
# ANNUAL REPORT **2013**

EURONAV
The ocean is our environment


# KEY FIGURES

## PROFIT AND LOSS STATEMENT 2007 - 2013

| (In duizenden USD) | 2013 | 2012 *Restated | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|---|---|---|---|---|---|---|
| Revenues | 400,901 | 410,701 | 394,457 | 525,075 | 467,844 | 858,983 | 563,136 |
| EBITDA | 138,444 | 120,719 | 128,368 | 260,298 | 195,265 | 657,452 | 344,027 |
| EBIT | -28,918 | -56,794 | -40,155 | 88,152 | 31,362 | 512,579 | 190,329 |
| Net profit | -89,683 | -118,596 | -95,986 | 19,680 | -17,614 | 402,468 | 101,055 |
| **TCE** year average** | **2013** | **2012** | **2011** | **2010** | **2009** | **2008** | **2007** |
| VLCC | 18,300 | 19,200 | 18,100 | 36,100 | 33,000 | 95,700 | 44,600 |
| Suezmax | 22,000 | 24,100 | 27,100 | 30,600 | 31,750 | 41,650 | 32,200 |
| Spot Suezmax | 16,600 | 16,300 | 15,400 | 18,000 | 20,800 | | |
| **In USD per share** | **2013** | **2012** | **2011** | **2010** | **2009** | **2008** | **2007** |
| Number of shares*** | 50,230,437 | 50,000,000 | 50,000,000 | 50,000,000 | 50,000,000 | 50,080,137 | 51,861,762 |
| EBITDA | 2.76 | 2.41 | 2.57 | 5.21 | 3.91 | 13.13 | 6.63 |
| EBIT | -0.58 | -1.14 | -0.80 | 1.76 | 0.63 | 10.24 | 3.67 |
| Net profit | -1.79 | -2.37 | -1.92 | 0.39 | -0.35 | 8.04 | 1.95 |
| **In EUR per share** | **2013** | **2012** | **2011** | **2010** | **2009** | **2008** | **2007** |
| Rate of exchange | 1.3791 | 1.3194 | 1.2939 | 1.3362 | 1.4406 | 1.3917 | 1.4721 |
| EBITDA | 2.00 | 1.83 | 1.98 | 3.90 | 2.71 | 9.43 | 4.51 |
| EBIT | -0.42 | -0.86 | -0.62 | 1.32 | 0.44 | 7.35 | 2.50 |
| Net profit | -1.29 | -1.80 | -1.48 | 0.29 | -0.24 | 5.77 | 1.32 |
| **History of dividend per share** | **2013** | **2012** | **2011** | **2010** | **2009** | **2008** | **2007** |
| Dividend | 0.00 | 0.00 | 0.00 | 0.10 | 0.10 | 2.60 | 0.80 |
| Of which interim div. of | 0.00 | 0.00 | 0.00 | 0.10 | 0.10 | 1.00 | 0.00 |
| Pay-out ratio**** | - | - | - | - | - | 46% | 64% |

* *Restated due to IAS 19 revised - Employee benefits.*

** *Time charter equivalent*

*** *Excluding 1,750,000 shares held by the company*

**** *Ratio is based on actual exchange rate EUR/USD on the day of the dividend announcement if any.*

Since 2008 the board of directors follows a policy of always considering paying out an interim dividend and proposing a final dividend subject only to results, investment decisions and outlook.

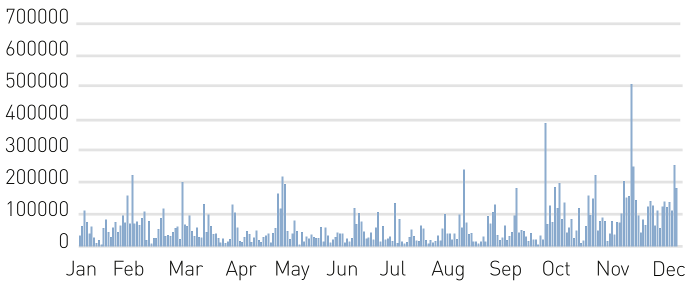
## STATEMENT OF FINANCIAL POSITION 2007 - 2013

| (In thousands of USD) | 31.12.2013 | 31.12.2012 | 31.12.2011 | 31.12.2010 | 31.12.2009 | 31.12.2008 | 31.12.2007 |
|---|---|---|---|---|---|---|---|
| ASSETS | | | | | | | |
| Non-current assets | 1,870,779 | 2,065,448 | 2,159,442 | 2,337,131 | 2,500,550 | 2,279,701 | 2,092,395 |
| Current assets | 278,194 | 297,431 | 291,874 | 307,083 | 286,116 | 341,452 | 182,295 |
| **TOTAL ASSETS** | **2,148,973** | **2,362,879** | **2,451,316** | **2,644,214** | **2,786,666** | **2,621,243** | **2,274,693** |
| LIABILITIES | | | | | | | |
| Equity | 800,990 | 866,970 | 980,988 | 1,078,508 | 1,071,629 | 1,178,326 | 984,492 |
| Non-current liabilities | 1,049,846 | 1,186,139 | 1,221,349 | 1,314,341 | 1,463,456 | 1,181,793 | 963,340 |
| Current liabilities | 298,137 | 309,770 | 248,979 | 251,365 | 251,581 | 261,124 | 326,861 |
| **TOTAL LIABILITIES** | **2,148,973** | **2,362,879** | **2,451,316** | **2,644,214** | **2,796,666** | **2,621,243** | **2,274,693** |

## The Euronav share

**Share price evolution 2013** (in EUR)


**Daily volume of traded shares 2013**




## The Euronav shareholders' structure

According to the information available to the Company at the time of preparing this annual report, and taking into account the latest declarations, the shareholders' structure and its history is as shown in the table:

| Shareholder | Number of shares | Percentage |
|---|---|---|
| Tanklog Holdings Ltd. | 21,503,509 | 17.85 |
| Saverco NV | 16,294,539 | 13.53 |
| York Capital Management Global Advisors LLC | 14,100,267 | 11.70 |
| BlueMountain Capital Management LLC | 8,867,209 | 7.36 |
| Victrix NV | 7,580,345 | 6.29 |
| GoldenTree Asset Management LP | 6,306,781 | 5.24 |
| Euronav (treasury shares) | 1,750,000 | 1.45 |
| Other | 44,077,107 | 36.58 |
| **Total** | **120,479,757** | **100.00%** |

## Convertible bond and perpetual securities

On 4 September 2009 the Company issued 1,500 subordinated fixed-rate non-guaranteed convertible bonds maturing in 2015 for a total of USD 150 million.

On 1 February 2013 the Company launched an exchange offer on all outstanding bonds with maturity 31 January 2015 in exchange for newly issued convertible bonds maturing 31 January 2018. 1,250 bonds (USD 125 million) were exchanged which means that only 250 old bonds remain outstanding with maturity 31 January 2015 representing a total amount of USD 25 million. So far none of the 250 bonds maturing in 2015 were converted.

On 9 April 2014 Euronav will exercise its right to redeem all of the outstanding bonds issued in 2013 not converted before 2 April 2014. The bonds are listed on the Luxemburg Stock Exchange. The offering circular and more detailed information on the convertible bonds can be consulted on our website: **www.euronav.com**.

On 10 January 2014 Euronav NV issued perpetual convertible preferred equity instruments for a total issuance amount of USD 150,000,000. The instruments were issued at par and bear an interest of 6% during the first 5 years payable annually in arrears in cash or in shares at the option of the Company.

## Shareholders' diary 2014

**Thursday 17 July 2014**
Announcement of second quarter results 2014

**Wednesday 27 August 2014**
Announcement of final half year results 2014

**Friday 29 August 2014**
Half year report 2014 available on website

**Tuesday 21 October 2014**
Announcement of third quarter results 2014

**Tuesday 20 January 2015**
Announcement of fourth quarter results 2014

**Representation by the persons responsible for the financial statements and for the management report**

The board of directors, represented by Marc Saverys, its chairman, and the executive committee, represented by Paddy Rodgers, CEO, and Hugo De Stoop, CFO, hereby confirm that, to the best of their knowledge:

- The financial statements as of 31 December 2013 presented in this annual report were established in accordance with applicable accounting standards (IFRS or standard accounting legislation) and give a true and fair view, as defined by these standards, of the assets, liabilities, financial position and results of Euronav NV;

- This annual report includes a true and fair view of the evolution of the activities, results and situation of Euronav NV and contains a description of the main risks and uncertainties the Company may face.

Dear Shareholder,

This has been a transformational year for Euronav. In the first quarter Euronav was proactively refinancing and extending its debt facilities as well as exchanging its 2015 Bond for a bond with a longer maturity, 2018, with the same coupon, but a lower conversion strike price. The sale and operational leaseback of the Cap Isabella, the extension of the USD 300 million facility for six ships and the extension of the Floating Storage and Offloading (FSO) facility notwithstanding the status of our partner Overseas Shipholding Group, Inc. (OSG) (operating under Chapter 11 of the U.S. Bankruptcy Code since November 2012 at the time of the extension) all demonstrated the Company's proactive approach and strong support from banks and shareholders.

After the summer, in view of the continuing weak tanker markets and declining asset values, Euronav decided to strengthen its balance sheet through a private placement of a perpetual convertible preferred (PCP) security instrument to ensure speed and certainty of execution. The company issued the PCP to two major US investors and to the reference shareholders (Tanklog Holdings Ltd., Victrix NV and Marc Saverys).

These actions distinguished the company from its competitors as the most solid platform and positioned Euronav with well-priced debt on long maturities as a good investment for any sustained improvement in the tanker market.

It also profiled the company to take advantage of opportunities arising in the large crude tanker market as Euronav has always been at the forefront of consolidation through pooling and merger.

Within a few days of closing the PCP, an opportunity arose to acquire the Maersk Tankers VLCC fleet. Euronav was able to quickly find support in both the banking world and from shipping private equity investors to provide the capital necessary to acquire the fleet. This strengthened Euronav's presence in its core business sectors and provided it with a capital structure which gives a sustainable cash flow cost in view of the expected volatile markets in large tanker crude shipping. It was done in just eighteen working days over Christmas and New Year and with considerable competitive pressure.

In this process, the capital markets supported the outlook for tankers and Euronav in particular and our share price rose constantly through the process. One side effect of this has been the very consistent conversion of convertible bonds which has removed debt from the balance sheet and therefore strengthened it further.

The previous period resulted for Euronav in an increased fleet with a younger average age, a lower average breakeven rate, with the concurrent benefits of synergy and logistical enhancement to the benefit of all stakeholders. It is our belief that building a larger tanker owning company will give effective access to capital markets so as to provide sufficient scale and liquidity to meet the requirements of large institutional investors. That also fits well with the industry requirement for long-term stable companies, who are owners, operators and managers with a strong operational reputation and a good understanding of the markets.

Yours sincerely,
Marc Saverys

# Eco-shipping: newbuildings or minor modifications to existing ships?

Since 2009 bunker prices, which are the bulk of a vessel's voyage costs, have risen to an almost unsustainable level. For example the consumption of bunkers for a VLCC could be up to 100 tonnes per day, laden at full speed (15 knots) resulting in USD 60,000 of expenses at today's bunker price (USD 600 per tonne). Therefore fuel conservation has become more and more important.

Owners reacted to these increased fuel prices by reducing their operating speeds in order to save fuel. Super slow steaming seemed so effective that the world tanker fleet uniformly reduced its operating laden speeds from 15 knots to 13 knots and operating ballast speeds from 15 knots to 8 knots. However, this measure only works in a low market where fuel cost is more important than the value of time. A vessel's speed depends on commercial factors related to freight compared to voyage costs and in particular bunker expense. In a good market, the value of time will become more important for the return on investment.

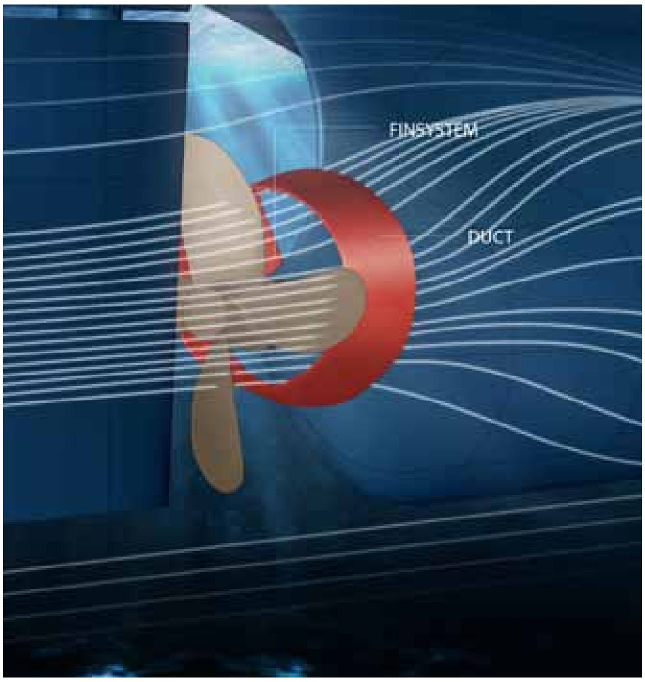
**Bunker Prices evolution of the last 10 years**


In looking for alternative measures to save fuel, an important choice needs to be made between building new (so-called eco) ships and retrofitting existing ships. Euronav is a strong advocate for the latter, even though new ships are claimed to offer a 30% reduction in consumption. Concerning this matter, owners should always take into account in the comparison between retrofitted old ships and new ships, that a specific class of ship should be compared to the same specific class of ship, which most of the time isn't the case. Otherwise, differences can vary hugely. We believe that with good operations and retrofitting, the performances of new ships with eco-devices can easily be replicated.

The experience of the crew in loading the ship to optimise trim, operating the main engine and other equipment, navigating the ship to take advantage of the weather as well as to avoid bad weather, all play an essential role in reducing consumption. The difference between good operators and average operators may lead up to a difference in performance of 10% and may even be higher in the case of poor operators. That's why Euronav seeks to work with the best operators, that are highly experienced.


Friction, hence more fuel consumption, is caused by the roughness of the anti-fouling coating, which can be reduced by applying modern coatings. However, even the most modern coatings will become damaged through normal wear and tear so new ships will also see deterioration in the first five years to such an extent that the ship will perform 10% worse in the fifth year than in the first year. This problem can be resolved by more regular dry-docking, just to repair and apply a new anti-fouling coating. Needless to say that modern coatings can be applied on older ships during dry-dock and show the same results as on new ships.

*A Mewis duct provides significant fuel savings at a given speed. The device consists of a duct positioned ahead of the propeller together with an integrated fin system within. The duct straightens and accelerates the hull's wake into the propeller and also produces a net forward thrust while the fin system provides a pre-swirl to the ship's wake which reduces losses in propeller slipstream, resulting in an increase in propeller thrust. Both effects contribute to each other.*



Additional measures can be adopted in order to reduce cost and save fuel with an effectiveness level depending on the characteristics of each device, each vessel and the trade in which it is used. Equally important, a number of those measures reduce consumption while the vessel is waiting on demurrage or on idle or pumping. A ship with an electric heavy fuel heater for example can switch off its boiler while slow steaming or drifting, which would save around 5 to 6 tonnes a day, resulting in a saving of up to USD 3,600 a day. These figures are substantially similar to the savings claimed for new ships (so-called eco) over old ships. The costs of this retrofit are around USD 30,000 for a large tanker vessel and could be installed by the vessel's crew if they are experienced. The payback period takes therefore less than 10 days waiting time.

Propulsion doesn't only come from the main engine but also from the flow of the water over the propeller. A device called a Mewis Duct can significantly enhance the efficiency of the propulsion and can also be retrofitted on an existing ship. This modification results in a 10% saving on a VLCC and 7%-8% on a Suezmax. The retrofit can be performed during dry-dock for a cost of approximately USD 500,000, which equals a payback period of less than half a year.

In figures, if you compare a retrofitted Suezmax with a newbuild so-called Eco-ship Suezmax the difference is at best and in perfect sea conditions 3 tonnes of fuel per day; an advantage that can be easily lost through poor operations. The overall gain will not be more than 4 million USD over its lifetime provided that the bunker costs stay as high as they are today. Taking into account that the difference in price between a newbuilding ordered now, compared to a vessel built in 2008 is over 30 million USD, we believe it is difficult to justify investing money in a newbuilding rather than in a second-hand vessel.

