabilities	Statement of financial position
Assets	23.5	9.2	0.1	30.0	33.7	1.8	- 46.6	51.7
Liabilities	-	- 227.2	- 6.3	- 0.3	- 15.3	-	46.6	- 202.5
Balance 31 December 2012	**23.5**	**- 218.0**	**- 6.2**	**29.7**	**18.4**	**1.8**	**-**	**- 150.8**
Movements:								
- Statement of income	- 6.5	- 10.2	0.3	- 2.6	4.8	- 1.0		- 15.2
- Other comprehensive income	- 7.1	-	-	- 13.8	- 7.6	-		- 28.5
- Acquisitions/divestments	-	0.8	-	-	0.2	-		1.0
- Exchange differences	-	15.4	1.0	- 0.2	- 4.7	-		11.5
Balance 31 December 2013	**9.9**	**- 212.0**	**- 4.9**	**13.1**	**11.1**	**0.8**		**- 182.0**
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**

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 47.9 million at 31 December 2014 (2013: EUR 41.4 million). The maturity schedule is as follows:

In EUR millions	2015	2016	2017	2018	2019+	unlimited	Total
Offsettable carry-forward losses	1.5	4.0	7.0	3.0	24.9	7.5	47.9

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 required disclosures

This section provides details on items which are not included in other sections, but that by their nature are of statutory or secondary importance for understanding the financial performance of the Group. A list of principal subsidiaries, joint ventures and associates of the Vopak group is also included here.

The following notes are presented in this section:

- 8.1 Earnings per ordinary share
- 8.2 Loans granted and finance lease receivable
- 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 with the time-weighted average number of outstanding ordinary shares (excluding the average number of treasury shares). The weighted average number of outstanding shares was 127,515,368 in 2014 (2013: 127,423,536).

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 option schemes. No options were outstanding at 31 December 2014 and 31 December 2013 , there was no dilutive effect.

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	2014	2013
Issued ordinary shares at 1 January	5.1	127,433	127,405
Sale treasury shares	5.1	4	-
Vested shares under equity-settled share-based payment arrangements	6.2	78	19
(Diluted) weighted average number of ordinary shares for the year		**127,515**	**127,424**

Vopak did not repurchase own shares for the equity-settled share-based long-term incentive plan during 2014 and 2013. When the vesting conditions are met then the equity settlement will result in an increase of the number of outstanding shares. During 2014, 93,866 shares were vested (2013: 28,404 shares) and 98,534 shares were sold from treasury shares (2013: nil).

Note 8.2 Loans granted and finance lease receivable

In EUR millions	Note	Loans to joint ventures 2014	Loans to joint ventures 2013	Other loans 2014	Other loans 2013	Total loans granted 2014	Total loans granted 2013	Finance lease receivable 2014	Finance lease receivable 2013
Carrying amount at 1 January		**17.5**	**22.6**	**8.7**	**7.9**	**26.2**	**30.5**	**-**	**-**
Movements:									
Loans granted		11.5	8.7	3.1	6.4	14.6	15.1	-	-
Repayments		-	- 13.0	- 10.1	- 5.0	- 10.1	- 18.0	- 5.3	-
Transfer from property, plant and equipment	3.2	-	-	-	-	-	-	35.9	-
Finance lease interest income		-	-	-	-	-	-	3.8	-
Effective interest		-	-	0.2	0.1	0.2	0.1	-	-
Exchange differences		2.2	- 0.8	1.1	- 0.7	3.3	- 1.5	-	-
Carrying amount at 31 December		**31.2**	**17.5**	**3.0**	**8.7**	**34.2**	**26.2**	**34.4**	**-**
Non-current receivables		21.6	11.5	1.8	1.8	23.4	13.3	34.4	-
Current receivables		9.6	6.0	1.2	6.9	10.8	12.9	-	-
Carrying amount at 31 December		**31.2**	**17.5**	**3.0**	**8.7**	**34.2**	**26.2**	**34.4**	**-**

Loans granted include no 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 2014 vary between 7 to 46 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 in the Netherlands, the United States, the United Kingdom, Germany and Belgium. In the Netherlands, all plans are average pay pension plans, while the other countries mostly operate final pay pension plans. Most of our defined benefit plans are administered 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 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 outflows 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 passage of time and the expected return on plan asset, 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 in 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. Multi-employer plans that include defined benefit pension plans but for which insufficient information is available for the Group to make IAS 19 calculations are treated as if they were defined contribution plans.

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 on key assumptions are disclosed in this note.

The ITP2 plan in Sweden is financed through insurance with the Alecta insurance company and is classified as a multi-employer defined benefit plan. The contribution to this multi-employer plan is treated as a defined contribution plan because it is not possible to collect the required information from the insurance company to enable to account for it as defined benefit plan.

Pensions and other employee benefits

	The Netherlands		Foreign		Total	
in EUR millions	2014	2013	2014	2013	2014	2013
Funded defined benefit obligation	1,106.4	856.5	220.9	162.8	1,327.3	1,019.3
Fair value of plan assets	- 972.4	- 846.4	- 164.5	- 134.2	- 1,136.9	- 980.6
Deficit of funded plans	**134.0**	**10.1**	**56.4**	**28.6**	**190.4**	**38.7**
Unfunded defined benefit obligation	-	-	20.4	18.7	20.4	18.7
Total deficit of defined benefit plans	**134.0**	**10.1**	**76.8**	**47.3**	**210.8**	**57.4**
Net pension obligations under defined contribution plans	6.5	7.9	0.7	1.0	7.2	8.9
Net pension obligations recognized at 31 December	**140.5**	**18.0**	**77.5**	**48.3**	**218.0**	**66.3**
Current liabilities					1.7	2.3
Non-current liabilities					216.3	64.0
Net pension obligations recognized at 31 December					**218.0**	**66.3**

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 3.4 million in 2014 (2013: EUR 3.9 million), of which EUR 1.5 million (2013: EUR 2.0 million) is compensated for by the release from the provision for employer's contribution corresponding to years of past service.

Governance pension plan in the Netherlands

The Dutch pension fund *Stichting Pensioenfonds Vopak* holds 83% of the total defined benefit obligation. Plan participants are insured against the consequences of old age, disability and death. The employer and employees (partly) pay contributions to the pension plan.

The pension fund has the legal structure of a foundation. The (actuarial) risks related to the pension plan consist of demographic risks (primarily life expectancy) and financial risks (primarily discount rate, future increases in salaries, and return on plan assets) and are regularly reviewed by the board of trustees. The board of trustees is the most senior governing body of the pension fund and is composed of equal numbers of employer and employee representatives (including pensioners).

Pension plans in the Netherlands are subject to the Financial Assessment Framework, which is part of the Pensions Act and which sets out the minimum requirements for the financial position of a pension fund, such as the statutory minimum funded status. A pension fund´s financial position is reflected largely by the funding ratio. This expresses the relationship between the fund´s assets and the present value of the pensions to be paid in the future (pension liabilities). The minimum required funding level is 105%. In addition, a pension fund must hold sufficient buffers (equity) to be able to cope with financial setbacks. The greater the investment risks in the pension fund, the higher the buffer requirements. Taking into account these factors *Stichting Pensioenfonds Vopak* had a funding level of 118.3% at year-end 2013. The funding level at 31 December 2014 was calculated preliminary at 117.9%. The fund´s assets are valued at market value, the pension liabilities of the pension fund are calculated according to the requirements of the Financial Assessment Framework.

Pension funds are overseen by the regulator Authority for Financial Markets (AFM) and *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 ratio less than 105%) or the pension fund holds insufficient buffers, the fund must submit a recovery plan to the DNB. At year-end 2014 and 2013, no recovery plans were required.

The assets are managed by independent asset managers that also execute the investment transactions.

Based on the Financial Institutions´ Risk analysis Method (FIRM) 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 through a prudent investment strategy and by close 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. The funding agreement between the pension fund and the employer is currently under review. Until the final outcome of this review, the employer’s contribution is limited to a maximum of 30% of the salary amount.

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 on these plans which were directly recognized in equity through other comprehensive income.

		The Netherlands		Foreign		Total	
in EUR millions	Note	2014	2013	2014	2013	2014	2013
Current service costs		14.5	15.3	5.5	5.1	20.0	20.4
Past service costs and gains (-) and losses from settlements		3.3	-	-	-	3.3	-
Administration costs and taxes		1.0	1.0	-	-	1.0	1.0
Service costs		**18.8**	**16.3**	**5.5**	**5.1**	**24.3**	**21.4**
Net Interest expenses		- 0.1	1.2	1.5	2.1	1.4	3.3
Components of defined benefit costs recorded in profit or loss	2.5	**18.7**	**17.5**	**7.0**	**7.2**	**25.7**	**24.7**
Remeasurement of net defined benefit liability:							
Return on plan assets (excluding interest income on plan assets)		- 112.8	2.0	- 9.1	- 8.9	- 121.9	- 6.9
Actuarial gains (-) and losses from changes in demographic assumptions		6.5	-	5.8	-	12.3	-
Actuarial gains (-) and losses arising from experience		3.1	- 11.4	0.9	- 2.7	4.0	- 14.1
Actuarial gains (-) and losses arising from changes in financial assumptions		229.8	- 25.3	29.6	- 2.2	259.4	- 27.5
Components of defined benefit costs recorded in other comprehensive income		**126.6**	**- 34.7**	**27.2**	**- 13.8**	**153.8**	**- 48.5**
Total of components of defined benefit costs		**145.3**	**- 17.2**	**34.2**	**- 6.6**	**179.5**	**- 23.8**

As per 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. Based on IAS 19, this resulted in a past service cost of EUR 3.3 million.

In 2014, market volatility had a negative impact on the Group's defined benefit plans, which resulted in remeasurement losses of EUR 153.8 million, being recorded in other comprehensive income (net of tax). These remeasurements were mostly the result of lower discount rates, which were partly offset by higher than expected returns.

Change in defined benefit obligation

	The Netherlands		Foreign		Total	
in EUR millions	2014	2013	2014	2013	2014	2013
Defined benefit obligation at 1 January	**856.5**	**885.2**	**181.5**	**184.0**	**1,038.0**	**1,069.2**
Movements:						
Current service costs	14.5	15.3	5.5	5.1	20.0	20.4
Past service costs	3.3	-	-	-	3.3	-
Interest expenses	28.7	28.1	7.8	7.1	36.5	35.2
Actuarial gains (-) and losses from changes in demographic assumptions (remeasurement)	6.5	-	5.8	-	12.3	-
Actuarial gains (-) and losses from experience	3.1	- 11.4	0.9	- 2.7	4.0	- 14.1
Actuarial gains (-) and losses from changes in financial assumptions (remeasurement)	229.8	- 25.3	29.6	- 2.2	259.4	- 27.5
Benefits paid from the pension fund	- 38.2	- 37.6	- 5.3	- 3.6	- 43.5	- 41.2
Benefits paid directly by the employer	-	-	- 1.9	- 1.9	- 1.9	- 1.9
Employees' contributions	1.2	1.2	0.4	0.4	1.6	1.6
Administration costs and taxes	1.0	1.0	-	-	1.0	1.0
Exchange differences	-	-	17.0	- 4.7	17.0	- 4.7
Defined benefit obligation at 31 December	**1,106.4**	**856.5**	**241.3**	**181.5**	**1,347.7**	**1,038.0**
Allocated to the plans' participants:						
Active members	354.3	226.6	113.9	82.5	468.2	309.1
Deferred members	209.2	147.5	49.1	37.3	258.3	184.8
Pensioners	542.9	482.4	78.3	61.7	621.2	544.1
Defined benefit obligation at 31 December	**1,106.4**	**856.5**	**241.3**	**181.5**	**1,347.7**	**1,038.0**

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 major classes of plan assets at 31 December.

	The Netherlands		Foreign		Total	
in EUR millions	2014	2013	2014	2013	2014	2013
Movement in fair value of plan assets						
Fair value of plan assets at 1 January	**846.4**	**834.8**	**134.2**	**120.5**	**980.6**	**955.3**
Movements:						
Interest income	28.8	26.9	6.3	5.0	35.1	31.9
Return on plan assets excluding interest income (remeasurement gains and losses)	112.8	- 2.0	9.1	8.9	121.9	6.9
Employer's contributions	21.4	23.1	8.3	9.1	29.7	32.2
Employees' contributions	1.2	1.2	0.4	0.4	1.6	1.6
Benefits paid	- 38.2	- 37.6	- 7.2	- 5.9	- 45.4	- 43.5
Exchange differences	-	-	13.4	- 3.8	13.4	- 3.8
Fair value of plan assets at 31 December	**972.4**	**846.4**	**164.5**	**134.2**	**1,136.9**	**980.6**
Major classes of plan assets						
AAA	116.9	135.7	7.5	8.1	124.4	143.8
AA	182.3	124.9	11.2	8.4	193.5	133.3
A	136.1	131.4	40.0	30.0	176.1	161.4
BBB and lower	145.7	119.0	34.1	28.1	179.8	147.1
Not rated	38.0	54.7	1.2	1.3	39.2	56.0
Bonds	**619.0**	**565.7**	**94.0**	**75.9**	**713.0**	**641.6**
- Europe	81.5	84.6	35.6	32.9	117.1	117.5
- North America	120.7	62.3	27.4	18.8	148.1	81.1
- Asia-Pacific	40.2	32.0	1.8	2.1	42.0	34.1
- Emerging markets	64.4	56.5	0.2	0.3	64.6	56.8
Equity instruments	**306.8**	**235.4**	**65.0**	**54.1**	**371.8**	**289.5**
- Europe	32.6	18.7	5.5	4.2	38.1	22.9
Real estate	**32.6**	**18.7**	**5.5**	**4.2**	**38.1**	**22.9**
- Interest rate swaps	18.5	24.9	-	-	18.5	24.9
- Forward foreign exchange contracts	- 4.5	1.7	-	-	- 4.5	1.7
Derivatives	**14.0**	**26.6**	**-**	**-**	**14.0**	**26.6**
Fair value of plan assets at 31 December	**972.4**	**846.4**	**164.5**	**134.2**	**1,136.9**	**980.6**

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 Koninklijke Vopak N.V., 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 2014 is as follows:

In EUR millions	2015	2016	2017	2018	2019	2020+	Total
Undiscounted pension benefits	44.4	44.1	43.5	44.3	45.2	2,005.8	2,227.3

The total employer's contribution for defined benefit plans declined from EUR 32.2 million in 2013 to EUR 29.7 million in 2014. Based on the latest funding agreements, the total employer's contribution is expected to increase with approximately EUR 2.3 million in 2015.

Assumptions and sensitivity analysis

	The Netherlands		Foreign		Total	
	2014	2013	2014	2013	2014	2013
Assumptions based on weighted average at 31 December						
Discount rate on net liability	2.11%	3.43%	3.44%	4.23%	2.35%	3.57%
Expected general salary increase	3.00%	3.00%	4.04%	4.01%	3.19%	3.18%
Expected price index increase	2.00%	2.00%	3.03%	3.00%	2.19%	2.18%
Life expectancy in years:						
Age 65 for men	21.3	22.1	22.0	21.0		
Age 65 for women	23.5	23.8	24.6	23.4		
Age 65 in 20 years for men	23.6	23.7	24.2	22.5		
Age 65 in 20 years for women	25.7	24.7	26.9	24.7		

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 the purposes of turnover and disability assumptions.

The liabilities and pension charges related to the defined benefit schemes 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%	258.5	- 198.8
Salary growth	0.25%	1.4	- 4.3
Discount rates	1.0%	- 219.9	287.4
Life expectation	1 year	46.0	NA

The sensitivity analysis is based on realistically possible changes as of 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 increase from EUR 25.7 million in 2014 to approximately EUR 37.1 million in 2015, mainly due to lower discount rates.

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 bases its assessment, among other, 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 possible of 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	7.8	14.7	22.5
Current liabilities	2.6	13.0	15.6
Balance at 1 January 2014	**10.4**	**27.7**	**38.1**
Movements:			
Additions	1.0	13.3	14.3
Acquisitions	1.9	-	1.9
Withdrawals	- 1.0	- 9.4	- 10.4
Releases	-	- 6.2	- 6.2
Reclassification to held for sale	- 0.1	-	- 0.1
Interest accrual	0.6	0.3	0.9
Exchange differences	0.4	0.3	0.7
Balance at 31 December 2014	**13.2**	**26.0**	**39.2**
Non-current liabilities	8.3	10.7	19.0
Current liabilities	4.9	15.3	20.2
Balance at 31 December 2014	**13.2**	**26.0**	**39.2**
Expected withdrawals			
< 1 year	4.9	15.3	20.2
2nd year	2.9	5.0	7.9
3rd year	2.1	0.5	2.6
4th year	0.9	-	0.9
5th year	0.5	0.1	0.6
> 5th year	1.9	5.1	7.0
Total	**13.2**	**26.0**	**39.2**

Vopak is obliged to clean up the soil 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. In 2014, this has led to an addition to the provision for environmental risks of EUR 1.0 million and a withdrawal of EUR 1.0 million. These movements were recognized in the statement of income under Other operating expenses.

The release in the other provisions for EUR 3.6 million relates to one of our idled terminals in Australia where recent events led to a situation where we estimate that there is a high probability that a situation will result in which we are no longer obligated to demolish and remove the remaining terminal assets.

Other includes an amount of EUR 1.0 million for the 2014 Cash Plan (see note 6.2), EUR 1.0 million for the cash-settled share-based payment of the LTSP 2014 (see note 1 to the first table of note 6.2) and EUR 13.2 million relating to claims and damages related to insurances. Furthermore, other provisions also contain an amount of EUR 2.1 million relating to the strategic realignment of the company. On balance EUR 9.1 million was added for expected claims in 2014.

Note 8.6 Operating leases

The amounts due in respect of non-cancellable operating leases are as follows:

In EUR millions	2014	2013
Less than 1 year	60.2	52.6
Between 1 and 5 years	215.6	176.4
More than 5 years	586.0	356.3
Total	**861.8**	**585.3**

The lease amounts due are mainly in respect of the leasehold on land and the lease of buildings.