Another principal reason not to buy a new ship is the oversupplied market. In a voyage market, ships compete individually not as a fleet. The lowest eligible bidder will get the first opportunity to negotiate, fix the terms and close the deal. To determine the price, an owner will check the market. In an oversupplied market there are many eligible ships so he will keep his price low in order to get the job regardless of making losses or not. After all, waiting for a later cargo will cause additional costs for the ship and the company may face the same problem with a later cargo at the same low price. This whole process of determining the price is done without taking into account depreciation, amortisation of debt secured against the vessel and the interest cost of financing the vessel. That's why new ships with high depreciation may be loss-making regardless of their consumptions and lower bunker costs.

Another point to take into account is that in case a ship has less distance to travel than other competing ships to load the cargo, the

charterer will press the rate further down with the argument that the owner needed to use less fuel and time. The same logic is followed regarding new ships with better performances. Indeed, the charterer will prefer to lease a ship which performs better but doesn't want to pay for the additional value. He wants to keep the improved performance on his side but not pass it back to the owner. In an oversupplied market the benefits are typically passed on to the charterer.

We believe there are few benefits in ordering new ships in an oversupplied market. Newbuildings tend to increase supply and consequently decrease market rates. Existing good quality fleets maximise investor leverage to market gains, newbuildings do not. In an oversupplied market, the world fleet slow steams and waits with zero advantage in performance. The real advantage of a newbuilding with better speeds and consumptions will only be seen in a full speed market. But as the company already clearly emphasised, that is not the case according to current market conditions. In an ideal world, the number of newbuilding that can be ordered each year should be equal to the number of vessels that will leave the fleet to be scrapped, potentially increased by the additional tonnage required by additional demand. For all those reasons Euronav is in favour of retrofitting existing vessels, which can be done at a fraction of the costs of building a new (so-called eco) ship.


EURON


5.3M



# Vision and Mission

## Vision

To continue to be recognised globally as a leader in the shipping and storage of crude oil. We are and intend to remain dedicated to safety, quality, health and environmental protection. We intend to pursue excellence through innovation, know-how, and continuous improvement.

## Mission

**For our society**
To deliver an essential source of energy in ways that are economically, socially, and environmentally viable now and in the future.

**For our clients**
To operate in a manner that contributes to the success of their business by setting increasingly higher standards of quality and reliability.

**For our shareholders**
To create significant and lasting value by strategically planning financial and investment decisions while operating in a manner consistent with the highest professional standards.

**For our employees**
To inspire and enable talented, hard-working people to achieve their career goals in a healthy, challenging, and rewarding environment.

# Company profile

Euronav is a market leader in the transportation and storage of crude oil and petroleum products. On 20 March 2014 Euronav owns and manages a fleet of 37 vessels. The Company, incorporated in Belgium, is headquartered in Antwerp. Euronav employs over 1,700 people worldwide onshore and offshore and has offices throughout Europe and Asia. Euronav is listed on NYSE Euronext Brussels under the symbol EURN.

The need to operate a safe and reliable fleet has never been more crucial and it is the most important strategic imperative for the Company. Euronav aims to be an efficient organisation and to deliver the highest quality and best possible service to its customers.

Euronav has a long-term strategy which is oriented towards reaching its objective of sustainable profitable life cycle by managing a balanced portfolio and operating its fleet both on the spot and the period tanker market as well as on the long-term FSO market mixing its sources of revenue between fixed and floating income.

Sustainability is a core value at Euronav and ensures the long-term health and success of our people, our business and the environment we work in. It involves a commitment to safety and environmental practices, as well as an innovative approach to the use of technology and the development of projects.

Employing European officers on board a modern fleet, Euronav aims to operate in the top end of the market. The skills of its directly employed seagoing officers and shore-based captains and engineers give a competitive edge in maintenance as well as in operations.


VAPOR
16X24
H.F.O
8X8
CAPACITY
60.7 BBLS.

# DIRECTORS' REPORT: Highlights 2013

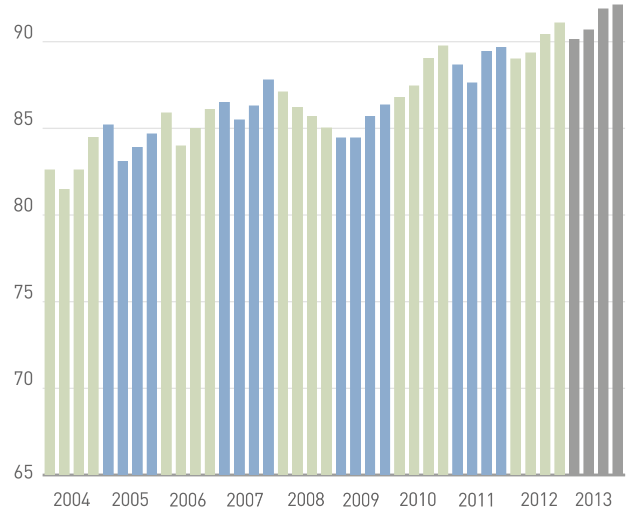
## OVERVIEW OF THE MARKET

### Oil demand, production and bunker costs

The global economic environment continued to show some signs of improvement in 2013, although still challenging in some regions. Despite tumultuous debt and budgetary negotiations in the US, its economy progressed better than expected with a GDP growth at 1.6% for 2013. That was mainly due to higher industrial activity and stimuli packages still in place. Toward the end of 2013, for the first time in nearly 20 years, the USA crude oil production reached 7.7 million barrels per day with a net import estimated at 7.6 million barrels per day. The US shale oil production played a large role in the overall country production growth and, with this trend set to continue in 2014, some crude oil trading patterns will be partially changing.

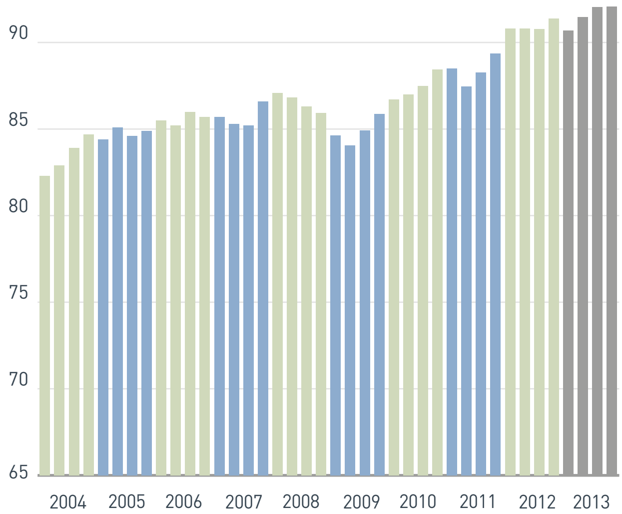
Although China showed some signs of slowing down in 2013, the country's ongoing stimulus efforts throughout the year resulted in exports increasing and a revised growth by 0.2 points to 7.8% in 2013. Notwithstanding the increasing national debt, Japan continued to implement aggressive measures to spur domestic growth, which resulted in a stronger GDP growth rate of 1.2% in 2013 mainly driven by personal consumption with a steep 36.2% increase in volume of oil imported early in the fourth quarter of 2013. The country's recovery was also supported by exports increasing by 18.6%, the largest annual rise for three years.

**World Oil Demand**
in million bpd *(Source – IEA)*

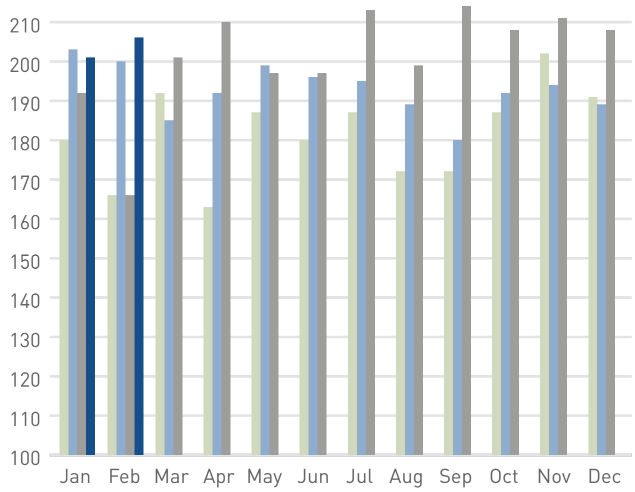



The world oil demand growth for 2013 was estimated at 0.9 million barrels per day and for 2014 the oil demand growth remains so far unchanged at an estimate of 1.04 million barrels per day. Although the global economy has shown a regular increase in 2013, the global growth remained fragile in some areas such as Europe.


**World Oil Production**
in million bpd *(Source – IEA)*




**World Cargo Evolution** 2011 2012 2013 2014
Cargoes per month *(Source - TI VLCC Database)*

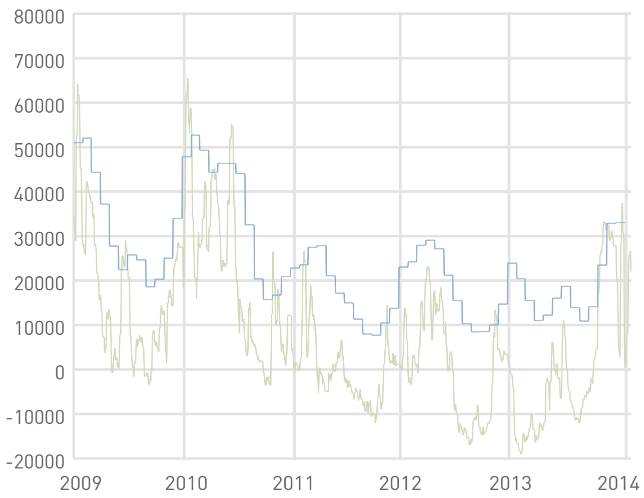



Bunker prices continued to decrease slowly throughout the year 2013 which was positive for vessels returns. Prices were on average estimated at USD 617 in Fujairah, USD 621 in Rotterdam and USD 620 per metric ton in Singapore. In spite of this decreasing trend, bunker costs remained an important part of the vessel expenses and therefore slow steaming has remained paramount for most owners, even when the market was showing signs of strengthening.

Emerging economies remained the major GDP growth drivers for the global economy in 2013. That partially resulted in a shift in the trading pattern of crude oil. Despite China showing a less than expected growth in 2013, the tanker market was still mainly driven by crude oil import to China, which increased ton-miles helping the tanker market recovery.

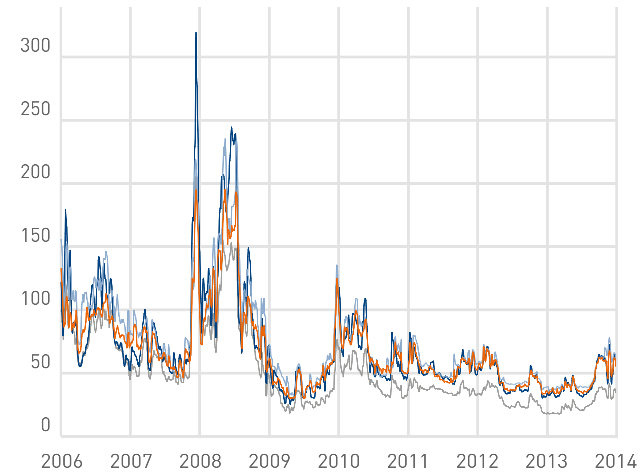
**World Fleet VLCC Earnings (TCE)** *(in thousands USD)*

BDTI VLCC TCE ■ TI Actual



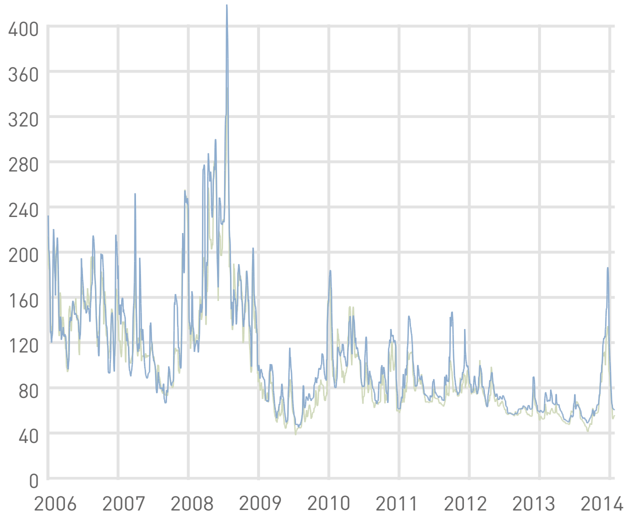

**BITR Rate Evolution (ws)**

VLCC trade routes ■ TD1 ■ TD3 ■ TD4 ■ TD15




**BDTI (Baltic Exchange Dirty Tanker Index) Rate Evolution (WS)**

TDS-West Africa/US Atlantic Coast ■ TD6-Black Sea/Med




# Tanker market

The crude oil tanker market was as per the previous year: imbalanced for the most part of 2013. A total number of 31 Suezmaxes and 30 VLCCs were added to an already over-tonnaged fleet as opposed to only 9 Suezmaxes and 21 VLCCs recorded as exiting the tanker trading fleet.

Rates for large crude carriers plummeted during the first quarter of 2013 on both the Suezmax and the VLCC market. VLCC trade out of the Arabian Gulf took a hit as Saudi Arabia and Iraq held back production causing VLCC tankers rates to struggle sustaining profitable levels. On the Suezmax front, trade volumes from West Africa to North America were in decline particularly because of the increase in shale oil production in the U.S. which has drastically reduced the need for oil imports and therefore also weighed on demand for crude oil transportation. Some security issues in West Africa resulting in force majeure being declared a few times also affected that trade. The winter season of the beginning of 2013 has proved pretty disappointing with usually strong rates failing to materialise. For fixtures out of the Black Sea, the typically expected weather delays failed to materialise, never exceeding 2-4 days in the Bosporus/Dardanelles area. Additionally, there was an important drop in cargo availability out of the Black Sea early in the year, which was partially explained by an increase of oil being redirected via pipeline into Russia going to the Baltic and East. Around the second quarter of the year, rates started to improve on the VLCC segment thanks to the end of the refinery maintenance season in Asia which resulted in an increase of activity in May, but the momentum did not last very long and did not spread to the Suezmax market.

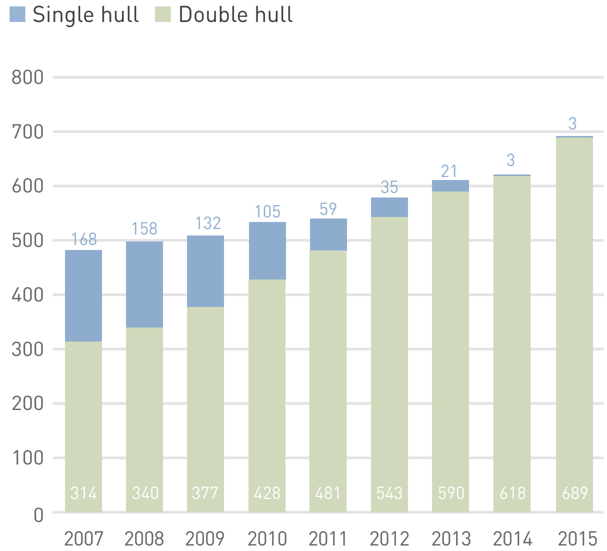
Rates on the large tanker segment market shifted positively toward the end of the year to levels not yet seen in 2013. A combination of oil demand increase particularly from China, a lower supply of tonnage and weather delays helped improving the market outlook. Owners became more bullish and rates strengthened considerably with worldscale rates sometime gaining up to 10 points in one day. The average rates across all routes for modern Suezmaxes were estimated at USD 60,700 per day and USD 47,300 for a modern VLCC.

The average time charter equivalent (TCE) obtained by the Company's owned VLCC fleet in the Tankers International (TI) pool was about USD 18,300 per day (in 2012: USD 19,200 per day).