In 2014, EUR 60.5 million was recognized as expenses in the statement of income relating to operating leases (2013: EUR 59.4 million).

Note 8.7 Investment commitments undertaken

The investment commitments undertaken amount to EUR 224.5 million as at 31 December 2014 (2013: EUR 212.9 million), related primarily 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 regards to its joint ventures and associates:

	Joint ventures		Associates		Total	
In EUR millions	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
Commitments to provide debt or equity funding	9.9	39.0	279.7	20.1	289.6	59.1
Guarantees and securities provided	133.6	148.9	-	-	133.6	148.9

The notional amount of guarantees and securities provided on behalf of participating interests in joint ventures and associates decreased from EUR 123.7 million at 31 December 2013 to EUR 108.5 million at 31 December 2014. Of this amount EUR 0.7 million is recognized in the statement of financial position (2013: EUR 0.7 million). The decrease is mainly due to the fulfillment of certain conditions precedent for the limited recourse project financing of the terminal in Pengerang (Malaysia).

The commitments for associates mainly relate to the construction of the industrial terminal 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, based on information currently available, the provisions are adequate. However, given the degree of difficulty in making estimates, this does not guarantee that no additional costs will arise.

Claim related to LNG Terminal Altamira

On 15 October 2014, LNG Terminal Altamira, Mexico (Royal Vopak (60%) and Enagas S.A. (40%)) received an official letter from the Comisión Nacional del Agua. This government agency assesses a substantial amount for presumed non-compliance with certain reporting requirements and alleged environmental contamination of seawater used as heating water for the regasification process during a defined period prior to the acquisition of the terminal by the current joint venture partners.

On 27 November 2014, an administrative recourse proceeding was filed before the General Legal Under Directorate of the National Water Commission against the resolution. Based on the technical design of the terminal, management considers the allegation related to the environmental contamination of the heating water to be unfounded as the water is nowhere in the terminal in contact with LNG or other substances and therefore cannot be contaminated as supported by an independent expert's opinion about its own regasification process.

Legal counselors consider that at this stage of the proceeding, there is a high probability for success. This could be increased based on an eventual challenge before the Federal Tribunal of Fiscal and administrative Justice, since, besides the fact that additional defense arguments would be presented, an independent body of the authority would be resolving the litigation proposed. Therefore, no provision for the claimed amount has been booked as of 31 December 2014 at the joint venture level.

Vopak and Enagas have notified the previous owners of the terminal under the share purchase agreement in relation to any liability that might be established. Vopak as shareholder of the joint venture is not liable for this claim.

Other legal proceedings

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 it is not probable that the final outcome will result in a cash outflow, therefore no provisions have been formed.

Note 8.9 Financial assets and liabilities and credit risk

Financial assets and liabilities

		Carrying amount		Fair value	
In EUR millions	Note	2014	2013	2014	2013
Other financial assets		0.9	0.7	0.9	0.7
Currency derivatives		17.1	- 79.9	17.1	- 79.9
Interest rate derivatives		- 125.6	- 64.8	- 125.6	- 64.8
Financial instruments at fair value		**- 107.6**	**- 144.0**	**- 107.6**	**- 144.0**
Loans granted	8.2	34.2	26.2	34.2	26.2
Trade and other receivables	4.2	263.9	312.2	263.9	312.2
Cash and cash equivalents	5.5	182.0	178.7	182.0	178.7
Finance lease receivable	8.2	34.4	-	34.4	-
Loans and receivables		**514.5**	**517.1**	**514.5**	**517.1**
Bank overdrafts and short-term borrowings	5.5	- 112.3	- 7.4	- 112.3	- 7.4
US Private Placements	5.5	- 1,702.3	- 1,506.9	- 1,853.1	- 1,563.9
SGD Private Placements	5.5	- 140.3	- 250.2	- 151.3	- 269.7
JPY Private Placement	5.5	- 138.1	- 137.8	- 162.6	- 137.9
Bank loans	5.5	- 87.4	- 80.5	- 87.7	- 81.1
Credit facility and other long-term loans	5.5	- 267.9	- 20.6	- 267.9	- 20.6
Trade creditors	4.3	- 51.8	- 44.2	- 51.8	- 44.2
Other creditors	4.3	- 145.6	- 153.8	- 145.6	- 153.8
Other financial liabilities		**- 2,645.7**	**- 2,201.4**	**- 2,832.3**	**- 2,278.6**
Net at amortized cost		**- 2,131.2**	**- 1,684.3**	**- 2,317.8**	**- 1,761.5**
Standby credit facility	5.5			750.0	1,000.0
Standby bank facility				135.0	200.0
Unrecognized financial instruments				**885.0**	**1,200.0**

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 to sell 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 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 507.6 million (2013: EUR 539.0 million), and the credit replacing guarantees amounting to EUR 108.5 million (2013: EUR 123.7 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 with 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 2014, the maximum risk in the event of the default of a single financial institution amounted to EUR 84.6 million (2013: EUR 45 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 2014, the derivatives with a counterparty credit risk amounted to EUR 27.5 million (2013: EUR 0.2 million).

Assessing the financial positions of counterparties is part of our credit management and tendering process, but cannot exclude all credit risk.

Note 8.10 New standards and interpretations not yet implemented

In May 2014, the IASB published IFRS 15 'Revenue from contracts with customers'. 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 2017 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 are limited.

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

There are no other new standards, amendments to existing standards or new IFRIC interpretations that are not yet effective that are expected to have a material impact on the 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

Finland
Vopak Chemicals Logistics Finland Oy

The Netherlands
Vopak Nederland B.V.
Vopak Finance B.V.
Vopak Terminal Vlissingen B.V.
Vopak Terminal Amsterdam Westpoort B.V.
Vopak Agencies Amsterdam B.V.
Vopak Agencies Rotterdam B.V.
Vopak Agencies Terneuzen B.V.
Vopak Chemicals Logistics Netherlands B.V.
Vopak LNG Holding B.V.
Vopak EMEA B.V.
Vopak Global Information Services B.V.
Vopak Global Procurement Services 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.

South Africa
Vopak Terminal Durban (Pty) Ltd. (70%)

Spain
Vopak Terminal Algeciras S.A. (80%)

Sweden
Vopak Sweden AB

Switzerland
Monros AG

United Kingdom
Vopak Terminal London Limited B.V.
Vopak Terminal Purfleet Ltd.
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%)[2]
Vopak Terminal Penjuru Pte. Ltd. (69.5%)[3]
Vopak Gas Terminal LLP (80%)[4]

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.

[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

Mexico
Vopak Mexico SA de CV

Panama
Vopak Panama Atlantic Inc.

United States
Vopak North America Inc.
Vopak Terminals North America Inc.
Vopak Terminal Deer Park Inc. Vopak
Terminal Galena Park Inc. Vopak
Terminal Savannah Inc.
Vopak Terminal Wilmington Inc.
Vopak Terminal Los Angeles Inc.
Vopak Terminal Long Beach Inc.
Vopak Terminal Perth Amboy LLC

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 (47.63%)
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 Bohai Petrochemicals (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. (89.8%)[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%)

[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. 89.8% ownership in Pengerang Independent Terminals Sdn. Bhd.
[4] Vopak Terminals Singapore Pte. Ltd. 45% ownership in Banyan Cavern Storage Services Pte. Ltd.

ASSOCIATES

China
Zhangzhou Gulei Haiteng Jetty Investment and Management Co. Ltd. (30%)

Malaysia
Pengerang Terminals (Two) Sdn. Bhd. (25%)

Saudi Arabia
Jubail Chemicals Storage & Services Company LLC (25%)

The Netherlands
Maasvlakte Olie Terminal N.V. (16.67%)

Note 8.12 Subsequent events

- On 5 January 2015, Vopak announced that it has received confirmation from the Rotterdam District Court that no opposition has been filed against the cancellation of all outstanding financing preference shares.
  The cancellation of all 41.4 million outstanding financing preference shares amounting to of EUR 44 million, as announced in Vopak's press release of 20 August 2014, took effect on 1 January 2015.
- On 22 January 2015, Vopak announced that it has sold its land position in Turkey. This plot of land was already classified as 'held for sale' in prior reporting periods. The divestment is part of the divestment program, as announced on 2 July 2014.
- On 10 February 2015, Vopak announced that it has entered into a binding agreement to sell three wholly owned terminals and its plot of land in the United States. This is in line with Vopak's strategic priorities, which was announced on 2 July 2014. The terminals involved are: Vopak Terminal North Wilmington and Vopak Terminal South Wilmington, both located in the state of North Carolina, and Vopak Terminal Galena Park, located in the state of Texas. The plot of land is located in Perth Amboy in the state of New Jersey.
  The completion of this divestment is subject to certain customary closing conditions and is expected to be finalized by the end of Q1 2015.

Company Financial Statements

Company Statement of Income

In EUR millions	2014	2013
Profit of participating interests after tax	331.4	395.8
Other results after tax	- 81.0	- 77.3
Net Profit	**250.4**	**318.5**

Company Statement of Financial Position before Profit Appropriation

In EUR millions	Note	31-Dec-14	31-Dec-13
Participating interests in group companies	2	2,680.2	2,408.0
Loans granted	3	1,306.9	1,450.8
Derivative financial instruments	6	19.4	12.9
Deferred taxes		48.3	13.3
Total non-current assets		**4,054.8**	**3,885.0**
Trade and other receivables		0.2	1.6
Taxes receivable		2.7	2.9
Prepayments		2.7	1.4
Derivative financial instruments	6	6.3	3.3
Cash and cash equivalents		19.2	48.7
Total current assets		**31.1**	**57.9**
Bank overdrafts		7.1	0.2
Interest-bearing loans	5	64.6	123.0
Derivative financial instruments	6	5.0	6.7
Taxes payable		1.0	0.4
Trade and other payables		63.6	55.9
Pension and other employee benefits	7	1.5	1.5
Total current liabilities		**142.8**	**187.7**
Current assets less current liabilities		**- 111.7**	**- 129.8**
Total assets less current liabilities		**3,943.1**	**3,755.2**
Interest-bearing loans	5	1,915.3	1,770.0
Derivative financial instruments	6	125.8	156.7
Pension and other employee benefits	7	138.8	16.3
Provisions		5.0	2.7
Non-current liabilities		**2,184.9**	**1,945.7**
Share capital		63.9	84.6
Share premium		194.4	215.2
Statutory reserve for participating interests	4	220.7	191.8
Translation reserve		15.3	- 27.0
Revaluation reserve derivatives		- 164.5	- 95.8
Revaluation reserve assets		4.9	5.1
Transaction reserve non-controlling interest		1.3	1.3
Other reserves	4	1,171.8	1,115.8
Unappropriated profit	4	250.4	318.5
Shareholders' equity		**1,758.2**	**1,809.5**
Total		**3,943.1**	**3,755.2**

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	2014	2013
Carrying amount at 1 January	**2,408.0**	**2,162.1**
Investments	37.4	250.0
Disposal	- 16.4	-
Dividend	- 153.9	- 331.7
Exchange differences	116.0	- 101.7
Hedging	- 22.8	24.8
Unrealized actuarial gains and losses	- 27.2	13.8
Tax on unrealized actuarial gains and losses	7.7	- 5.1
Profit	331.4	395.8
Carrying amount at 31 December	**2,680.2**	**2,408.0**

Note 3. Loans granted

In EUR millions	2014	2013
Carrying amount at 1 January	**1,450.8**	**1,409.8**
Loans granted	380.1	542.7
Repayments	- 521.7	- 500.9
Exchange differences	- 2.3	- 0.8
Carrying amount at 31 December	**1,306.9**	**1,450.8**

At 31 December 2014, loans granted did not include any subordinated loans (2013: 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 2014 and 2013 are shown in the following tables.

Statutory reserve for participating interests

In EUR millions	2014	2013
Carrying amount at 1 January	**191.8**	**204.5**
Donation from Other reserves	28.9	-
Release to Other reserves	-	- 12.7
Carrying amount at 31 December	**220.7**	**191.8**

Other reserves

In EUR millions	2014	2013
Carrying amount at 1 January	**1,115.8**	**855.8**
Profit appropriation from Unappropriated profit	198.0	212.8
Remeasurement of defined benefit plans	- 114.4	34.7
Release revaluation reserve assets	0.2	0.2
Capital reduction	- 0.7	-
Acquisition non-controlling interest subsidiaries	- 2.4	-
Sale treasury shares	2.9	-
Measurement of equity-settled share-based payment arrangements	1.0	- 0.4
Vested shares under equity-settled share-based payment arrangements	0.3	-
Donation from Statutory reserves	-	12.7
Release to Statutory reserves	- 28.9	-
Carrying amount at 31 December	**1,171.8**	**1,115.8**

Unappropriated profit

In EUR millions	2014	2013
Carrying amount at 1 January	**318.5**	**333.1**
Profit appropriation to Other reserves	- 198.0	- 212.8
Dividend in cash	- 120.5	- 120.3
Profit for the year	250.4	318.5
Carrying amount at 31 December	**250.4**	**318.5**

After adjustment for the legal reserves at 31 December 2014, a total of EUR 1,257.7 million (2013: EUR 1,311.5 million) is distributable from other reserves and unappropriated profit for 2014.

Note 5. Interest-bearing loans

	Nominal value in EUR millions		> 5 years in EUR millions		Average term in years		Average interest in %	
	2014	2013	2014	2013	2014	2013	2014	2013
Current portion	64.6	123.0						
Non-current portion	1,915.3	1,770.0						
Total	**1,979.9**	**1,893.0**	**1,465.9**	**1,461.7**	**8.9**	**9.4**	**4.3**	**4.3**

Note 6. Derivative financial instruments

In EUR millions	Maturity	31 December 2014 Assets [1]	Liabilities [1]	Notional amount	31 December 2013 Assets [1]	Liabilities [1]	Notional amount
Forward foreign currency contracts [2]	< 1 year	0.4	4.0	301.7	1.4	-	138.1
Total net investment hedges		**0.4**	**4.0**	**301.7**	**1.4**	**-**	**138.1**
Forward foreign currency contracts	< 1 year	2.1	1.0	135.1	0.7	0.2	110.8
Cross currency swaps [3]	< 1 year	3.7	-	58.2	-	6.4	113.4
Cross currency swaps [3]	1-5 years	24.6	-	388.7	-	7.6	134.6
Cross currency swaps [3]	> 5 years	29.2	35.3	529.9	-	72.1	762.5
Total derivatives – no hedge accounting		**59.6**	**36.3**	**1,111.9**	**0.7**	**86.3**	**1,121.3**
Cross currency interest rate swaps [4]	< 1 year	0.1	-	58.2	0.4	0.1	113.4
Cross currency interest rate swaps [4]	1-5 years	0.4	13.0	388.7	11.9	0.9	134.5
Cross currency interest rate swaps [4]	> 5 years	-	112.3	529.8	1.0	76.1	762.5
Total cash flow hedges		**0.5**	**125.3**	**976.7**	**13.3**	**77.1**	**1,010.4**
Interest rate swaps [5]	< 1 year	-	-	-	0.8	-	57.5
Interest rate swaps [5]	1-5 years	-	-	-	-	-	-
Total fair value hedge		**-**	**-**	**-**	**0.8**	**-**	**57.5**
Total derivative financial instruments		**60.5**	**165.6**	**2,390.3**	**16.2**	**163.4**	**2,327.3**
Currency derivative financial instruments		60.0	40.3		2.1	86.3	
Interest derivative financial instruments		0.5	125.3		14.1	77.1	
Total derivative financial instruments		**60.5**	**165.6**		**16.2**	**163.4**	
Offsetting		- 34.8	- 34.8		-	-	
Total		**25.7**	**130.8**		**16.2**	**163.4**	
Non-current		19.4	125.8		12.9	156.7	
Current		6.3	5.0		3.3	6.7	
Total		**25.7**	**130.8**		**16.2**	**163.4**	

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 (2014: USD 1.1 billion and JPY 16 billion; 2013: USD 1.1 billion, JPY 16 billion, SGD 60 million) on fixed debt denominated in foreign currency.
4. Cross currency swaps are used to hedge future cash flow interest rate risks (2014: USD 1.1 billion and JPY 16 billion; 2013: USD 1.1 billion, JPY 16 billion, SGD 60 million) on fixed debt denominated in foreign currency.
5. Interest rate swaps accounted for as fair value hedges are used to convert fixed debt to floating debt (2013: SGD 100 million).

Note 7. Pension and other employee benefits

Specification of pension and other employee benefits provisions:

In EUR millions	2014	2013
Present value of funded defined benefit obligation	1,106.4	856.5
Fair value of plan assets	- 972.4	- 846.4
Total deficit of defined benefit plans	**134.0**	**10.1**
Net pension obligations under defined contribution plans	6.3	7.7
Net pension obligations recognized at 31 December	**140.3**	**17.8**
Non-current liabilities	138.8	16.3
Current liabilities	1.5	1.5
Net pension obligations recognized at 31 December	**140.3**	**17.8**

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 section of the Remuneration report marked with 'audited'.

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 148.0 million (2013: EUR 162.4 million). Guarantees and security provided on behalf of group companies amounted to EUR 53.0 million (2013: EUR 47.1 million).

Joint and several liability undertakings for an amount of EUR 130.0 million (2013: EUR 130.0 million) were issued for bank credits granted to Royal Vopak. Furthermore, joint and several liability undertakings for an amount of EUR 79.8 million (2013: EUR 84.2 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, 26 February 2015

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
Chun Kai Lam
R.G.M. Zwitserloot

Executive Board declaration

In-control statement

In the Risks and risk management 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 2014 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 continue to further improve and optimize our internal risk management and control procedures.

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 give a true and fair view of the Group's assets, liabilities, financial position and profit or loss
- The Annual Report ('Jaarverslag') 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
- The Executive Board report includes a description of the main risks the company faces

Rotterdam, 26 February 2015

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 annual general meeting and supervisory board of Koninklijke Vopak N.V.