The earnings of Euronav Suezmax time charter fleet was approximately USD 22,000 per day for 2013 (2012: USD 24,100 per day).

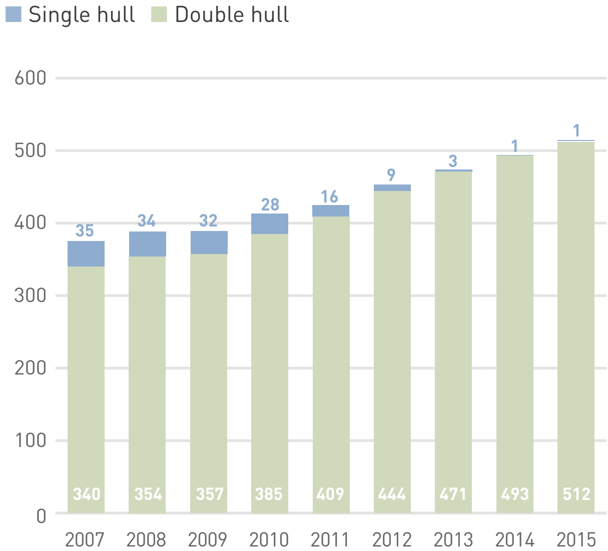
The average daily time charter equivalent obtained by the Suezmax spot fleet traded by Euronav directly, was approximately USD 16,600 per day in 2013 (2012: USD 16,300).

**VLCC Fleet Development** (at start of year)



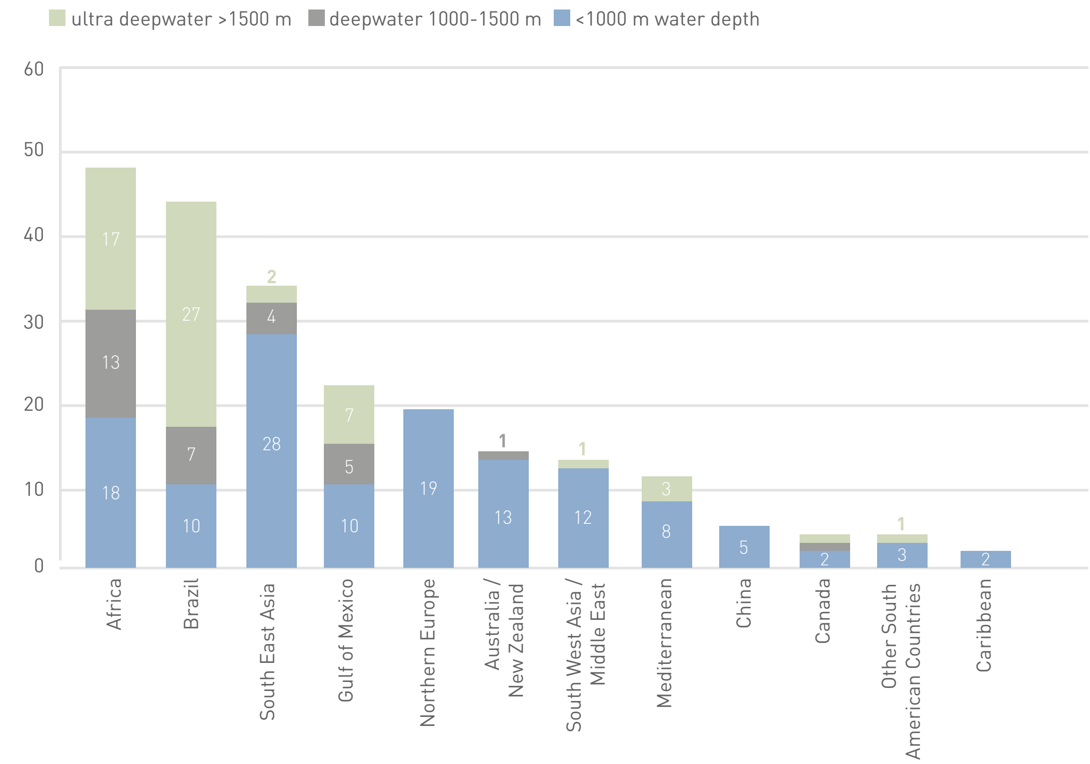

*including vessels due to be delivered in 2014*

**Suezmax Fleet Development** (at start of year)




*including vessels due to be delivered in 2014*
*excluding Suezmax shuttle and product tanker*

**220 projects involving floating production or storage systems are planned or under study**




Source: Energy Maritime Associates Pte Ltd

## Floating Storage and Offloading and Floating Storage Production and Offloading (FSO/FPSO) Market

FSOs provide field storage and offloading in a variety of situations. To provide offshore field storage of oil and condensate, they are primarily used in conjunction with other floating production systems:

- Fixed platforms
- MOPUs (Mobile Offshore Production Units)
- Semis (production Semisubmersibles)
- TLPs (Tension Leg Platforms)
- Spars (Single Point Anchor Reservoirs)

They are also used as offshore storage/export facilities for onshore production fields and as storage/blending/transhipment terminals for crude oil or refined products. Most FSOs store oil, although there are a few LPG (Liquefied Petroleum Gas) or LNG (Liquefied Natural Gas) FSOs.

At the end of 2013 there were 277 floating production systems in service or available worldwide whereof 92 floating storage/offloading units. 2 FSOs (2 conversions) were ordered during that time and 1 FSO completed. Around November 2013 there were 10 FSOs (2 newbuildings and 8 conversions) under construction and 220 projects (that potentially required a floating production or storage system) in the bidding, design or planning stage. End 2013, Africa was the most active region for future projects, with 48 potential floater projects in the planning cycle.

## Euronav fleet

Euronav's owned fleet currently consists of 37 vessels being 1 V-Plus vessel, 2 FSO vessels (both owned in 50%-50% joint venture), 12 VLCCs of which 1 in joint venture (including the VLCC Luxembourg which is already sold but will be delivered between May 2014 and mid-June) and 22 Suezmaxes (of which 4 in joint venture). Two vessels of the Maersk fleet have already been delivered: the Nucleus and the Nautilus. Deliveries of the rest of the Maersk VLCC fleet will increase the Euronav tanker fleet by another 13 VLCCs.

The majority of Euronav's VLCC fleet, which was expanded in January 2014 by the acquisition of 15 VLCCs from Maersk Tankers Singapore Pte Ltd. is operated in the Tankers International pool (TI pool) in the voyage freight market. The TI pool is one of the largest modern exclusively double hulled fleets worldwide and comprises

30 vessels on 20 March 2014 of which 8 vessels of Euronav. The average age of Euronav's owned VLCC fleet is currently 8.3 years.

Part of Euronav's Suezmax fleet is chartered out on long-term contracts. The other part of the Suezmax fleet is operated on the spot market by Euronav's spot desk directly. The average age of the Suezmax fleet is 7.8 years.

Both of Euronav's FSO vessels are chartered out and committed until 2017. The *FSO Africa* is subject to an option for an extension of 1 or 2 years.

At the time of preparing this report, Euronav's tonnage profile is as follows:

| | |
|---|---|
| VLCC and V-Plus owned | 4,001,015 dwt |
| VLCC chartered in | 608,005 dwt |
| FSO owned | 441,774 dwt |
| Suezmax owned | 3,107,307 dwt |
| Suezmax commercially managed | 317,148 dwt |
| Suezmax on bareboat | 157,648 dwt |
| **Total owned and controlled tonnage** | **8,632,897 dwt** |

Euronav has in-house ship management which positions its fleet at the top of the market for tanker assets and services. The benefits to be derived from in-house management are in asset maintenance, enhanced customer service and risk management. Charterers are more than ever seeking to do business exclusively with superior quality operators whether through fixed rate long-term business or in the spot market.

## The first quarter

For the first quarter of 2013, the Company had a net result of USD -10.7 million or USD -0.21 per share (first quarter 2012: USD -9 million and USD -0.18 per share). EBITDA for the same period was USD 43.5 million (first quarter 2012: USD 47.8 million). The average daily time charter equivalent rates (TCE) obtained by the Company's fleet in the TI pool was approximately USD 21,000 (first quarter 2012: USD 24,000). The TCE of the Euronav Suezmax fleet fixed on long-term time charters, including profit shares when applicable, was USD 23,400 per day (first quarter 2012: USD 27,160 per day) and the average daily TCE rates obtained by the Suezmax spot fleet was approximately USD 16,750 (first quarter 2012: USD 21,120).

### January

**Euronav**

Euronav launched an exchange offer on all outstanding bonds with maturity 31 January 2015 in exchange for newly issued convertible bonds maturing 31 January 2018.

***In the market***

*Eagle Vancouver (2013-VLCC) chartered out to Koch for 12 months option 12 months at USD 21,000 per day.*
*DHT Ann (2001-VLCC) chartered out to Core Petroleum for 6 months, option 6 months, option 3 months at USD 20,000 per day.*
*DHT Chris (2001-VLCC) chartered out to Core Petroleum for 6 months, option 6 months, option 3 months at USD 20,000 per day.*
*Suez Vasilis (2011-Suezmax) chartered out to BP for 12 months at USD 16,250 per day.*

### February

**Euronav**

Euronav confirmed that the final aggregate principal amount of existing convertible bonds that have been validly tendered for exchange is USD 125 million, representing a total of 1,250 new convertible bonds to be issued, which means that only USD 25 million of the bonds maturing in 2015 remained outstanding.

***In the market***

*Sikinos (2000-Suezmax) chartered out to SHELL for 2 months at USD 11,000 per day.*

### March

**Euronav**

Euronav sold the Newbuilding Suezmax *Cap Isabella* (2013 – 157,648 dwt) for a selling price of USD 54,000,000. The vessel was taken back under a bareboat charter for a fixed period of 2 years at then applicable market rates and with 3 options in favour


of the charterer to extend for a further year. In case of a sale by the owner during the period of the bareboat charter the Company will also share in any surplus if the vessel value exceeds a certain threshold. As this transaction was signed before the announcement of the 2012 final figures and is the result of negotiations with previous parties which started in the financial year 2012, the Company recorded the capital loss of USD -32 million still in 2012. More importantly, however this transaction enabled Euronav to eliminate its only remaining capital expenditure whilst using very limited cash to take delivery of the vessel.

***In the market***

*Eagle San Antonio (2012-Suezmax) chartered out to Total for 12 months at USD 18, 000 per day.*

*Roxen Star (2009-Suezmax) chartered out to PDVSA for 6 months option 6 months at USD 16,500 per day.*

*Prisco Mizar (2007-Suezmax) chartered out to CLEARLAKE for 4 months, option 1 month, option 1 month at USD 16,750 per day respectively.*

# The second quarter

The Company had a net result of USD -39.3 million (first semester 2012: USD -20 million) or USD -0.79 per share (first semester 2012: USD -0.40) for the first semester 2013. EBITDA for the same period was USD 73.1 million (first semester 2012: USD 98.2 million). During the first semester the company took 2 Suezmax, 1 VLCC and 1 ULCC to dry-dock which increased the regular operational expenses by USD 6.2 million. The average daily TCE obtained by the Company's fleet in the TI pool was approximately USD 14,200 (second quarter 2012: USD 22,230). The TCE of the Euronav Suezmax fleet fixed on long-term time charters, including profit shares when applicable, was USD 21,000 per day (second quarter 2012: USD 24,000 per day) and the average daily TCE rates obtained by the Suezmax spot fleet was approximately USD 18,400 (second quarter 2012: USD 22,000).

## April

***In the market***

*Densa Orca (2012-Suezmax) chartered out to Core Petroleum for 6 months option 6 months at USD 15,000 per day.*

## May

***In the market***

*Hanjin Ras Tanura (2011-VLCC) chartered out to Koch for 6 months option 6 months at USD 17,000 per day.*

*Eagle Varna (2013-VLCC) chartered out to Koch for 12 months option 12 months at USD 20,000 per day.*

*Skamandros (2012-Suezmax) chartered out to Core Petroleum for 6 months option 6 months at USD 15,000 per day.*

*Almi Explorer (2013-Suezmax) chartered out to Stena for 12 months at USD 17,500 per day.*

## June

**Euronav**

Euronav signed an extension of 4 years of its USD 300 million senior secured credit facility originally signed in April 2009 and which at the time of the extension had an outstanding amount of USD 221 million. The facility, which has been extended until April 2018, will continue to have the same repayment profile of USD 20 million per year.

***In the market***

*Almi Odyssey (2013-Suezmax) chartered out to BP for 12 months at USD 17,500 per day.*

*Maran Posseidon (2010-Suezmax) chartered out to BP for 20 months at USD 15,500 per day.*

# The third quarter

For the third quarter 2013, the Company had a net result of USD -27.2 million (third quarter 2012: USD -34.9 million) or USD -0.54 (third quarter 2012: USD -0.70) per share. EBITDA for the same period was USD 31.2 million (third quarter 2012: USD 24.8 million). The TCE obtained by the Company's VLCC fleet in the TI pool was approximately USD 14,000 per day (third quarter 2012: USD 11,500 per day). The TCE of the Suezmax fleet fixed on long-term time charters, including profit shares when applicable, was USD 21,000 per day (third quarter 2012: USD 22,100 per day) and the average daily TCE rates obtained by the Suezmax spot fleet was approximately USD 17,000 (third quarter 2012: USD 15,750).

## July

**_In the market_**

*Bunga Kasturi (2003-VLCC) chartered out to Reliance for 12 months at USD 18,000 per day.*

## August

**Euronav**

Euronav, jointly with OSG, signed a two-year extension of the tranche related to the *FSO Africa*, part of the USD 500 million senior secured credit facility originally signed in October 2008. At the time of the extension, USD 45 million was outstanding in respect of the Africa Tranche. At its new maturity (now scheduled for August 2015), the Africa Tranche will be fully repaid. The tranche related to the *FSO Asia* (part of the same facility) will continue to run until its original maturity in 2017. The facility will also continue to have the same annual repayment profile.

The time charter of the Suezmax *Fraternity* (2009 - 157,714 dwt) was extended for 12 months as from 2 August 2013 in direct continuation of the existing contract.

**_In the market_**

*Polymnia I (2011-VLCC) chartered out to PVDSA for 6 months at USD 21,000 per day.*
*Bunga Kasturi Enam (2008-VLCC) chartered out to CPC for 12 months option 12 months at USD 18,000 per day.*
*Gemini Glory (2002-VLCC) chartered out to Chevtex for 3 years at USD 21,000 per day.*
*FPMC C Orient (2012-VLCC) chartered out to Hanjin Shipping for 8 years at USD 29,000 per day.*
*DHT Trader (2000-Suezmax) chartered out to BP for 12 months at USD 14,000 per day.*

## September

**_In the market_**

*Eagle Verona (2013-VLCC) bareboat chartered out to BP for 2 years at USD 18,000 per day.*
*Almi Sun (2012-Suezmax) chartered out to BP for 4 months at USD 16,500 per day.*
*Desh Shakti (2004-Suezmax) chartered out to ISS for 6 months, option 6 months at USD 13,250 per day.*

# The fourth quarter

The company had a net result of USD -21.9 million (fourth quarter 2012: USD -64 million) for the three months ended 31 December 2013 or USD -0.43 per share (fourth quarter 2012: USD -1.28 per share). EBITDA was USD 35.4 million (fourth quarter 2012: USD -6.5 million). For the full year ending 31 December 2013, the net results are USD -88.3 million (2012: USD -118.9 million) or USD -1.76 per share (2012: USD -2.38 per share). The TCE obtained by the Company's fleet in the TI pool was for the fourth quarter approximately USD 24,000 per day (fourth quarter 2012: USD 12,800 per day). The earnings of the Euronav Suezmax fleet fixed on long-term time charters, including profit shares when applicable, were USD 23,400 per day for the fourth quarter (fourth quarter 2012: USD 20,200 per day). The TCE obtained by the Suezmax spot fleet was approximately USD 14,500 per day for the fourth quarter (fourth quarter 2012: USD 8,500 per day).