Report on the financial statements 2014

Our opinion

In our opinion:
- the consolidated financial statements give a true and fair view of the financial position of Koninklijke Vopak N.V. and its subsidiaries as at 31 December 2014 and of its result and cash flows for the year then ended 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 2014 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2014 of Koninklijke Vopak N.V., Rotterdam ('the company'). The financial statements include the consolidated financial statements and the company financial statements.

The consolidated financial statements comprise:
- the consolidated statement of financial position as at 31 December 2014;
- the following statements for 2014: the consolidated statement of income and the consolidated statements of comprehensive income, changes in equity and cash flows; and
- the notes, comprising a summary of significant accounting policies and other explanatory information.

The company financial statements comprise:
- the company statement of financial position as at 31 December 2014;
- the company statement of income for the year then ended; and
- the notes, comprising a summary of the accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

The 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 requirements in the Netherlands. Furthermore, we have complied with the *Verordening gedrags- en beroepsregels accountants* (VGBA).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where management made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. Apart from the key audit matters, which will be explained in the table below, other points of focus in our audit included, among others, the evaluation of the assumptions and methodologies used by management in assessing the useful lives and residual values of property, plant and equipment, fair values of derivatives and related hedge accounting, tax losses carried forward and uncertain tax positions as well as liabilities for pensions and other employee benefit obligations. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the management that may represent a risk of material misstatement due to fraud.

Materiality

- Overall materiality: EUR 18.8 million which is 5% of profit before tax.

Audit scope

- Our audit covered all significant reporting units within the group.
- Each significant reporting unit is audited by a local engagement team.
- The group engagement team audited, among others, the parent company financial statements, the consolidation, financial statement disclosures and complex or significant accounting positions taken by the company.
- In addition, the group engagement team monitored the quality and execution of the work performed by the local engagement teams through a review of periodic reports and site visits.

Key audit matters

- Impairment testing of terminal assets and joint ventures.
- Accounting for terminal acquisitions.
- Accounting for divestments and assets held for sale classification.
- Appropriately adopting IFRS 10, 11 and 12.

Materiality

The scope of our audit is influenced by the application of materiality. Our audit opinion aims to provide reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on our opinion.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

• *Overall group materiality*	EUR 18.8 million (2013: EUR 21.0 million).
• *How we determined it*	5% of profit before tax.
• *Rationale for benchmark applied*	We have applied this benchmark, a generally accepted auditing practice, based on our analysis of the company's stakeholders and in the absence of indicators that an alternative benchmark would be more appropriate.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the supervisory board that we would report to them misstatements identified during our audit above EUR 940,000 (2013: EUR 1.0 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

The scope of our group audit

Koninklijke Vopak N.V. is the parent of a group of entities. The financial information of this group is included in the consolidated financial statements of Koninklijke Vopak N.V.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the geographic and management structure of the group, the accounting processes and controls and the tank storage industry in which the group operates.

The group is structured along four divisions being the Netherlands, Asia, Americas, EMEA 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 centralised 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 PwC network firms and by component auditors from non-PwC 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 higher level procedures would be sufficient. Those where a complete audit was required included the three largest (sub-consolidated) reporting units (the Netherlands, Singapore and North America), because they each make up more than 10% of the group's revenue or underlying profits. We included a further four reporting units to have audit coverage on the group's investments in joint ventures (Estonia, Fujairah, Shanghai and Mexico), another reporting unit to cover a geographic spread across the four divisions, three additional reporting units as a consequence of our consultations with the supervisory board and management, and performed specified procedures on thirteen reporting units to cover specific balances, including but not limited to the group's financial reporting of investments in joint ventures and associates. The reporting units in scope collectively cover 75% of revenues (note 2.3), 74% of property, plant and equipment (note 3.3) and 75% of joint ventures and associates (note 3.4). In addition, we performed higher level 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 IT, derivative financial instruments, hedge accounting, pensions and share-based payments. The group engagement team also visited four businesses in four countries (the Netherlands, Singapore, North America and Malaysia) to direct the planning, review the work undertaken and assess the findings.

By performing the procedures above at the terminal locations, combined with additional procedures at group level, we have obtained sufficient and appropriate audit evidence regarding the financial information of the group to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the supervisory board, but they are not a comprehensive reflection of all matters that were identified by our audit and that we discussed. We described the key audit matters and included a summary of the audit procedures we performed on those matters.

The key audit matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the matter
Impairment testing of terminal assets and joint ventures The group operates tank storage terminals in 80 locations, of which 52 locations are under group control with a total carrying value of property, plant and equipment of EUR 3,622.4 million (note 3.3), the other 28 locations are under joint control or significant influence, with a total carrying value of EUR 942.2 million (note 3.4). In 2014 the group impaired assets totalled to EUR 52.7 million, which includes the effect of cancelled construction projects (note 3.7). This area is significant to our audit as the size of the carrying values of these assets and recoverability of these invested amounts requires significant management judgement. For operational terminals such judgement focuses predominantly on future contractual revenue, which is, among others, dependent on the continued attractiveness of the terminal location for users along the major shipping routes and local market circumstances. For Greenfield terminal projects, such judgement focuses on whether the carrying values of these terminals under construction will still be recovered through the anticipated operating cash flows, or when decided by management to divest, through divestment proceeds, none of which are yet sufficiently committed at 31 December 2014. In view of these uncertainties, the company has provided disclosures for its key accounting estimates and sensitivities in note 3.7 of the financial statements.	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 operational terminal locations that triggered management's impairment testing, we reconciled the recoverable amounts to cash flow forecasts as included in the terminal master plans (value-in-use) or in certain situations to market multiples from recent tank terminal sales transactions in the region (fair value less cost to sell). For the values-in-use we challenged management's primary cash flow assumptions and corroborated them by comparison to commercial contracts and inquiries as included in the group's client management portal, available market reports and historic trend analyses. Further, we involved our valuation experts to analyse the weighted average cost of capital by country as applied by the group. We also audited the related financial statement disclosures made in note 3.7. For the Greenfield terminal projects we have inquired into the status of each project and management's future intended use. We also corroborated management's representations, among others, with forecasts, correspondence, minutes of board meetings, as well as letters of intent and non-binding sales agreements with unrelated parties in the event of potential divestments. 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.
Accounting for terminal acquisitions Acquisition of terminals during 2014 added 1,399,000 cubic meters of storage capacity to the group's terminal network. On 27 March 2014, the group completed the 100% acquisition of two distribution terminals in Canada which have a combined storage capacity of 509,000 cubic meters (note 3.1). On 28 September 2014 the group finalised the acquisition of its 30% equity stake in an industrial terminal in Gulei, China, which has a storage capacity of 890,000 cubic meters (note 3.4). The accounting for these acquisitions requires a significant amount of management estimation. The key judgements relate to the allocation of the purchase price to the terminals assets and liabilities acquired and adjustments made to align accounting policies. The group completed the acquisition accounting of both transactions in 2014.	Our audit procedures included, among others, reconciling the purchase consideration to share purchase agreements and involving our valuation experts to support us in our audit of the allocation of this purchase consideration. This includes, among others, reconciling balances to reports from external valuators, reviewing valuation models used and assessing the completeness of assets and liabilities identified. We also performed audit work on the opening balance sheets and assessed other accounting aspects including the adjustments made to align accounting policies with those of the group and the financial statement disclosures made in note 3.1.
Accounting for divestments and assets held for sale classification The company has updated its terminal portfolio criteria for its existing terminals. This has led to the 2014 initiation of a divestment programme of around 15 smaller terminals, approximately contributing 4% to consolidated annual EBITDA. In this context, 2 operational terminals and 2 plots of land have been classified as 'held for sale' as at 31 December 2014. Specific disclosures have been included in note 3.5 and 3.7 of the financial statements presenting net assets held for sale of EUR 99.6 million. Assessing the recoverability of the carrying value of the 'to be' divested terminals and plots of land, and their presentation as 'held for sale' (or not) requires management's judgement depending on buyer interest and the status of in-progress sales negotiations as at 31 December 2014.	For the terminals yet to be divested, we have tested management's assessment whether the recognised values are recoverable or whether an impairment is required. Further, we considered whether the pending sales negotiations met the 'highly probable' threshold of IFRS 5 – *Non-Current Assets Held for Sale and Discontinued Operations* as at 31 December 2014 to assess whether or not these terminals are correctly presented as either assets 'held for sale' or continuing-in-use in the financial statements 2014. For this purpose we have inquired into the status of each transaction and in the event of a pending sales process, subsequently corroborated management's representation with correspondence, letters of intent and (binding) sales agreements with unrelated parties
Appropriate adoption of IFRS 10, 11 and 12 The group adopted IFRS 10 - *Consolidated Financial Statements*, IFRS 11 - *Joint Arrangements* and IFRS 12 - *Disclosures of Interests in Other Entities* starting 1 January 2014. The standards reinforce the principles for determining when an investor controls another entity, amend in certain cases the accounting for joint arrangements and introduce changes to certain disclosures. Considering the group's business model, which includes many interests in joint ventures and associates, these accounting standards require substantial re-evaluation efforts for the joint arrangements as well as incremental new disclosures in the financial statements to specify the nature of, and risks associated with, the group's investments in joint ventures and associates as well as the effects of those interests on the group's financial position, financial performance and cash flows. The changes and amendments of these accounting standards are incorporated in notes 1.1 and 3.4 to the financial statements.	We have assessed management's position of the impact and subsequent application of these standards with support from our IFRS experts. This assessment included our reading of joint arrangement contracts to determine, among others, whether these joint arrangements classify as joint ventures or joint operations for accounting purposes as defined by IFRS 11 - *Joint Arrangements*. We audited the group's complete disclosure of the nature and risks associated with the joint ventures and associates, and the effect of these investments on the company's financial position, financial performance and cash flows as defined by IFRS 12 - *Disclosures of Interests in Other Entities*.