Time charter equivalent for the full year:

| *In USD* | 2013 | 2012 |
|---|---|---|
| VLCC | 18,300 per day | 19,200 per day |
| Suezmax time charter | 22,000 per day | 24,100 per day |
| Suezmax spot | 16,600 per day | 16,300 per day |

## October

**_In the market_**

*Formosapetro Challenger (2001-VLCC) chartered out to IOC for 2 years at USD 18,500 per day.*
*Yasa Polaris (2009-Suezmax) chartered out to Stena for 6 months option 6 months at USD 14,500 per day.*
*Rio Genoa (2007-Suezmax) chartered out to Koch for 6 months, option 6 months at USD 14,000 per day.*

## November

**Euronav**

Euronav announced that its share capital was increased following the exercise of the conversion option of 88 convertible bonds issued in 2013 and maturing in 2018. That resulted in the issuance of 1,432,210 new ordinary shares.

Euronav sold the double-hulled VLCC *Ardenne Venture* (2004 – 318,658 dwt), for USD 41.7 million. The vessel was owned by a 50/50 joint venture company with Wah Kwong Maritime Transport Holdings Ltd.

***In the market***

*Donat (2007-Suezmax) chartered out to Chevtex on storage business for 6 months at USD 15,500 per day.*

*Center (2011-Suezmax) chartered out to BPCL for 12 months at USD 15,000 per day.*

*Almi Sky (2012-Suezmax) chartered out to BP for 12 months at USD 16,850 per day.*

*Yasa Southern Cross (2010-Suezmax) chartered out to Trafigura for 60-180 days at USD 14,000 per day.*

## December

**Euronav**

Euronav raised USD 150 million via a private placement of a perpetual convertible preferred equity instrument. The instrument was issued at par and bears an interest of 6% during the first 5 years payable annually in arrears in cash or in shares at the option of the company.

Euronav announced that its share capital was increased following the exercise of the conversion option of 64 convertible bonds issued in 2013 and maturing in 2018. That resulted in the issuance of 1,041,607 new ordinary shares.

**Events occurred after the end of the financial year ending 31 December 2013**

On 2 January 2014 the VLCC *Ardenne Venture* (2004 - 318,658 dwt) was delivered to its new owners after the sale announced on 14 November 2013 for USD 41,7M. The capital gain for Euronav of approximately USD 2.2 million will therefore be recognized in the first quarter of 2014.

On 3 January 2014 Euronav entered into a contract to acquire fifteen VLCCs from Maersk Tankers Singapore Pte Ltd. for a total acquisition price of USD 980 million payable as the vessels are being delivered. The vessels have an average age of 4 years and will be operated in the Tankers International VLCC Pool of which Euronav is a founding member.

On 7 January 2014 Euronav sold its oldest double-hulled VLCC *Luxembourg* (1999 – 299,150 dwt) for USD 28 million. The vessel was wholly owned by Euronav. The vessel is foreseen to be delivered to its new owner between 1 May 2014 and mid-June 2014. The vessel will be converted into a FPSO by her new owner and will therefore leave the VLCC trading fleet.

On 10 January 2014 Euronav raised USD 50,000,000 by way of a capital increase under the authorised capital and 5,473,571 new shares were issued.

On 4 February 2014 Euronav announced the issuance of a USD 235 million 7-year bond to the same investors who participated in the capital increase of 10 January 2014 and the signing of a commitment letter for a USD 500 million senior secured credit facility.

On 5 February 2014 Euronav entered into timecharter with Maersk Tankers A/S for a period of 12 months for the VLCC *Maersk Hojo*. *Maersk Hojo* was delivered to Euronav on 24 March 2014.

On 6 February 2014 Euronav announced its share capital was increased following the contribution in kind of 30 perpetual convertible preferred equity instruments issued on 10 January 2014 which resulted in the issuance of 9,459,286 new ordinary shares.

On 20 February 2014 Euronav released an optional redemption notice, reporting that Euronav will exercise its right to redeem on 9 April 2014 all of the convertible bonds issued in 2013 and maturing in 2018 not converted before 2 April 2014.

On 20 February 2014 Euronav took delivery of the first vessel from Maersk: the Nautilus.

On 24 February 2014 the shareholders approved a capital increase for the Maersk VLCC fleet acquisition for an amount of USD 300,000,000 against issuance of up to 32,841,528 new shares.

On 25 February 2014 Euronav took delivery of the second vessel from Maersk: the Nucleus.

On 1 March 2014 Euronav Ship Management Antwerp (ESMA) took over the ship management of the vessel *FSO Africa*, owned by TI Africa Ltd. Her sister vessel *FSO Asia* is already managed by ESMA as from the conversion of the vessel into an FSO in 2009. The transition of management was carried out as planned.

Between 1 January and 10 March 2014 Euronav's share capital increased several times following the exercise of the conversion option of convertible bonds issued in 2013 and maturing in 2018. That resulted in a share capital of USD 130,950,898.60 represented by 120,479,757 ordinary shares at the time of preparing this report.

In March 2014 the Company agreed to extend the period of the purchase option on the *Antarctica* (2009 – 315,981 dwt) and the *Olympia* (2008 – 315,981 dwt) by one month, until April 30th 2014.

On 25 March 2014 Euronav signed a new USD 500 million senior secured credit facility. The facility is underwritten by DnB Bank ASA, Nordea Bank Norge ASA and Skandinaviska Enskilda Banken AB acting as Lead Arrangers and Bookrunners and ABN Amro Bank N.V., Danish Ship Finance, ING Bank NV acting as Lead Arrangers and BNP Paribas Fortis NV, KBC Bank NV and ScotiaBank Europe PLC acting as Co-Arrangers and Belfius

Bank SA/NV. Nordea is also the facility agent. The facility will be available as from 25 March 2014 for the purpose of financing the acquisition of the Maersk Tankers fleet. The credit facility has a 6-year maturity as from closing the syndication and will bear interest at a rate based on LIBOR plus a margin of 2.75%.

## Prospects for 2014

Given the market for tankers in the past couple of years and the difficulties faced by most owners to secure financing, not many newbuilding contracts were placed. Consequently, few vessels (6 VLCCs and 8 Suezmaxes including 6 shuttles) are scheduled to be delivered in 2014. If the scrapping rate in 2014 remains at the same level as in 2013, there would be a negative fleet growth in these segments which has not been seen for quite some time. That should help balancing the fleet and increase rates. The increase of US shale oil production has caused some concerns with regard to the diminishing demand for oil. The US, which was a heavy importer of crude from West Africa, primarily carried on Suezmax vessels, has therefore reduced its requirement almost entirely. West-African crude has consequently been exported elsewhere, towards North Europe and to the Far East, which should increase the demand for ton-miles and therefore tankers. Moreover, several Latin American countries have been increasing their oil production, often destined to go East, which should also increase ton-miles.

The market is expected to be highly volatile as it has already been so far in the first couple of months of 2014.

With consumption in the US rebounding to its strongest level in five years, global oil demand in 2014 is expected by industry experts to be higher than previously forecasted. The IEA is reporting a growth of 1.3% in 2014 to 92.4 million barrels per day.

The floating platform market remains one of the strongest offshore sectors with an increasing amount of floating production investments being made. In Mexico multiple offshore yards are under development in the Altamira region and in Brazil several companies have registered for the auction of the massive Libra Block which is estimated to have 8-12 billion barrels of recoverable reserves and a peak output of 1.4 million barrels a day.

The rapidly growing number of drill ships and UDW (Ultra Deep Water) semis is also swiftly increasing the demand for new floating production facilities. By the end of 2013, there were 146 units available for ultra-deep water E&D (Exploration and Development) and it is expected that this growth will continue through the next several years. By the end of 2015 there will be an estimated increase to 180 units.

# Corporate Governance Statement

## Reference code

Euronav has adopted the Belgian Code on Corporate Governance (dated 12 March 2009) as its reference code. The code can be consulted on the website of the Belgian Corporate Governance Committee: **www.corporategovernancecommittee.be**.
The full text of the Corporate Governance Charter can be consulted on the Company's website : **www.corporategovernancecommittee.be**.

### 1. CAPITAL, SHARES AND SHAREHOLDERS

### 1.1 Capital and shares

On 31 December 2013 the registered share capital of Euronav amounted to USD 58,936,522.32 and was represented by 54,223,817 shares without par value.

Following the capital increases which took place after 31 December 2013, the registered share capital at the time of preparing this report amounts to USD 130,950,898.60 and is represented by 120,479,757 shares without par value.

For a complete overview of these capital increases, the Company refers to the section "Events occurred after the end of the financial year ending 31 December 2013" in the Director's report.

The shares are in registered or dematerialised form.

### 1.2 Convertible bonds

On 4 September 2009 the Company issued 1,500 subordinated, fixed-rate, non-guaranteed convertible bonds for a total of USD 150 million. In the course of the first quarter 2012 the Company bought back 68 bonds of its USD 150 million fixed rate senior unsecured convertible bonds, due 2015. The face value of each bond is USD 100,000 and the Company paid an average of USD 78,441.

On 1 February 2013 the Company launched an exchange offer on all outstanding bonds with maturity 31 January 2015 in exchange for newly issued convertible bonds maturing 31 January 2018. In aggregate, 1,250 bonds (USD 125 million) were offered meaning that only 250 bonds maturing in 2015 remain outstanding, representing a total amount of USD 25 million. So far none of the 250 bonds maturing in 2015 were converted to shares.

Euronav offered its 68 notes due 2015 for exchange against notes due 2018. In the course of 2013 Euronav sold these 68 notes due 2018 and bought 5 bonds due 2015 at an average price of USD 92,000 per bond. On 27 February 2014 Euronav purchased another 13 bonds due 2015 at an average price of USD 103,445 per bond. More details about these transactions can be found in the notes to the consolidated financial statements further in this annual report.

On 9 April 2014 Euronav will exercise its right to redeem all of the outstanding bonds issued in 2013 not converted before 2 April 2014. At the date of this report only 2 bonds issued in 2013 remain outstanding. The bonds are listed on the Luxemburg Stock Exchange. More detailed information on the convertible bonds can be found on our website: **www.euronav.com**.

## 1.3 Perpetual convertible preferred equity instrument

On 10 January 2014 Euronav NV issued perpetual convertible preferred equity instruments for a total issuance amount of USD 150,000,000. The instruments were issued at par and bear an interest of 6% during the first 5 years payable annually in arrears in cash or in shares at the option of the Company. The price against which the instruments can be contributed is EUR 5.776 (or USD 7.928715 at EUR/USD exchange rate of 1.3727) per common share. The Company will have an option to force the contribution if (i) the share price reaches a certain level over a certain period of time and (ii) the Company has completed a listing in New York (NYSE or NASDAQ).

More detailed information on the perpetual convertible preferred equity instruments can be found on our website **www.euronav.com** under the heading Perpetual Convertible Preferred Equity.

## 1.4 Treasury shares

Euronav currently holds 1,750,000 own shares which were bought back at an average price of EUR 18.16. Besides the stock option plan for members of the executive committee (please refer to section 4.4. *Remuneration policy for the executive committee and the employees* further in this Corporate Governance Statement), there are no other share plans, stock options or other rights to acquire Euronav shares in place.

## 1.5 Shareholders and shareholders' structure

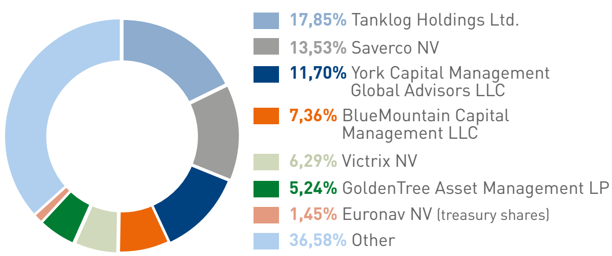
On 31 December 2013 taken into account the declarations and information available to the Company at the time, the shareholders' structure was as follows:

| Shareholder | Number of shares | Percentage |
|---|---|---|
| Saverco NV | 15,000,000 | 27.66% |
| Tanklog Holdings Ltd. | 10,854,805 | 20,02% |
| Victrix NV | 5,330,121 | 9.83% |
| Euronav NV (treasury shares) | 1,750,000 | 3.23% |
| Other | 21,288,891 | 39.26% |
| **Total** | **54,223,817** | **100.00%** |

Taken into account the latest declarations and information available to the Company, the shareholders' structure (at the time of preparing this report) is as follows:

| Shareholder | Number of shares | Percentage |
|---|---|---|
| Tanklog Holdings Ltd. | 21,503,509 | 17.85% |
| Saverco NV | 16,294,539 | 13.53% |
| York Capital Management Global Advisors LLC | 14,100,267 | 11.70% |
| BlueMountain Capital Management LLC | 8,867,209 | 7.36% |
| Victrix NV | 7,580,345 | 6.29% |
| GoldenTree Asset Management LP | 6,306,781 | 5.24% |
| Euronav NV (treasury shares) | 1,750,000 | 1.45% |
| Other | 44,077,107 | 36.58% |
| **Total** | **120,479,757** | **100.00%** |

**Shareholders' structure Euronav NV on 10 March 2014**



## 2. BOARD OF DIRECTORS AND BOARD COMMITTEES

### 2.1 Board of directors

During 2013 the composition of the board of directors was as follows:

| Name | Type of mandate | First appointed as director | End term of office |
|---|---|---|---|
| Marc Saverys | Chairman | 2003 | AGM 2016 |
| Paddy Rodgers | CEO | 2003 | AGM 2016 |
| Daniel R. Bradshaw | Director | 2004 | AGM 2017 |
| Ludwig Criel | Director | 2003 | AGM 2016 |
| Alice Wingfield Digby | Independent Director | 2012 | AGM 2016 |
| Alexandros Drouliscos | Independent Director | 2013 | AGM 2017 |
| Nicolas G. Kairis[1] | Director | 2005 | 20 June 2013 |
| Peter G. Livanos[2] | Director | 2005 | AGM 2015 |
| John Michael Radziwill | Director | 2013 | AGM 2017 |
| Virginie Saverys[3] | Director | 2003 | AGM 2016 |
| William Thomson | Independent Director | 2011 | AGM 2015 |

1 *Mr. Nicolas G. Kairis resigned from the board of directors immediately after the board of directors of 20 June 2013.*

2 *As a permanent representative of Tanklog Holdings Limited.*

3 *As a permanent representative of Victrix NV.*

**Marc Saverys – Chairman**

Marc Saverys (1954) graduated in law from the University of Ghent in 1976. After his studies, he joined the chartering department of Bocimar, the CMB group's dry bulk division. In 1985 he set up the dry bulk division of EXMAR. After the change of control in 1991 he became managing director of CMB, a position which he still holds. He is Chairman of the board of Euronav since its incorporation in 2003. He holds various director mandates in companies belonging to the CMB and Euronav groups. He is also chairman of Delphis and a board member of Sibelco and Mediafin. He is founder and chairman of the private foundation Durabilis.

**Tanklog Holdings Limited, Peter G. Livanos (permanent representative) - Director**

Peter G. Livanos (1958) is a graduate of The Buckley School in New York, Le Rosey in Switzerland and Columbia University in New York. He was awarded an Honorary Doctorate of Science by the Massachusetts Maritime Academy. He is a holder of the Order of Saint Charles from the principality of Monaco. Early in his career he was vice-chairman of Aston Martin Lagonda Ltd. In 1989 he formed Seachem Tankers Ltd., which joined forces with Odfjell in 2000, creating Odfjell ASA, one of the world's largest chemical tanker operators. He is chairman and a director of EnergyLog Ltd., DryLog Ltd. and TankLog Holdings Ltd. He is Executive Chairman of GasLog Ltd. He is also Chairman of the JFK International School Foundation in Switzerland. He holds directorships and memberships in various international companies and committees. He is a member of the Council of the American Bureau of Shipping and chairman of the Greek National Committee.

**Victrix NV, Virginie Saverys (permanent representative) – Director**

Virginie Saverys (1960) graduated in law from the University of Paris in 1983 and is also a translator-interpreter (Institut Supérieur d'Interprétation et de Traduction, Paris, 1983). She started her career in Bocimar's legal department. She left Bocimar in 1985 to start up the legal department at EXMAR. She managed CMB's legal department from 1991 until 2006. She is the owner and chairman of the wine estate Avignonesi (Montepulciano, Tuscany). She has been a director of CMB since 1993 and a director of Euronav since 2003.

**Paddy Rodgers – CEO**

Paddy Rodgers (1959) graduated in law from University College London in 1981 and from the College of Law, Guildford in 1982. He started his career as a trainee lawyer with Keene Marsland & Co. In 1984 he joined Bentley, Stokes & Lowless as a qualified lawyer. He started working as a solicitor at Johnson, Stokes & Master in Hong Kong in 1986. He then joined the CMB group in 1989, where from 1990 to 1995 he was employed as in-house lawyer, and subsequently as shipping executive. In 1998 he was appointed Chief Financial Officer of Euronav and has been Chief Executive Officer since 2000.

**Ludwig Criel – Director**

Ludwig Criel (1951) graduated in applied economic sciences from the University of Ghent, and also holds a degree in management from the Vlerick School of Management. He joined Boelwerf as a project manager in 1976. He held various management functions within the Almabo/EXMAR group and was then made Chief Financial Officer of CMB. He is member of the board of directors of Wah Kwong Shipping Group in Hong Kong. He is chairman of De Persgroep and Petercam and a director of EXMAR and various CMB group subsidiaries. He has been a director of CMB since 1991 and a director of Euronav since 2003.

**William Thomson – Independent Director**

After serving with the army for three years, William Thomson (1949) started his professional career with Killick Martin Shipbrokers, London. From 1970 to 1986 he was a director with Ben Line, for which he worked in Japan, Indonesia, Taiwan and Edinburgh, amongst others places. In 1985 he established Edinburgh Tankers and five years later, Forth and Celtic Tankers. As of 1980 he has been chairman in several maritime and other companies such as Forth Ports Plc, British ports Federation and Relayfast, and the North of England P&I club and director with Trinity Lighthouse Service, Tibbett and Britten and Caledonian McBrayne. Mr. Thomson gained extensive experience in audit, remuneration and nomination committee work, including pension supervisory and trustee duties. Currently, he holds a directors' mandate in Latsco (since 2005), the latter including the mandate of chairman of the London operation, established to operate under tonnage tax regime, operating VLGC (Very Large Gas Carrier) and MR (Medium Range) tonnage.

**Daniel R. Bradshaw – Director**

Dan Bradshaw (1947) obtained a Bachelor of Laws (1969) and a Master of Laws (1971) degree at the Victoria University of Wellington (New Zealand). He started his career with the New Zealand law firm Bell Gully. In 1974 he joined the international law firm Sinclair Roche & Temperley in London. Since 1978 he has worked at one of Asia's most highly reputed law firms, Johnson Stokes & Master, now Mayer Brown JSM, in Hong Kong (from 1983 to 2003 as a partner and since 2003 as a senior consultant). He was vice-chairman of the Hong Kong Shipowners' Association from 1993 to 2001 and a member of the Hong Kong Port and Maritime Board until 2003. From 2003 until 2008 he was a member of the Hong Kong Maritime Industry Council. He is an independent non-executive director of Pacific Basin Shipping Company Limited, a company listed in Hong Kong and operating in the handysize bulk carrier sector. He is also an independent non-executive director of IRC Limited, a company listed in Hong Kong, which operates iron mines in far eastern Russia, and is an affiliate of Petropavlovsk, a London-listed mining and exploration company. He is a member of the board of directors of Greenship Offshore Pte Ltd., a private company in Singapore in the business of bareboat chartering offshore supply vessels. He is a member of the Executive Council of World Wide Fund for Nature Hong Kong, which operates the Mai Po Reserve in Hong Kong, a Ramsar Convention Wetland and a director of Kadoorie Farm and Botanic Garden Corporation, a privately funded conservation body operating in Hong Kong and elsewhere in South China.

**Alice Wingfield Digby – Independent Director**

Alice Wingfield Digby (1974) graduated from the Institute of Chartered Shipbrokers after which she went to sea as a deckhand on board a tanker trading around the Eastern Caribbean. On her return she trained with Campbell Maritime Limited, a ship management company in South Shields, and subsequently at British Marine Mutual P & I Club, SBJ Insurance Brokers and J Hadjipateras in London. She then joined the chartering department of Mobil before the merger with Exxon. In 1999 Mrs. Wingfield Digby became Chartering Manager of Pritchard-Gordon Tankers where she still works. Mrs. Wingfield Digby is a member of the board of directors of Giles W Pritchard-Gordon & Co, Giles W Pritchard-Gordon (Farming) Ltd. and Pritchard-Gordon Tankers Ltd. She is also a member of the Baltic Exchange and is on the committee for Wellbeing of Women, the largest women's health charity in the UK.

**Alexandros Drouliscos – Independent Director**

Alexandros Drouliscos (1958) graduated from the American Univerity in Athens with a Bachelor's degree in Business Administration, with a double major in Accounting and Finance. He then continued his postgraduate studies at Heriott Watt University in Edinburgh, with a M.Sc. in International Banking. His professional career has always been in banking, and mostly spent in London, where he worked firstly as a Credit, then as an Investment Officer at the level of Vice President in Chase Manhattan Bank NA, and then as a Senior Vice President at Merrill Lynch. He is currently a managing director of a family owned European bank.

**John Michael Radziwill - Director**

John Michael Radziwill (1979) graduated from Brown University in 2002 with a BA in Economics. After university he served as Administrative Officer at Ceres Hellenic Enterprise's New Building Site Office in Koje, South Korea. In 2003 he joined Ceres Hellenic's Insurance and Claims Department in Piraeus, Greece. In 2006, after working at H. Clarkson & Co. Ltd and Seascope Insurance Services Ltd both in London, England, he joined the Commercial Department of CTM SAM in Monaco, first as capesize freight trader then moving to head the Sale and Purchase division. He was appointed Chief Executive Officer of CTM in 2010, a position which he still holds. Mr. Radziwill also serves as an advisor of SCP Clover Maritime, a company that manages assets and investments for the Radziwill family. He is a member of the American Bureau of Shipping and the Baltic Exchange.

### Composition

The board of directors currently consists of 10 members, 3 of whom represent the principal shareholders. One member has an executive function; 9 are non-executive directors of which 3 are independent directors in the meaning of Article 526ter of the Belgian Companies Code and Annex 2 of the Corporate Governance Charter. The articles of association provide that the members of the board remain in office for a period not exceeding 4 years. The board members are eligible for re-election. The articles of association of the Company do not provide an age limit for the members of the board.

### Functioning of the board of directors

In 2013, the board of directors met 4 times. The attendance rate of the members was the following:

| Name | Type of mandate | Meetings attended |
|---|---|---|
| Marc Saverys | Chairman | 4 |
| Paddy Rodgers | CEO | 4 |
| Daniel R. Bradshaw | Director | 4 |
| Ludwig Criel | Director | 4 |
| Alice Wingfield Digby | Independent Director | 4 |
| Alexandros Drouliscos | Independent Director | 3 |
| Nicolas G. Kairis[1] | Director | 1 |
| Peter G. Livanos[2] | Director | 4 |
| John Michael Radziwill | Director | 3 |
| Virginie Saverys[3] | Director | 3 |
| William Thomson | Independent Director | 4 |

1 *Mr. Nicolas G. Kairis resigned from the board of directors immediately after the board of directors of 20 June 2013.*

2 *As permanent representative of Tanklog Holdings Limited.*

3 *As permanent representative of Victrix NV.*

### Working procedures

The board of directors is the ultimate decision-making body of the Company, with the exception of the matters reserved to the shareholders' meeting as provided by law or the articles of association. In addition to the statutory powers, the responsibilities of the board of directors are further defined in Article III.1 of the Corporate Governance Charter. All decisions of the board are taken in accordance with Article 22 of the articles of association which inter alia states that the chairman has a casting vote in case of deadlock. To date that has not been necessary. Besides the formal meetings, the board members of Euronav are in contact with each other very regularly, and as it is often difficult to formally meet in case an urgent decision is required, the written decision-making process was used 4 times in 2013.

### Activity report 2013

In 2013, besides the above mentioned customary agenda items, the Euronav board of directors deliberated on:

- the launch of an offer to exchange the existing 1,250 convertible bonds maturing 31 January 2015 for new 6.50% convertible bonds maturing 31 January 2018 and the successful closure of this exchange offer;
- the sale of the Suezmax *Cap Isabella* and the leaseback under a bareboat charter;
- the extension of the USD 300 Million facility;
- the extension of the FSO financing (Africa tranche);
- the extension of the existing time charter party of the VLCC *Luxembourg*;
- conversions of the convertible bond issued in 2013 and maturing in 2018;
- offshore business strategy;
- the extension of a time charter party of the Suezmax *Fraternity* (2009, 157,714 dwt) for a period of 12 months;
- the sale of the VLCC *Ardenne Venture*;
- the raise of USD 150 Million of perpetual convertible preferred equity.

### Procedures for conflicts of interest

The board of directors' rules of conduct with respect to conflicts of interest is explained in the Company's Corporate Governance Charter (sections III.7 and V.7).

In the course of 2013 the board of directors dealt with a conflict of interest on four occasions for which the provisions of article 523 of the Belgian Companies Code were applied.

First, in February 2013, Euronav launched an exchange offer on its convertible bonds issued in 2009, for new convertible bonds maturing 31 January 2018.

The minutes of the board of directors of 31 January 2013 state:

*"Statement of Ludwig Criel, chairman of this meeting*
*Prior to the opening of the deliberations and resolutions the chairman of this meeting sets out that the following directors – in accordance with Article 523 of the Companies Code – have notified the board of directors by letters of 28 January 2013 that they have a direct or indirect patrimonial interest that conflicts with the interests of the board of directors with respect to a decision or a transaction which is the responsibility of the board of directors, more specifically the items on the agenda of this meeting, as these directors directly or indirectly hold Existing Convertible Bonds, to the extent the board of directors would resolve thereon as well as on the amount and the conditions regarding a new convertible bond loan in exchange of the existing convertible bond loan. Therefore, they cannot participate in the resolution, nor in the deliberation on the agenda of this meeting. As a consequence, these directors cannot be taken into account regarding the required quorum or majority.*
*This is also in accordance with Article 22 of the articles of association of the Company.*
*The conflicted directors are:*
*1. Marc Saverys; and*
*2. Victrix NV, permanently represented by Virginie Saverys.*
*The chairman of this meeting declares that four of the seven eligible directors are present or represented; that, hence, the majority of the board of directors is present or represented and that the board of directors has been validly convened and a quorum of directors is present or represented at this meeting, which as a consequence can validly deliberate and that, to adopt decisions, three of the four directors present or represented must decide to adopt the agenda item. The meeting unanimously consents with this statement. Furthermore, the chairman of this meeting states that in accordance with the applicable legal provisions the resolution to issue the New Convertible Bonds and the corresponding capital increase (subject to the condition precedent of exercise of the conversion right) needs to be recorded by a notary public. The resolutions in these minutes should therefore be read together with the notarial deed of the same date."*

Consequently, the other members of the board of directors have approved the proposal to issue convertible bonds with maturity date in 2018 and launch an exchange offer on the existing convertible bonds with maturity date in 2015.

Secondly, in March 2013, Euronav sold the *Cap Isabella*.

The minutes of the board of directors of 14 March 2013 state:

*"Statement of Marc Saverys, chairman of this meeting*
*Prior to the opening of the deliberations and resolutions the chairman of this meeting sets out that Peter Livanos, as permanent representative of Tanklog Holdings Limited – in accordance with Article 523 of the Belgian Companies Code – has notified the board of directors that he has a direct or indirect patrimonial interest that conflicts with the interests of the Company in respect of the items to be discussed and decided upon at this meeting, as the permanent representative of the director directly or indirectly holds an important participation in the Buyer of the Vessel. Therefore, he will not participate in the deliberation nor will he vote.*
*This is also in accordance with Article 22 of the articles of association of the Company.*
*The chairman declares that all eligible directors are present or represented; that, hence, the majority of the board of directors is present or represented and that the board of directors has been validly convened and a quorum of directors is present or represented at this meeting, which as a consequence can validly deliberate."*

Consequently, the other members of the board of directors have approved the proposal to sell the vessel *Cap Isabella* to the Buyer. Subsequently, the other members of the board of directors approved the bareboat charter. It was further decided that the commercial and technical management of the vessel will be performed by Euronav.

Thirdly, in December 2013, Euronav issued perpetual convertible preferred securities.

The minutes of the board of directors of 15 December 2013 state:

*"The following directors – in accordance with Article 523 of the Companies Code – have notified the board of directors that they have a direct or indirect patrimonial interest that conflicts with the interests of the board of directors with respect to a decision or a transaction which is the responsibility of the board of directors, more specifically the items on the agenda of this meeting, as these directors (or entities controlled by them or in which they have a board seat) may be considering to participate in the Transaction. Therefore, they cannot participate in the resolution on this matter. As a consequence, these directors cannot be taken into account regarding the required quorum or majority.*
*This is also in accordance with Article 22 of the articles of association of the Company.*
*The conflicted directors are:*

1. *Marc Saverys;*
2. *Virginie Saverys as permanent representative of Victrix NV;*
3. *Peter Livanos as permanent representative of Tanklog Holdings Ltd.; and*
4. *Ludwig Criel.*

*The conflicted directors have justified their conflict of interest as follows:*
*The external investors that have approached Euronav to discuss equity raising opportunities have expressed their interest in investing in Euronav on the condition that the main shareholders of the company would also subscribe to the Securities. Therefore the Company has entered into discussions with Marc Saverys (main shareholder of Saverco NV), Virginie Saverys (as permanent representative of Victrix NV) and Peter Livanos (as permanent representative of Tanklog Holdings Ltd.) in order to test their willingness to also subscribe to the Securities.*
*The conflicted directors have indicated that their conflict of interest lies in the fact that if and when the board decides to issue the Securities and determine their terms and conditions, they have a conflict of a patrimonial nature.*
*The board is of the opinion that the issuance of the Securities is desirable to strengthen the cash resources and equity base of the Company (under IFRS) with the amount of the proceeds, being 150 million USD. The proceeds will be used to diversify Euronav's funding resources, reinforcing its balance sheet liquidity, strengthen its general corporate and working capital and enable Euronav to fund potential acquisitions that may arise in the future.*
*The patrimonial consequences of the issue of the Securities for Euronav are that Euronav will pay the investors a yearly interest (in cash or in shares), with the interest rate increasing over time (and depending on whether the interest is paid in cash or in shares) from 6% per annum until 31 December 2018 to 16.5% per annum as from 1 January 2021. In case of issue of new shares upon exercise of the contribution options attached to the Securities and the payment of interest in shares, the voting rights of the existing shareholders as well as their liquidation and dividend rights will be subject to dilution. The maximum potential dilution (as calculated in the Special Report) for the existing shareholders in the hypothesis that the receivables incorporated in each of the Securities are contributed to Euronav's capital within 5 years after the issue date and all interests due during such period are paid in shares (but not taking into account dilution resulting from the conversion of Euronav's existing convertible bonds) is 31.62%.*
*Six of the ten eligible directors are represented and hence, the majority of the board of directors is present and the board of directors has been validly convened and can adopt decisions. In accordance with the applicable legal provisions the actual contribution in kind at the moment of exercising the conversion feature as determined by the terms and conditions of the Securities and the corresponding capital increase will need to be recorded by a notary public. The resolutions in these minutes should therefore be read together with the notarial deed of that date."*

Consequently, the other members of the board of directors have approved the proposal to issue the Securities.

Fourthly, in December 2013, Euronav granted stock options to the members of its executive committee.

The written resolutions of the directors of 16 December 2013 state:

*"Patrick Rodgers, in accordance with article 523 of the Companies Code, has informed the board of directors of the fact that he has a financial interest that is conflicting with the decisions to be taken by the board of directors as set out in the agenda given that the Nomination and Remuneration Committee has proposed to the board of directors to offer stock options to the members of the Executive Committee of which Patrick Rodgers, as CEO of the Company, is a member. Therefore Patrick Rodgers shall not participate in the resolutions on the matter. This director shall not be taken into account regarding the required quorum or majority.*
*This procedure is in accordance with article 22 of the articles of association of the Company."*

Consequently, the other members of the board of directors have approved the stock options to be granted to the members of the executive committee.