Responsibilities of the management and the supervisory board

Management is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the Executive Board report in accordance with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as management determines is necessary to enable the preparation of 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 frameworks 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 responsibility is to plan and perform an audit engagement to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our audit has been performed with a high but not absolute level of assurance which makes it possible that we did not detect all frauds or errors.

A more detailed description of our responsibilities is set out in the appendix to our report.

Report on other legal and regulatory requirements

Our report on the Executive Board report and the Other information

Pursuant to the legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the Executive Board report and the Other information):

- We have no deficiencies to report as a result of our examination whether the Executive Board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this 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 Executive Board report, to the extent we can assess, is consistent with the financial statements.

Our appointment

We were appointed as auditors for the audit of the 2014 financial statements of Koninklijke Vopak N.V. at the annual meeting held on 24 April 2013. We have been the auditor of the company for an uninterrupted period of 12 years.

Rotterdam, 26 February 2015
PricewaterhouseCoopers Accountants N.V.
Originally signed by M. de Ridder RA

Appendix to our auditor's report on the financial statements 2014 of Koninklijke Vopak N.V.

In addition to what is included in our auditor's report we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Our audit consisted, among others of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the supervisory board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Independent assurance report

To: the Executive Board of Koninklijke Vopak N.V.

The Executive Board of Koninklijke Vopak N.V. ('the Company') engaged us to provide limited assurance on certain information ('the Sustainability Information') in the Annual Report 2014 (leading to a 'conclusion'). We believe these procedures fulfil the rational objective as disclosed by the Company in the section 'Sustainability Reporting Scope'.

Our conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Information for the year ended 31 December 2014 does not provide a reliable and appropriate presentation of the Company's policy for sustainable development, or of the activities, and performance of the organisation relating to sustainable development during the reporting year, in accordance with the Company's reporting criteria.

This conclusion is to be read in the context of the remainder of our report.

The basis for our conclusion

What we are assuring

We have reviewed the Sustainability Information in the Chapter 'Sustainability' of the Annual Report 2014 (hereafter: 'the Report') of Koninklijke Vopak N.V., Rotterdam. This Report comprises a representation of the policy, the activities, and performance of the Company relating to sustainable development during the reporting year 2014. The disclosures made by management with respect of the scope of the Report are included in the section 'Sustainability Reporting Scope'.

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 exhaustive gathering of evidence as in engagements focused on obtaining reasonable assurance through audit procedures. The procedures performed consisted primarily of making inquiries of management and others within the entity, as appropriate, applying analytical procedures and evaluating the evidence obtained. Consequently, a review engagement provides less assurance than an audit.

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 it may be uncertain. We do not provide any assurance on the assumptions and feasibility of this prospective information.

Reporting criteria

The Company developed its sustainability reporting criteria on the basis of the G4 Guidelines of the Global Reporting Initiative (GRI), which are disclosed together with detailed information on the reporting scope in the section 'Sustainability Reporting Scope'. We consider the sustainability reporting criteria to be relevant and appropriate for our review.

Understanding reporting and measurement methodologies

The information in the scope of this engagement needs to be read and understood together with the reporting criteria, for which the Company is solely responsible for selecting and applying. The absence of a significant body of established practice on which to draw, to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Our assurance approach

Materiality

We set thresholds for materiality at the planning stage and reassessed them during the engagement. These helped us to determine the nature, timing and extent of our procedures and to evaluate the effect of identified misstatements on the information presented, both individually and in aggregate. Based on our professional judgement, we determined specific materiality levels for each element of the Sustainability Information.

Areas of particular focus

The areas of particular focus that, in our professional judgment, were of most significance in the assurance engagement of the Sustainability Information, including the allocation of our resources and effort, are identified below together with an explanation of how we tailored our procedures to address these specific matters. This is not a complete list of all risks and/or matters identified by our work.

We have communicated the areas of particular focus with the Executive Board. These areas were addressed in the context of our assurance engagement of the Sustainability Information as a whole, and in forming our opinion thereon. We do not provide a separate opinion on these areas of particular focus.

Transition to the GRI G4 reporting guidelines	In 2014, the Company updated its reporting criteria to the GRI G4 guidelines. GRI G4 requires the Company to focus its reporting on those topics most relevant to its stakeholders. Our assurance approach for the Sustainability Information focused specifically on the Company's process of identifying material topics, and the inclusion of those material aspects in the Report. We have reviewed the materiality assessment process, as well as the outcome of the assessment. We have reviewed whether the identified material topics have been appropriately addressed in the Sustainability Information.
Control environment regarding sustainability reporting	A control framework is in place but implementation thereof is at different maturity levels in the organisation. Our assurance approach of the Sustainability Information focused more on substantive procedures and less on internal controls reliance. As part of our assurance procedures we traced reported information back to underlying source documentation, reperformed calculations and assessed estimates by challenging underlying assumptions and comparing estimates with actual data for comparable periods.

Work done

We are required to plan and perform our work in order to consider the risk of material misstatement of the Report.

Our main procedures included the following:

- performing an external environment analysis and obtaining insight into the industry, relevant social issues, relevant laws and regulations and the characteristics of the organisation;
- assessing the acceptability of the reporting policies and consistent application of this, as among others an assessment of the outcomes of the stakeholder dialogue and the process for determining the material subjects, the reasonableness of estimates made by management, as well as evaluating the overall presentation of the Sustainability Information;
- understanding the systems and processes for data gathering, internal controls and processing of other information, such as the aggregation process of data to the information as presented in the Sustainability Information;
- inquiries with management and relevant staff at corporate, division and local level responsible for the sustainability strategy and policies;
- inquiries 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;
- assessing the consistency of the Sustainability Information and the information in the Report not in scope for this assurance report;
- assessing whether the Sustainability Information has been prepared 'in accordance' with the Sustainability Reporting Guidelines Comprehensive version G4 of GRI.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Professional and ethical standards applied

We conducted our assurance engagement in accordance with Dutch law, including Standard 3810N 'Assurance engagements relating to sustainability reports' (hereafter 'Standard 3810N'). Our responsibilities under this standard are further described in the 'Our responsibilities' section of this report.

We are independent of the Company 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) and other relevant regulations.

Responsibilities

The Executive Board's responsibilities

The Executive Board of the Company is responsible for the preparation of the Report in accordance with the Company's reporting criteria, including the identification of the stakeholders and the determination of material subjects. Furthermore, the Executive Board is responsible for such internal control as the Executive Board determines is necessary to enable the preparation of the Report that is free from material misstatement, whether due to fraud or error.

Our responsibilities

Our responsibility is to express a conclusion on the Report based on our assurance engagement in accordance with Standard 3810N. 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.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant for the preparation of the Report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An assurance engagement aimed on providing limited assurance also includes evaluating the appropriateness of the reporting framework used and the reasonableness of estimates made by management as well as evaluating the overall presentation of the Report.

Rotterdam, 26 February 2015
PricewaterhouseCoopers Accountants N.V.
Originally signed by M. de Ridder RA

Additional information

Non-IFRS proportionate financial information (unaudited)

Proportionate information

Statement of income

In EUR millions	2014 IFRS figures	2014 Exclusion exceptional items	2014 Effects proportionate consolidation	2014 Proportionate consolidated	2013 IFRS figures	2013 Exclusion exceptional items	2013 Effects proportionate consolidation	2013 Proportionate consolidated
Revenues	1,322.5	- 6.5	240.8	1,569.8	1,295.2	-	272.6	1,567.8
Net operating expenses	- 648.9	4.8	- 92.5	- 746.2	- 645.9	1.5	- 103.2	- 750.6
Results of joint ventures and associates using the equity method	74.5	- 13.0	- 87.5	-	122.7	17.4	- 105.3	-
Impairment	- 40.4	- 40.4	-	-	- 21.4	- 21.4	-	-
Group operating profit before depreciation and amortization (EBITDA)	**707.7**	**- 55.1**	**60.8**	**823.6**	**750.6**	**- 2.5**	**64.1**	**817.2**
Depreciation and amortization	- 239.2	-	- 54.2	- 293.4	- 216.8	-	- 49.7	- 266.5
Group operating profit (EBIT)	**468.5**	**- 55.1**	**6.6**	**530.2**	**533.8**	**- 2.5**	**14.4**	**550.7**
Net finance costs	- 89.8	0.2	- 32.2	- 122.2	- 105.3	- 3.0	- 34.4	- 136.7
Income tax	- 83.1	7.7	- 19.7	- 110.5	- 67.6	6.5	- 22.2	- 96.3
Net profit	**295.6**	**- 47.2**	**- 45.3**	**297.5**	**360.9**	**1.0**	**- 42.2**	**317.7**
Non-controlling interests	- 45.2	0.1	45.3	-	- 42.4	- 0.2	42.2	-
Net profit owners of parent	**250.4**	**- 47.1**	**-**	**297.5**	**318.5**	**0.8**	**-**	**317.7**