## 2.2 Board committees
### 2.2.1 Audit committee
**Composition**

In accordance with Article 526bis §2 of the Company Code and clause 5.2./4 of Appendix C to the Belgian Corporate Governance Code of 2009, the audit committee is exclusively composed of non-executive directors, and a majority of the committee's members are independent directors. The audit committee of Euronav counts 3 members, 2 of which are independent directors. In 2013 the composition of the audit committee was as follows:

| Name | End term of office | Independent Director |
|---|---|---|
| Daniel R. Bradshaw | 2017 | |
| Alexandros Drouliscos | 2017 | X |
| Nicolas G. Kairis[1] | 2013 | |
| William Thomson[2] | 2015 | X |

*[1] Mr. Nicolas G. Kairis resigned from the audit committee immediately after the board of directors of 20 June 2013.*

*[2] Independent Director and expert in accountant and audit related matters (see biography) in accordance with Article 96 paragraph 1, 9° of the Code of Companies.*

**Powers**

The audit committee handles a wide range of financial reporting, controlling and risk management matters. Its main responsibilities and its functioning are described in Article IV.2 of the Corporate Governance Charter. Every 3 years the audit committee revises its term of reference in accordance with the evaluation procedure set out in Article III.9 of the Corporate Governance Charter, evaluates its own efficiency and makes recommendations to the board of directors, if changes are useful or required.

**Activity report 2013**

In 2013 the audit committee met 4 times.
The attendance rate of the members was the following:

| Name | Type of mandate | Meetings attended |
|---|---|---|
| Daniel R. Bradshaw | Director | 4 |
| Alexandros Drouliscos | Independent Director | 3 |
| Nicolas G. Kairis[1] | Director | 1 |
| William Thomson | Independent Director | 4 |

*[1] Mr. Nicolas G. Kairis resigned from the audit committee immediately after the board of directors of 20 June 2013.*

During these meetings the key elements discussed within the audit committee included financial statements, cash management, external and internal audit reports, old and new financing and debt covenants.

### 2.2.2 Nomination and remuneration committee
**Composition**

In accordance with Article 526quater §2 of the Company Code, all members of the nomination and remuneration committee are non-executive directors, the majority being independent directors. The nomination and remuneration committee consists of 3 directors, 2 of which are independent directors. In 2013 the nomination and remuneration committee was composed as follows:

| Name | End term of office | Independent Director |
|---|---|---|
| Daniel R. Bradshaw[1] | 2017 | |
| Alice Wingfield Digby | 2016 | X |
| Peter G. Livanos[2] | 2015 | |
| William Thomson | 2015 | X |

*[1] Mr. Bradshaw resigned from the nomination and remuneration committee immediately after the annual meeting of 8 May 2013.*

*[2] As permanent representative of Tanklog Holdings Limited.*

**Powers**

The nomination and remuneration committee has various advisory responsibilities relating to the appointment, dismissal and remuneration of members of the board of directors, members of the executive committee and senior employees. Article IV.3 of the Corporate Governance Charter contains a detailed list of the powers and responsibilities of the nomination and remuneration committee.

The nomination and remuneration committee makes recommendations to the board of directors relating to the remuneration of the non-executive and executive directors and members of the executive committee, including variable remuneration, incentives, bonuses etc. in line with suitable industry benchmarks.

In accordance with the evaluation procedure set out in Article III.9 of the Corporate Governance Charter, the nomination and remuneration committee revises its term of reference, evaluates its own efficiency and makes recommendations to the board of directors, if changes are useful or required.

#### Activity report 2013

In 2013, the nomination and remuneration committee met 4 times. The attendance rate of the members was the following:

| Name | Type of mandate | Attended meetings |
|---|---|---|
| Daniel R. Bradshaw[1] | Director | 1 |
| Alice Wingfield Digby | Independent Director | 4 |
| Peter G. Livanos[2] | Director | 4 |
| William Thomson | Independent Director | 4 |

[1] *Mr. Bradshaw resigned from the nomination and remuneration committee immediately after the annual meeting of 8 May 2013.*
[2] *As permanent representative of Tanklog Holdings Limited.*

During these meetings the key elements discussed within the nomination and remuneration committee included the composition and the evaluation of the board of directors and its subcommittees, the remuneration of directors and members of the executive committee and the annual bonus for the members of the executive committee and employees.

### 2.3 Executive committee

#### Composition

In application of Article 524bis of the Code of Companies, the executive management of the Company is entrusted to the executive committee chaired by the CEO. The members of the executive committee are appointed by the board of directors.

The executive committee is composed as follows:

| Name | Title |
|---|---|
| Hugo De Stoop | Chief Financial Officer |
| Paddy Rodgers | Chief Executive Officer |
| Alex Staring | Chief Offshore Officer |
| Egied Verbeeck | General Counsel |

#### Powers and activity report 2013

The executive committee is empowered to take responsibility for the daily operations of the group and the implementation of the policy and strategy approved by the board of directors. Its powers are further described in detail in Article V.3 of the Corporate Governance Charter. The executive committee reports to the board of directors through the CEO, enabling the board of directors to exercise control on the executive committee.

## 3. EVALUATION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

The main features of the process for evaluating the board of directors, its committees and the individual directors are described in Chapter III.9 of the Euronav Corporate Governance Charter.

## 4. REMUNERATION REPORT

The remuneration report describes Euronav's executive remuneration policy and how executive compensation levels are set. The remuneration and nomination committee oversees the executive compensation policies and plans.

### 4.1 Euronav's reward principle

All employees are subject to an annual performance review process, implementation of which is ensured by the executive committee. The remuneration policy is part of a framework of employee policies aimed at motivating and retaining current employees, attracting talented new people and helping Euronav employees to perform at consistently high levels.

### 4.2 Development of the Euronav remuneration policy

The policy of remuneration for members of the executive committee is set by the board of directors on the basis of recommendations by the remuneration and nomination committee. When formulating its recommendations, in particular for the remuneration of members of the executive committee, the committee uses suitable industry benchmarks, as set out in detail in point 2.2.2 and 4.4 of this annual report. The general shareholders' meeting decides upon the remuneration level for directors, as suggested by the board of directors pursuant to proposals formulated by the remuneration and nomination committee.

The remuneration and nomination committee meets at least twice per year during which time it:

- considers the market factors affecting the Company's current and future pay practices;
- evaluates the effectiveness of our remuneration policies in terms of recognising performance and determines the appropriate evolution of the plans;
- determines the compensation levels of Euronav's management team as a whole and individually.

### 4.3 Remuneration policy for executive and non-executive directors

The remuneration is determined on the basis of 4 regular meetings of the full board per year. Directors receive an attendance fee for each board meeting or committee meeting attended. The actual amount of the remuneration of the directors is approved by the annual general meeting.

For the execution of their mandate during 2013 each director received a gross fixed amount per annum of EUR 60,000 and an additional attendance fee of EUR 10,000 per board meeting attended with a maximum of EUR 40,000 per year. The Chairman received a gross fixed amount of EUR 160,000 per year and an additional attendance fee of EUR 10,000 per board meeting attended with a maximum of EUR 40,000 per year. The Chief Executive Officer, who was also member of the executive committee in 2013, has waived his directors' fees.

For their mandate within the audit committee, the members received an annual remuneration of EUR 20,000 and the Chairman received a remuneration of EUR 40,000. Each member of the audit committee, including the Chairman, received an additional attendance fee of EUR 5,000 per audit committee attended with a maximum of EUR 20,000 per year.

For their mandate within the nomination and remuneration committee, the members received an annual remuneration of EUR 3,000. Each member of the nomination and remuneration committee received an additional fee of EUR 5,000 per committee attended with a maximum of EUR 20,000 per year.

At present both non-executive and executive directors do not receive performance related remuneration, such as bonuses or remuneration related shares or share options, nor fringe benefits or pension plan benefits. As such, Euronav ensures the objectivity of non-executive directors and encourages the active participation of all directors for both the meetings of the board of directors and the committee meetings.

No loans or advances were granted to any director.

**The remuneration in 2013 of the members of the board of directors is reflected in the table below:**

*In euro:*

| NAME | Fixed fee | Attendance fee board | Audit-committee | Attendance fee audit committee | Nomination and remuneration fee | Attendance fee nomination and remuneration committee | TOTAL |
|---|---|---|---|---|---|---|---|
| Marc Saverys | 160,000 | 40,000 | | | | | 200,000 |
| Tanklog Holdings Ltd.[1] | 60,000 | 40,000 | | | 3,000 | 20,000 | 123,000 |
| Paddy Rodgers[2] | 0 | 0 | | | | | 0 |
| Ludwig Criel | 60,000 | 40,000 | | | | | 100,000 |
| Daniel R. Bradshaw | 60,000 | 40,000 | 40,000 | 20,000 | 1,000 | 5,000 | 166,500 |
| Nicolas G. Kairis[3] | 30,000 | 10,000 | 10,000 | 5,000 | | | 55,000 |
| Victrix NV[4] | 60,000 | 30,000 | | | | | 90,000 |
| William Thomson | 60,000 | 40,000 | 20,000 | 20,000 | 3,000 | 20,000 | 163,000 |
| Alice Wingfield Digby | 60,000 | 40,000 | | | 3,000 | 20,000 | 123,000 |
| John Michael Radziwill[5] | 40,000 | 30,000 | | | | | 70,000 |
| Alexandros Drouliscos[6] | 40,000 | 30,000 | 13,333.34 | 15,000 | | | 98,333.34 |
| **TOTAL** | **630,000** | **340,000** | **83,333.34** | **60,000** | **10,000** | **65,000** | **1,188,333.34** |

[1] *with Mr. Livanos as permanent representative.*

[2] *Mr. Paddy Rodgers has waived his directors' fees.*

[3] *Mr. Nicolas G. Kairis resigned as director and member of the Audit Committee as of 20 June 2013.*

[4] *with Mrs. Virginie Saverys as permanent representative.*

[5] *Mr. John Michael Radziwill was appointed as director as of 8 May 2013.*

[6] *Mr. Alexandros Drouliscos was appointed as director as of 8 May 2013 and member of the Audit committee as of his appointment.*

## 4.4 Remuneration policy for the executive committee and the employees

Euronav's remuneration packages intend to be fair and appropriate to attract, retain and motivate management, and be reasonable in view of the Company economics and the relevant practices of comparable peer companies.

The executive committee and employee compensation packages are composed of two main elements:

- fixed remuneration
- variable remuneration

**Remuneration (fixed and variable)**

The fixed and variable remuneration are determined according to suitable industry benchmarks for specific positions and individual employees' abilities

The nomination and remuneration committee decides annually on the remuneration of the members of the executive committee. Variable remuneration is determined on the basis of each individual's performance throughout the year. The Company has no other rights or remedies than the ones provided for by civil law and Company law to claim the variable remuneration back, in case it is attributed on the basis of incorrect financial statements.

Within the framework of a stock option plan, the board of directors has on 16 December 2013 granted options on its 1,750,000 treasury shares to the members of the executive committee for no consideration. 525,000 options were granted to the CEO and 1,225,000 options were granted to the other members of the executive committee. The exercise price of the options is EUR 5.7705. All of the beneficiaries have accepted the options granted to them. At the date of this report 2/3 of the options have been vested and 1/3 will be vested only if certain conditions (stock price and business related) are met. A maximum of fifty per cent of the options will be exercisable at the latest as from 1 January 2015. The other fifty per cent of the options can be exercised as from 1 January 2016.

Variable remuneration differs amongst the members of the executive committee, though globally it can be stated that the variable remuneration represents 43% of the global remuneration for all members of the executive committee together.

## 4.5 Remuneration of the executive committee

**The remuneration in 2013 of the members of the executive committee (excluding the CEO) is reflected in the table below:**

| *In euro:* | Fixed remuneration | Variable remuneration | Pension and benefits | Other components |
|---|---|---|---|---|
| 3 members | 870,000 | 700,000 | 31,800 | 51,000 |

The current composition of the executive committee is set out in point 2.3 above. No loans or advances were granted to any members of the executive committee. The COO is entitled to a compensation equivalent to one year's salary in the event of termination of his appointment.

## 4.6 Remuneration of the Chief Executive Officer

**The remuneration in 2013 of the CEO is reflected in the table below:**

| *In GBP:* | Fixed remuneration | Variable remuneration | Pension and benefits | Other components |
|---|---|---|---|---|
| Paddy Rodgers | 284,000 | 268,000 | 50,000 | 10,800 |

The CEO has an employment contract. In the event of termination of his contract he would be entitled to a compensation equivalent to one year's salary.

No loans or advances were granted to the CEO.



### 4.7 Remuneration of the Auditor Klynveld Peat Marwick Goerdeler (KPMG)

Permanent representatives: Serge Cosijns and Jos Briers

**For 2013, the worldwide audit and other fees in respect of services provided by the statutory auditor KPMG can be summarized as follows:**

| In USD | 2013 | 2012 |
|---|---|---|
| Audit services for the annual financial statements | 404,190 | 364,399 |
| Audit related services | 15,940 | - |
| Tax services | 31,481 | 40,308 |
| Other non-audit assignments | - | 20,175 |
| **TOTAL** | **451,611** | **424,882** |

The limits prescribed by Article 133 of the Code of Companies were observed.

## 5. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

Internal control can be defined as a system developed and implemented by management and which contributes to managing the activities of the Company, its efficient functioning and the efficient use of its resources, all in function of the objectives, the size and the complexity of its activities. Risk assessment can be defined as a process developed to identify possible events which may affect the Company and to manage the risks of the Company within the boundaries of its risk appetite.

These risks (as described in more detail in the 'Risk Factors' section in this annual report) are the following:

- economic (including slowing economic growth, inflation or fluctuations in interest and foreign currency exchange rates) and competitive risks (such as greater price competition);
- operational: risks inherent in the operation of ocean-going vessels and the conversion of vessels into FSO units and the operation of its FSO activities and effective management of its international operations;
- regulations: if the Company fails to comply with health, safety and environmental laws, regulations (including regulations about emissions) or requirements or is involved in legal proceedings in this regard, its operations and revenues may be adversely affected;
- financing: the Company is subject to operational and financial restrictions in debt agreements; refinancing of loans may not always be possible;
- terrorist attacks, piracy, civil disturbances and regional conflicts in any particular country;
- risks relating to the TI pool, the joint ventures and associates.

As part of the reference framework Euronav:

- laid down its ethical values and business conduct rules in the 'Code of Conduct' and the 'Dealing Code';
- has also included these values and rules in the Staff Handbook for all its employees;
- clearly documented its corporate structure, organisation chart and job descriptions (and hence tasks, responsibilities and reporting lines);
- clearly specified the delegations of authority for key decisions;
- ensures proper communication between local management and executive committee throughout various committees such as management committee, pool committee, revenue committee, insurance committee;
- has embedded group policies in the main business processes, which Euronav applies group-wide, covering areas such as: fixed assets, hedging, IT systems, human resources, treasury,...

Euronav also has developed a "Health, Safety, Quality and Environmental (HSQE) Management System" which integrates health, safety, environment and quality management into a system that fully complies with the ISM Code for the "Safe Operation of Ships and Pollution Prevention".

To support the financial reporting, Euronav has a closing and reporting checklist in place assuring communication of timelines and clear assignment of tasks and responsibilities. Specific procedures are in place in order to assure completeness of financial accruals. The details are set out in the finance manual. A mandatory training on internal control is organised for all new and current employees. Compliance is monitored by means of annual assessments attended by senior management and their outcome is reported to corporate finance, which presents a consolidated report to the audit committee. More details on the exact role and responsibilities of the audit committee in relation to the internal control and risk management systems, can be found in the section on its powers, described above.

In addition, the Compliance Officer assesses the application of the Corporate Governance Charter.

Euronav has outsourced the internal audit function to Moore Stephens, upon recommendation of the Audit Committee. Moore Stephens reviews and analyses strategic, operational, financial and IT risks and discusses the findings with the Audit Committee.

Euronav has appointed KPMG as its external auditor to verify its financial results and compliance with Belgian legislation. The external auditor issues a report at least twice a year which they submit to the audit committee. They are also invited to attend the annual general meeting to present their report.

### 5.1 Hedging policy

Euronav hedges part of its exposure to changes in interest rates on borrowings and all borrowings contracted for the financing of vessels are on the basis of a floating interest rate, increased by a margin. The Group does not hold or trade derivatives for speculative purposes. Euronav uses derivative financial instruments - such as foreign exchange forward contracts, interest rate swaps, purchase of CAP options, sale of FLOOR options, currency swaps and other derivative instruments – solely to manage its exposure to interest rates and foreign currency exchange rates and to achieve an appropriate mix of fixed and floating rate exposure as defined by the Group. For a more detailed position of Euronav's financial instruments, we refer to note 18 of the Financial Statements.

### 5.2 Tonnage Tax Regime and Risks

**Tonnage Tax Regime**

Shortly after its incorporation, Euronav applied for treatment under the Belgian tonnage tax regime. It was declared eligible for this regime by the Federal Finance Department on 23 October 2003. Following the acquisition of the Tanklog fleet and Euronav's express desire to operate the vessels under Greek flag, Euronav was deemed eligible for tonnage tax in Greece. As a result, for a ten-year period, Euronav's profits will in principle be determined nominally on the basis of the tonnage of the vessels it operates. After this first ten-year period had elapsed, the tonnage tax regime has been automatically renewed for another ten-year period. This tonnage tax replaces all factors that are normally taken into account in traditional tax calculations, such as profit or loss, operating costs, depreciation, gains and the offsetting of past losses of the revenues taxable in Belgium.

### Risks associated to the business

#### Due to the cyclical nature of its activities

Euronav's operating results have experienced fluctuations on an annual or quarterly basis in the past. This will probably remain the case in the future. The fluctuations in Euronav's operating results are due to various factors, a number of which lie outside Euronav's control. The tanker market is historically a cyclical one. It is a market that experiences high volatility as a result of changes in supply and demand for seaborne transportation of crude oil. Firstly, the supply of tanker capacity is affected by the number of newly constructed vessels, the scrap percentage of existing tankers and the changes in laws and regulations. Secondly, the demand for tankers is highly sensitive to global and regional market conditions and to crude oil production levels. The nature and timing of all these factors, some of which are of a geopolitical nature, are unpredictable, and may have a significant impact on Euronav's activities and operating results.

#### Euronav is subject to operational and financial restrictions in debt agreements

Euronav's existing debt agreements impose operational and financial restrictions which have an impact on, and in some respects limit or preclude, among other things, the possibility for Euronav and its subsidiaries of taking on additional debts, pledging securities, selling shares in subsidiaries, making certain investments, entering into mergers and acquisitions, buying and selling of vessels, or paying dividends without the lender's approval.

Euronav's loan agreements also stipulate a certain minimum ratio of market value for vessels and other securities. The financial institutions may reduce the term of the debt under such loan agreements, and seize the securities used to guarantee the loan in the event of bankruptcy, including Euronav's failure to honour these agreements in full. Under any of these circumstances, there is no guarantee that Euronav will have enough funds or other resources to meet all its commitments.

#### Euronav is subject to the risks inherent in the operation of oceangoing vessels

Euronav's activities are subject to various risks, including extremes of weather, negligence of its employees, mechanical defects in its vessels, collisions, severe damage to vessels, damage to or the loss of freight and the interruption of commercial activities due to political circumstances, hostilities or strikes. Moreover, the operation of oceangoing vessels is subject to the inherent possibility of maritime disasters such as oil spills and other environmental accidents, and to the obligations arising from the ownership and management of vessels in international trade.

Euronav believes that its current insurance policies are sufficient to protect it against possible accidents, and that it is also adequately covered against environmental damage and pollution, as required by relevant legislation and standard practices in the sector. However, there is no guarantee that such insurance will remain available at rates which are regarded as reasonable by the Company, or that such insurance will remain sufficient to cover all losses incurred by Euronav or the cost of each compensation claim made against Euronav, or that its insurance policies will cover the loss of income resulting from a vessel becoming non-operational. Should compensation claims be made against Euronav, its vessels may be impounded or subject to other judicial procedures.

#### Euronav's activities are subject to important environmental legislation which may cause Euronav's expenditure to increase abruptly

Euronav's activities are subject to extensive, changing environmental legislation. In the past, Euronav has incurred significant expenses in order to comply with such legislation and regulations, including spending on changes to vessels and to operational procedures. It expects such expenditure to remain high. Additional laws and regulations could be introduced restricting Euronav's ability to pursue its activities, or causing its costs to increase substantially. That could have a negative impact on Euronav's activities, financial situation and operating results.

#### The prospects for a particular period may not be attained during that period as a result of unpredictable economic cycles

Although various analysts provide forecasts regarding the development of the markets, these do not always precisely reflect future freight rates, which tend to be unpredictable. The forecasting of freight rates is difficult due to the uncertain prospects of the global economy.

#### Euronav may need additional capital in the future and may prove unable to find suitable funds on acceptable terms

Euronav has made considerable investments in recent years. Although most of these projects are satisfactorily financed, the risk exists that the financial markets will be unable to provide sufficient funds to continue supporting such projects.

#### Euronav's activities are subject to fluctuations in exchange rates and interest rates, causing pronounced variations in its net results

Euronav's income is mainly expressed in USD, although some operating costs are expressed in other currencies, especially the Euro. This partial mismatch between operating income and expenses could lead to fluctuations in Euronav's net results.

#### Euronav is subject to risks inherent in conversion of vessels into Floating, Storage and Offloading services operation (FSO) units and the operation of its FSO activities

Euronav's FSO activities are subject to various risks, including delays, cost overruns, negligence of its employees, mechanical defects in its machinery, collisions, severe damage to vessels, damage to or loss of freight, piracy or strikes. In case of delays in delivering FSO under service contract to its end-user, contracts can be amended and/or cancelled. Moreover, the operation of FSO vessels is subject to the inherent possibility of maritime disasters such as oil spills and other environmental accidents, and to the obligations arising from the ownership and management of vessels in international trade. Euronav has established sufficient current insurance against possible accidents and environmental damage and pollution as requested by relevant legislation and standard practices in the sector. However, there is no guarantee that such insurance will remain available at rates which are regarded as reasonable by Euronav or that such insurance will remain sufficient to cover all losses incurred or the cost of each compensation claim made against Euronav, or that its insurance policies will cover the loss of income resulting from a vessel becoming non-operational. Should compensation claims be made against Euronav, its vessels may be impounded or subject to other judicial procedures.

#### Refinancing of loans may not always be possible

There is no assurance that Euronav will be able to repay or refinance its facilities on acceptable terms or at all as they become due upon their respective maturity dates. Financial markets and debt markets are not always open independently of the situation of Euronav and the lack of debt finance may adversely affect Euronav's operations business and results of operations.

#### Risks relating to the TI pool, the joint ventures and associates may adversely affect Euronav's operations, business and results of operations

Although efforts are made to identify and manage the various potential risks within Euronav in the same way, this is not always possible or enforceable. In the case of joint ventures, TI pool and associates, differing views from the other partner(s) may arise, as a result of which, according to Euronav, specific treatment of the risks may be limited or even prevented. The different approaches to these risks may lead to consequences other than those which Euronav would have incurred or would have wished to incur, which may adversely affect Euronav's operations, business and results of operations.

#### Acts of piracy on ocean-going vessels have recently increased in frequency, which could adversely affect our business

Acts of piracy have historically affected ocean-going vessels trading in regions of the world such as the South China Sea and in the Gulf of Aden off the coast of Somalia. Over the last few years, the frequency of piracy incidents increased significantly, particularly in the Gulf of Aden and in the Indian Ocean off the coast of Somalia and in the Gulf of Guinea. If these piracy attacks result in regions in which the Company's vessels are deployed being characterized by insurers as "enhanced risk" areas, premiums payable for such coverage could increase significantly and in extreme circumstances, such insurance coverage may be more difficult to obtain. In addition, crew costs, including costs which may be incurred to the extent the Company employs onboard security guards, could increase in such circumstances. Detention as a result of an act of piracy against the Company's vessels, or an increase in cost, or unavailability of insurance for the vessels, could have a material adverse impact on the Company's business, results of operations, cash flows, financial condition and ability to pay dividends. In response to piracy incidents, particularly in the Gulf of Aden off the coast of Somalia and following consultation with regulatory authorities, Euronav follows BMP4 (Best Management Practices) which is a guide that has been produced jointly by EUNAVFOR, the NATO shipping centre and UKMTO (UK Maritime Trade Operations) or the Company may even consider to station armed guards on some of its vessels. Whilst use of armed guards has been proven to deter and prevent the hijacking of the Company's vessels, it may also increase the risk of liability for death or injury to persons or damage to personal property, which could adversely impact its business, results of operations, cash flows, financial condition and ability to pay dividends.

## 6. INFORMATION TO BE INCLUDED IN THE ANNUAL REPORT AS PER ARTICLE 34 OF THE ROYAL DECREE OF 14 NOVEMBER 2007

### 6.1 Capital structure

At the time of preparing this report the registered share capital of Euronav NV amounts to USD 130,950,898.60 and is represented by 120,479,757 shares without par value. The shares are in registered or dematerialised form. Euronav currently holds 1,750,000 own shares which were bought back at an average price of EUR 18.16.
On 4 September 2009 the Company issued 1,500 subordinated, fixed-rate, non-guaranteed convertible bonds for a total of USD 150 million. In the course of the first quarter 2012 the Company bought back 68 notes of its USD 150 million fixed rate senior unsecured convertible notes, due 2015. The face value of each bond is USD 100,000 and the Company paid an average of USD 78,441 per bond. On 1 February 2013 the Company launched an exchange offer on all outstanding bonds with maturity 31 January 2015 in exchange for newly issued convertible bonds maturing 31 January 2018. Bonds for a total of USD 125 million participated in the exchange, which means that only USD 25 million of the bonds maturing in 2015 remain outstanding. So far none of the outstanding bonds, maturing in 2015, have been converted. Euronav offered its 68 notes due 2015 for exchange against notes due 2018. In the course of 2013 Euronav sold these 68 notes due 2018 and bought 5 bonds due 2015 at an average price of USD 92,000 per bond. On 27 February 2014 Euronav purchased another 13 bonds due 2015 at an average price of USD 103,445 per bond. More details about these transactions can be found in the notes to the consolidated financial statements further in this annual report.
On 9 April 2014 Euronav will exercise its right to redeem all of the outstanding bonds issued in 2013 not converted before 2 April 2014. The bonds are listed on the Luxemburg Stock Exchange. Besides the stock option plan for members of the executive committee (please

refer to section 4.4. in this Corporate Governance Statement), there are no other share plans, stock options or other rights to acquire Euronav NV shares in place.

On 10 January 2014 Euronav NV issued perpetual convertible preferred equity instruments for a total issuance amount of USD 150 million. The instruments were issued at par and bear an interest of 6% during the first 5 years payable annually in arrears in cash or in shares at the option of the Company. The price against which the instruments can be contributed is EUR 5.776 (or USD 7.928715 at EUR/USD exchange rate of 1.3727) per common share. The Company will have an option to force the contribution if (i) the share price reaches a certain level over a certain period of time and (ii) the Company has completed a listing in New York (NYSE or NASDAQ).

### 6.2 Restrictions on the exercise of voting rights or on the transfer of securities

Each share entitles the holder to one vote. There are no securities issued by the Company which would entitle the holder to special voting rights or control. The articles of association contain no restrictions on the voting rights, and each shareholder can exercise his voting rights provided he is validly admitted to the shareholders' meeting and his rights are not suspended. Pursuant to Article 12 the Company is entitled to suspend the exercise of rights attached to shares belonging to several owners. No person can vote at the shareholders' meeting using voting rights attached to shares for which the formalities to be admitted to the general meeting as laid down in Article 34 of the articles of association or the law have not been fulfilled in time or accurately. Likewise, there are no restrictions in the articles of association or by law on the transfer of shares.

### 6.3 General shareholders' meeting

The ordinary general shareholders' meeting is held in Antwerp on the second Thursday of the month of May, at 11 a.m., at the registered office or any other place mentioned in the convening notices. If such date would be a bank holiday, the annual shareholders' meeting would take place on the preceding business day.

### 6.4 Agreements amongst shareholders or other agreements

The board of directors is not aware of any agreements among major shareholders or any other shareholders that may result in restrictions on the transfer of securities or the exercise of voting rights. The major shareholders have not entered into a shareholders' agreement or a voting agreement, nor do they act in concert. There are no agreements between the Company and its employees or directors providing in any compensation in case of resignation or dismissal on account of public acquisition offer. Apart from the customary change of control provision in the financing agreements Euronav has entered into and in the terms and conditions of the convertible bonds with maturity date in 2015, of the convertible bonds with maturity date in 2018 and of the perpetual preferred convertible securities, there are no other important agreements to which the Company is a party and which enter into force, be amended or be terminated, in case of a change of control of the Company following a public offer.

### 6.5 Appointment and replacement of directors

The articles of association (Article 17 and following) and section III.2 of the Euronav Corporate Governance Charter contain specific rules concerning the (re)appointment, replacement and the evaluation of directors. The general shareholders' meeting appoints the board of directors. The board of directors submits the proposals for the appointment or re-election of directors - supported by a recommendation of the nomination and remuneration committee - to the general shareholders' meeting for approval. If a director's mandate becomes vacant in the course of the term for which the director was appointed, the remaining board members may provisionally fill the vacancy until the following general shareholders' meeting, which will decide on the final replacement. A director nominated under such circumstances is only appointed for the time required to terminate the mandate of the director whose place he has taken. Appointments of directors are made for a maximum of 4 years. After the end of his/her term, each director is eligible for re-appointment.

### 6.6 Amendments to articles of association

The articles of association can be amended by the extraordinary general meeting in accordance with the Companies Code. Each amendment to the articles of association requires a qualified majority of votes.

### 6.7 Authorisation granted to the board of directors to increase share capital

The articles of association (Article 5) contain specific rules concerning the authorisation to increase the share capital of the Company. By decision of the shareholders' meeting held on 24 February 2014, the board of directors has been authorised to increase the share capital of the Company in one or several times by a total maximum amount of USD 73,000,000 during a period of five years as from the date of publication of the decision, subject to the terms and conditions to be determined by the board of directors.

### 6.8 Authorisation granted to the board of directors to acquire or sell the Company's own shares

The articles of association (Article 15 and 16) contain specific rules concerning the authorisation to acquire or sell the Company's own shares. Pursuant to a decision of the extraordinary shareholders' meeting of 24 February 2014 which has been adopted in accordance with the relevant legal provisions, the Company has been authorised to acquire and sell the Company's own shares or profit shares, without a decision of the shareholders' meeting being required, for a period of three years as from the publication in the annexes to the Belgian State Gazette of the aforementioned decision, irrespective of whether these include the entitlement to vote, by way of a purchase or an exchange, directly or through a person acting in its own name but for the account of the Company, if such acquisition is necessary to prevent imminent and serious harm to the Company, including a public purchase offer for the Company's securities


(Article 15 of the articles of association). The board of directors can, in accordance with the Code of Companies, without prior permission of the shareholders' meeting, to prevent imminent and serious harm to the Company, including a public purchase offer for the Company's securities, sell acquired shares or profit shares of the Company on the stock exchange or by way of an offer to sell, addressed to all shareholders under the same conditions, during a period of three years as from the publication in the Annexes to the Belgian Official Gazette, of the decision, taken by the general meeting of 24 February 2014 (Article 16 of the articles of association).

## 7. APPROPRIATION OF PROFITS

Since 2008 the board of directors follows a policy of always considering an interim dividend and proposing to pay out a dividend subject only to results, investment opportunities and outlook.

## 8. CODE OF CONDUCT

The board of directors approved the Euronav Code of Conduct at its meeting of 20 September 2006. The purpose of the Code of Conduct is to assist all the Euronav employees to enhance and protect the good reputation of Euronav. The Code of Conduct articulates the policies and guidelines that highlight the values of Euronav, more particularly in its relationship with customers, shareholders and other stakeholders as well as society in general. The full text of the Code of Conduct can be found on the Company's website: **www.euronav.com**.