Statement of financial position

In EUR millions	31-Dec-14 IFRS figures	31-Dec-14 Effects proportionate consolidation	31-Dec-14 Proportionate consolidated	31-Dec-13 IFRS figures	31-Dec-13 Effects proportionate consolidation	31-Dec-13 Proportionate consolidated
Non-current assets (excl. joint ventures and associates)	3,872.7	1,789.5	5,662.2	3,450.0	1,515.8	4,965.8
Joint ventures and associates	942.2	- 942.2	-	811.5	- 811.5	-
Current assets	593.5	266.4	859.9	561.5	269.6	831.1
Total assets	**5,408.4**	**1,113.7**	**6,522.1**	**4,823.0**	**973.9**	**5,796.9**
Non-current liabilities	2,775.3	1,096.6	3,871.9	2,320.0	869.5	3,189.5
Current liabilities	730.3	161.7	892.0	575.5	222.4	797.9
Total liabilities	**3,505.6**	**1,258.3**	**4,763.9**	**2,895.5**	**1,091.9**	**3,987.4**
Equity attributable to owners of parent	1,758.2	-	1,758.2	1,809.5	-	1,809.5
Non-controlling interests	144.6	- 144.6	-	118.0	- 118.0	-
Total equity	**1,902.8**	**- 144.6**	**1,758.2**	**1,927.5**	**- 118.0**	**1,809.5**

Other information

	2014	2013
EBITDA margin -excluding exceptional items-	51.8%	51.5%
Cash Flow Return On Gross Assets (CFROGA)	10.3%	10.9%
Occupancy rate subsidiaries, joint ventures and associates	88%	88%

Segment information -excluding exceptional items-

In EUR millions	Revenues 2014	Revenues 2013	EBITDA 2014	EBITDA 2013	Group operating profit 2014	Group operating profit 2013
Netherlands	455.7	456.0	258.1	248.0	169.1	168.9
Europe, Middle East & Africa	340.1	365.2	142.1	165.2	71.6	100.4
Asia	403.9	379.9	264.3	252.3	199.2	192.2
of which Singapore	*181.8*	*170.7*	*135.5*	*128.5*	*111.6*	*105.7*
Americas	248.3	244.1	105.4	96.2	63.0	59.3
of which United States	*145.9*	*140.4*	*60.2*	*57.8*	*37.1*	*37.0*
Non-allocated	121.8	122.6	53.7	55.5	27.3	29.9
of which global LNG activities	*119.6*	*120.7*	*79.7*	*80.5*	*58.6*	*59.6*
Total	**1,569.8**	**1,567.8**	**823.6**	**817.2**	**530.2**	**550.7**

Net interest-bearing debt

In EUR millions	31-Dec-14	31-Dec-13
Non-current portion of interest-bearing loans	3,099.0	2,608.7
Current portion of interest-bearing loans	193.7	208.0
Total interest-bearing loans	**3,292.7**	**2,816.7**
Short-term borrowings	72.6	6.4
Bank overdrafts	43.4	4.0
Cash and cash equivalents	- 320.3	- 329.4
Net interest-bearing debt	**3,088.4**	**2,497.7**

Definition of CFROGA

In order to assess the performance trend of its operations the company is calculating, among others, 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 consequently the statutory income tax charges are subtracted. For all quarters, except Q4, the year to date cash flows are extrapolated to obtain an amount which is comparable to a full financial year.

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.

Basis of preparation

Following requests of multiple investors to provide additional operational performance insights on a comparable basis for subsidiaries, joint ventures and associates, Vopak provides Non-IFRS proportionate financial information -excluding exceptional items-. 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.

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 propal to the Annual General Meeting will be to distribute a dividend in cash of EUR 0.90 (2013: 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 2014 financial year will be made payable on 29 April 2015.

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 2014, the Board of Stichting Vopak met twice. At these meetings, it discussed the protection of Royal 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 on 17 September 2013 the option agreement accordingly.

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, 26 February 2015

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, 26 February 2015

Stichting Vopak **Koninklijke Vopak N.V. (Royal Vopak)**

Stichting Administratiekantoor Financieringspreferente Aandelen Vopak ('the Foundation')

On 31 December 2014, the Foundation administered 41,400,000 registered cumulative financing preference shares with a nominal value of EUR 0.50 each in Royal Vopak, for which an equal number of depositary receipts for shares had been issued.

During the year under review, the Board of the Foundation met twice. During these meetings, items on the agenda included the manner in which the Foundation would vote at the AGM of Royal Vopak of 23 April 2014 and on the EGM of Royal Vopak held on 18 December 2014.

Pursuant to the decision of the AGM to cancel the cumulative financing preference shares the Executive Board upon the approval of the Supervisory Board decided to effect this as per 1 January 2015. The Board of the Foundation decided at one of these meetings to liquidate the Foundation as per 2 January 2015 and cease to exist as from that date.

For the AGM, 2 holders of depositary receipts requested a proxy and 2 holders of depositary receipts provided a voting instruction to the Foundation to vote against agenda item 13 and to approve all other proposals made to the AGM. For the AGM the Foundation provided a proxy with voting instructions to an independent third party, Tamminga Legal B.V. in Rotterdam, instructing to vote against agenda item 13 and to approve all other proposals made to the AGM on the Foundation's behalf.

For the EGM the holders of depositary receipts did not request a proxy nor were voting instructions received. For the EGM the Foundation provided a proxy with voting instructions to an independent third party, Tamminga Legal B.V. in Rotterdam, instructing to approve the only proposal made to the EGM on the Foundation's behalf.

In 2014, the Board of the Foundation comprised two Officers A – Mr H.J. Baeten and Mr J.L. van der Giessen, appointed by the meeting of depositary receipt holders – and an Officer B – Mr L.P.E.M. van den Boom, appointed by the Board, who is also the Chairman. Prior to taking up their duties, the Officers of the Foundation held as the case may be, senior management positions at various financial institutions.

All Officers satisfy the independence conditions as stipulated by article 6.6 of the by-laws of the Foundation. They receive an annual compensation of EUR 6,353 each.

In accordance with best practice provision IV.1.2 of the Code, the voting rights attached to the financing preference shares are linked to the fair value (reële waarde) of the capital contribution (nominal value and share premium) on the financing preference shares.

The Board of the Foundation will grant proxies to the holders of depositary receipts at their request. The Board of the Foundation will also comply with all voting instructions from the holders of depositary receipts.
The granting of proxies and the acceptance of voting instructions will always be in accordance with the voting limitations referred to above. Due to a distribution to the holders of financing preference shares on 2 January 2014, in 2014 the financing preference shares were subject to a voting limitation of 25 votes for every 1,000 financing preference shares.

Rotterdam, 31 December 2014

Stichting Administratiekantoor Financieringspreferente Aandelen Vopak
Westerlaan 10
3016 CK Rotterdam

Principal company officers at 26 February 2015

Netherlands

Division management
Jan Bert Schutrops - Division President
Walter Moone - Commercial
Age Reijenga - Operations & Technology
René van Tatenhove - Finance & Control
Edwin Taal - Human Resources

Business units
Paul Cox[1] - Rotterdam Botlek
Jos Steeman[1] - Rotterdam Europoort
Ard Huisman[1] - Vlaardingen
Manon Bloemer[1] - North Netherlands
Tjeerd van der Voorn - Agencies
Joris Meerbach - Vlissingen

Joint ventures
Peter den Breejen - Cross-Ocean, the Netherlands

Europe, Middle East & Africa

Division management
Frank Erkelens - 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
Ramon Ernst - Finland
Janhein van den Eijnden - Germany
Jarmo Stoopman - Middle East, Dubai
Erik Kleine - South Africa
Ard Huisman - Sweden
Ian Cochrane - United Kingdom
Augustin Silva - Algeciras, Spain

Joint ventures
Arnout Lugtmeijer - Vopak E.O.S., Estonia
Andrew North - SabTank, Saudi Arabia
Cees de Greve - Vopak Horizon Fujairah, UAE
Ignacio Casajus - Terquimsa, Spain
Imran-ul Haque - Engro Vopak, Pakistan

Asia

Division management
Patrick van der Voort - Division President
Ian ter Haar - Commercial & Business Development
Niek Verbree - Operations & Technology
K.P. Aldridge - Finance & Control
Janice Loh - Human Resources

China
Yan Chen - Division President
James Shih - Commercial
Chen Peng - Commercial & Business Development
Randy Cheong - Operations & Technology
Ferry Lupescu - Finance & Control
Whitney Wu - Human Resources

Business units
Ron Dickinson - Lanshan, China
Leo Brons - Australia
Law Say Huat - Malaysia
Tan Soo Koong - Singapore
Foo Chek Chai - Zhangjiagang, China
Fulco van Geuns - India
Mark Noordhoek Hegt - Indonesia
Patrick Trinh - Vietnam

Joint ventures and associates
Jeremy Pei - Yangpu, China
Gang Wu - Dongguan, China
Yu Yongli - Dongjiakou, China
Bo Teng - Haiteng, China
Liu Xiaomei - Tianjin, China
Biwei Yan - Tianjin Lingang, China
Narapoern - Thai Tank Terminal, Thailand
Buu Dinh - Caojing Shanghai, China
Edwin Hui - Ningbo, China
J.I. Lee - Ulsan, Korea
Yoichi Ito - Nippon Vopak, Japan

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
John McCrory - Legal Affairs
Hernán Rein - Human Resources

Business units
Chris Robblee - Gulf Coast
Mike LaCavera - West Coast
Charles Bradley - East Coast
Colin Scott - Canada
Coenraad Meijer - Deer Park West
David Lozano - Mexico
Cristhian Pérez - Venezuela
Marcelo Villaca - Colombia
Sjoerd Bazen - Brazil
Ignacio González - Panama

Global staff
Wim Bloks - Sourcing & Procurement
Leo Brand (a.i.) - Information Technology
Michiel van Cortenberghe - Control & Business Analysis
Dietriech Gerstein - Global LNG
Elsbeth Janmaat - Human Resources
Anne-Marie Kroon - Tax
Wilfred Lim - Operations & Technology
Branko Pokorny - Projects
Michiel van Ravenstein - Moves IT Program
Kees van Seventer - Sales & Marketing
Katie Slipper - Internal Audit
Peter Paul Smid - Legal Affairs & Corporate Secretary
Cees Vletter - Treasury
René Wiezer - Insurance
Hans de Willigen - Communication & Investor Relations

Joint ventures Global LNG
Dick Meurs - Gate terminal, the Netherlands
David Lozano - Altamira LNG Terminal, Mexico

Five-year consolidated summary

In EUR millions	2014	2013	restated 2012	2011	2010
Consolidated abridged statement of income					
Revenues	1,323	1,295	1,314	1,172	1,106
Other operating income	26	27	12	13	9
Total operating income	**1,349**	**1,322**	**1,326**	**1,185**	**1,115**
Operating expenses	- 676	- 673	- 664	- 642	- 604
Depreciation and amortization	- 239	- 217	- 203	- 167	- 153
Impairment	- 40	- 21	- 15	- 11	1
Total operating expenses	**- 955**	**- 911**	**- 882**	**- 820**	**- 756**
Operating profit	**394**	**411**	**444**	**365**	**359**
Result of joint ventures and associates using the equity method	74	123	97	221	83
Group operating profit	**468**	**534**	**541**	**586**	**442**
Net finance costs	- 90	- 105	- 84	- 79	- 68
Profit before income tax	**378**	**429**	**457**	**507**	**374**
Income tax	- 83	- 68	- 84	- 71	- 73
Net profit	**295**	**361**	**373**	**436**	**301**
Non-controlling interests	- 45	- 42	- 40	- 35	- 31
Net profit owners of parent	**250**	**319**	**333**	**401**	**270**
Net profit holders of financing preference shares	- 3	- 6	- 8	- 8	- 8
Net profit holders of ordinary shares	**247**	**313**	**325**	**393**	**262**
Consolidated abridged statement of income excluding exceptional items					
Operating profit	**436**	**431**	**459**	**378**	**360**
Result of joint ventures and associates using the equity method	87	105	107	92	85
Group operating profit	**523**	**536**	**566**	**470**	**445**
Net finance costs	- 90	- 102	- 84	- 74	- 68
Profit before income tax	**433**	**434**	**482**	**396**	**377**
Income tax	- 91	- 74	- 87	- 77	- 73
Net profit	**342**	**360**	**395**	**319**	**304**
Non-controlling interests	- 45	- 42	- 40	- 35	- 31
Net profit owners of parent	**297**	**318**	**355**	**284**	**273**
Net profit holders of financing preference shares	- 3	- 6	- 8	- 8	- 8
Net profit holders of ordinary shares	**294**	**312**	**347**	**276**	**265**
Consolidated abridged statement of financial position					
Intangible assets	92	68	68	73	54
Property, plant and equipment	3,622	3,307	3,127	2,904	2,546
Financial assets	1,001	826	759	608	616
Deferred tax	53	20	51	31	6
Other	47	41	34	229	148
Total non-current assets	**4,815**	**4,262**	**4,039**	**3,845**	**3,370**
Total current assets	**593**	**561**	**799**	**395**	**461**
Total assets	**5,408**	**4,823**	**4,838**	**4,240**	**3,831**
Total equity	**1,903**	**1,928**	**1,753**	**1,838**	**1,550**
Total non-current liabilities	**2,775**	**2,320**	**2,553**	**1,863**	**1,662**
Total current liabilities	**730**	**575**	**532**	**539**	**619**
Total liabilities	**3,505**	**2,895**	**3,085**	**2,402**	**2,281**
Total equity and liabilities	**5,408**	**4,823**	**4,838**	**4,240**	**3,831**

Glossary

AGM
Annual General Meeting of Shareholders

Audit Committee
Committee within the Supervisory Board that assists the Executive 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

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

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 Standard

ISDA
International Swaps and Derivatives Association

LEAN
Quality improvement method and philosophy

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

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)

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)

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

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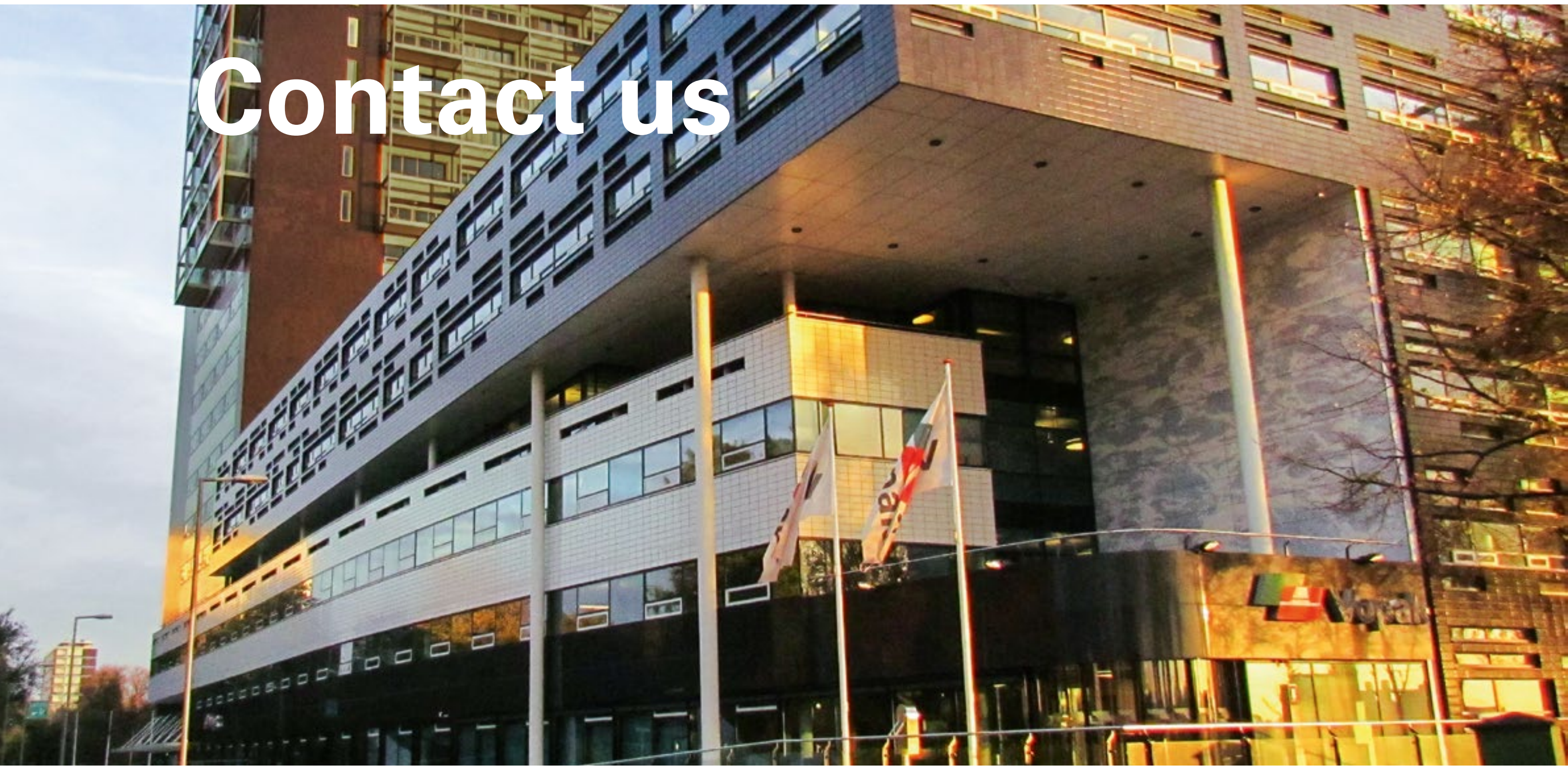

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