## 9. MEASURES REGARDING INSIDER DEALING AND MARKET MANIPULATION

In accordance with Directive 2003/6/EC on insider dealing and market manipulation (market abuse), the Euronav Corporate Governance Charter contains, in its Annex 3, the guidelines concerning trading in financial instruments issued by Euronav, also called the Dealing Code. The Dealing Code includes restrictions on trading in Euronav shares during so called "closed periods", which have been in application for the first time in 2006. Directors and employees who intend to deal in Euronav shares must first request clearance from the Compliance Officer. Transactions that are to be disclosed in accordance with the Royal Decree of 5 March 2006 are being disclosed at the appropriate time.

## 10. GUBERNA

As Euronav strongly believes in the merits of corporate governance principles and is keen on further developing its corporate governance structure, Euronav joined Guberna as institutional member at the end of 2006. Guberna (**www.guberna.be**) is a knowledge centre promoting corporate governance in all its forms and offers a platform for the exchange of experiences, knowledge and best practices.

## 11. GENDER DIVERSITY

In accordance with paragraph 2.1 of the Corporate Governance Code, the board of directors must be composed in a manner compliant with the principles of gender diversity as well as of diversity in general. The board of directors of Euronav currently consists of 8 men and 2 women with varying yet complementary knowledge bases and fields of experience. The board of directors has been made aware of the law of 28 July 2011 on gender diversity and the recommendations issued by the Corporate Governance committee following the enacting of the law with regard to the representation of women on boards of directors of listed companies.

## 12. APPROPRIATION ACCOUNTS

The result to be allocated for the financial year amounts to USD -143,573,316.83. Together with the transfer of USD 495,478,289.49 from the previous financial year, this gives a profit balance to be appropriated of: USD 351,904,972.66. To the annual shareholders' meeting of 8 May 2014 it will be proposed not to distribute a dividend.

| | |
|---|---|
| ■ capital and reserves | USD 0.00 |
| ■ dividends | USD 0.00 |
| ■ carried forward | USD 351,904,972.66 |

Antwerp, 27 March 2014
Board of directors

# The Euronav Group


## Euronav Ship Management SAS

Euronav Ship Management SAS, with head office in Nantes in the South of Brittany, France and branch office in Antwerp, Belgium, is besides the traditional shipping activities, primarily responsible for Euronav offshore projects and the management of vessels for the offshore industry. This includes tender projects, conversion works as well as performing the management of the vessels used as floating storage, including crewing, technical procurement, accounting and quality. All vessels are registered in Belgium or France except for 3 which are registered in the Marshall Islands. That guarantees high levels of quality, safety and reliability. The Nantes office and the Antwerp branch office also provide crew management for Euronav French flag and Belgian trading oil tankers.

## Euronav Ship Management (Hellas) Ltd.

In November 2005, Euronav Ship Management (Hellas) Ltd. was established in Piraeus, Greece, as branch office. Euronav Ship Management (Hellas) Ltd. engages in the ship management of the trading ocean-going oil tankers of Euronav and the supervision of the construction of newbuildings. Ship management includes crewing, technical, procurement, accounting, health, safety, quality and environmental protection assurance. All vessels managed by Euronav Ship Management (Hellas) are registered in Belgium, France, Greece or Marshall Islands.

## Euronav UK Agencies Ltd.

Located on Brompton Road, in the heart of London, Euronav UK Agencies Ltd. is a commercial agency of the Euronav Group. Having a London presence enables Euronav to work closely with the major London-based clients and international brokering houses.

## Euronav Hong Kong Ltd.

Euronav Hong Kong Ltd. is the holding company of three wholly owned subsidiaries and seven 50% joint venture companies. The wholly owned subsidiaries that fall under Euronav Hong Kong Ltd. are: Euronav Ship Management (Hellas) Ltd. (see short summary above), Euronav Luxembourg SA and Euro-Ocean Ship Management Ltd., a ship management company that handles the crew management of the *FSO Asia* and the *FSO Africa*. TI Asia Ltd. and TI Africa Ltd., 50% joint venture companies with Overseas Shipholding Group (OSG), are the owners of respectively the *FSO Asia* and *FSO Africa*, both currently employed at the Al Shaheen field offshore Qatar. Fontvieille Shipholding Ltd., Moneghetti Shipholding Ltd., Fiorano Shipholding Ltd. and Larvotto Shipholding Ltd. 50% joint venture companies with JM Maritime, each own one Suezmax vessel. The 50% joint venture company Kingswood fully owns Seven Seas Shipping Ltd. which owns one VLCC, flying Panamese flag.



# Great Hope Enterprises Ltd.

Great Hope Enterprises Ltd. is a 50% joint venture company which owned one VLCC, the *Ardenne Venture*, which was delivered to new owners in January 2014.

## Current structure:

**Euronav NV Belgium**

- 100% Euronav Ship Management SAS France
  - 100% Euronav Ship Management (Antwerp) Branch Office Belgium
- 100% Euronav Shipping NV
- 100% Euronav Tankers NV
- 100% Euronav SAS France
- 100% Euronav UK Ltd. United Kingdom
- 100% Euronav Hong Kong Ltd. Hong Kong
  - 100% Euronav Ship Management (Hellas) Ltd Liberia
    - 100% Euronav Ship Management (Hellas) Branch Office Greece
  - 50% Kingswood Marshall Islands
    - 100% Seven Seas Shipping Ltd. Marshall Islands
  - 100% Euronav Luxembourg SA Luxembourg
  - 50% Fontvieille Shipholding Ltd. Hong Kong
  - 50% Moneghetti Shipholding Ltd. Hong Kong
  - 50% Larvotto Shipholding Ltd. Hong Kong
  - 50% Fiorano Shipholding Ltd. Hong Kong
  - 50% Africa Conversion Corp. Marshall Islands
  - 50% Asia Conversion Corp. Marshall Islands
  - 50% TI Africa Ltd. Hong Kong
  - 50% TI Asia Ltd. Hong Kong
  - 100% E.S.M.C. Euro-Ocean Ship Management Ltd. Cyprus
- 50% Great Hope Enterprises Ltd. Hong Kong

# Products and services

*For our clients*
*To operate in a manner that is intended to contribute to the success of their business by setting increasingly higher standards of quality and reliability.*

## Tanker shipping

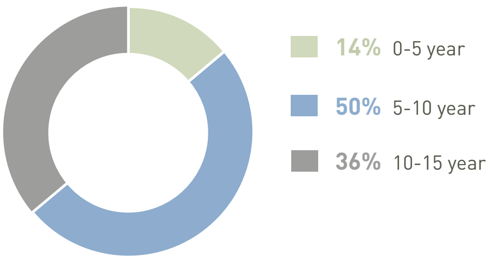
Euronav is a vertically integrated owner, operator and manager able to provide complete shipping services in addition to the carriage of crude oil on its fleet of modern large tankers. The crude oil seaborne transportation market is cyclical and highly volatile requiring flexible and pro-active management of assets in terms of fleet composition and employment. Euronav increases exposure to the market through opportunistically entering the market by chartering vessels from other owners and tonnage providers whilst maintaining a core fleet of high quality owned or controlled tonnage. The Euronav core fleet has an average age of a little less than 8 years. Euronav operates its fleet both on the spot and the period market. Most of Euronav's VLCCs are operated in the TI pool. Euronav's Suezmax fleet is partly fixed on long-term charter while the other part is operated on the spot market by Euronav directly.

### VLCC fleet
### The Tankers International (TI) pool

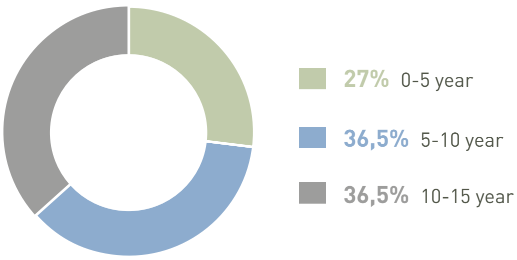
Euronav's entire owned VLCC fleet flies Belgian, Marshall Islands, French, Panamese or Greek flag. Euronav is a founding member of the TI pool, which commenced operation in January 2000. The TI pool was established by Euronav and other leading tanker companies to meet the global transportation requirements of international oil companies and other major charterers.

The TI pool operates one of the largest modern fleets available in the world. The pool consists on 20 March 2014 of 30 double hull VLCCs. By participating in a pool, Euronav and its customers benefit from the economies of scale inherent to such an arrangement. Furthermore, the TI pool has been able to enhance vessel earnings by improved utilisation (increased proportion of laden days versus ballast days) through use of combination voyages, contracts of affreightment and other efficiencies facilitated by the size and quality of its modern VLCC fleet. By operating together scores of modern vessels, the TI pool aims to have a modern high quality VLCC available in the right place at the right time.

**Average age profile of Euronav owned VLCC and TC-in**

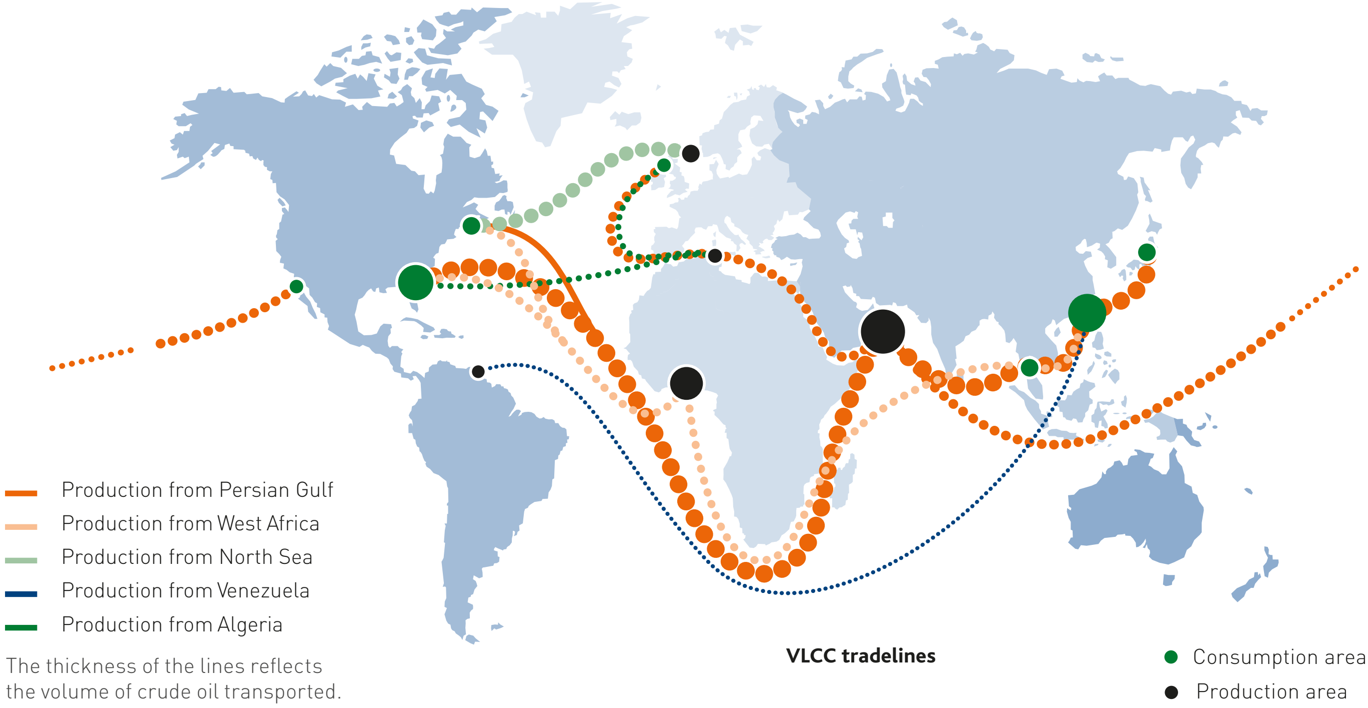



**Average age profile of Euronav owned Suezmax fleet**




## Suezmax fleet

Euronav's entire Suezmax fleet flies Greek or Belgian flag. The use of national flag together with operational and maintenance standards in terms of age and performance, which are higher than industry norm, enables Euronav to employ part of its fleet on time charter. In order to counterbalance the spot employment of its VLCC fleet, Euronav chooses to employ a part of its Suezmax fleet on long term time charter. This strategy allows the Company to benefit from a secure, steady and visible flow of income. Euronav owns and employs 22 Suezmax vessels. Euronav's Suezmax charterers are leading oil majors, refiners and oil traders such as Valero, Petrobras, Total, Chevron and Sun Oil. On 20 March 2014 Euronav trades 11 Suezmax vessels on the spot market.




**VLCC tradelines**

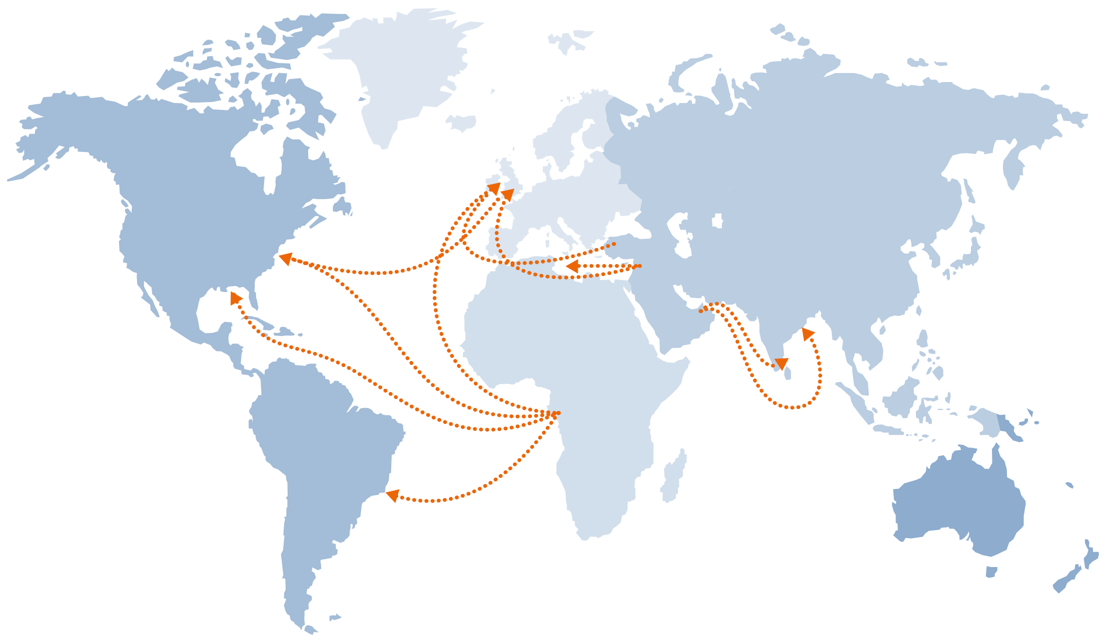
# Floating Production, Storage and Offloading/Floating Storage and Offloading (FPSO/FSO)

For areas without pipeline infrastructure and where the production platform has no storage capabilities (fixed platform, MOPU, Spar, TLP, Semi), FSOs are perfect because of their very large storage capacity and ability to be moored in almost any water depth. They have no process topsides, which makes them relatively simple to convert from existing tankers, as compared to an FPSO. FSOs can be relocated to other fields and some have also been converted to FPSOs. Furthermore, there is an established market for leasing FSOs, which can help commercialize marginal fields. The FSO system is now one of the most commercially viable concepts for remote or deep-water oil field developments.

Euronav's initial exposure to those markets was with VLCC deployments in the Gulf and in West Africa back in 1994. The Maersk Oil Qatar project (MOQ) (cfr. below) was engaged in because of the specific assets that Euronav owned: two of the only four V-Plus vessels that exist in the world, the *TI Asia* (which belonged to Euronav) and the *TI Africa* (which belonged to OSG). The *TI Europe* (fully owned by Euronav) is one of the only two remaining unconverted V-Plus vessels worldwide. The Company strongly believes that the long term employment of this not yet converted unit lies in the offshore market. Most of the new oil field discoveries are done offshore and many of them are gigantic oil fields (Brazil, West Africa, Australia) which should require very large FSOs. Euronav therefore believes there will be a demand for this unit by offshore field operators.

By engaging in the MOQ project, Euronav re-entered the offshore market. MOQ awarded two contracts for the provision of FSO services on the Al Shaheen oil field offshore Qatar where both converted V-Plus vessels are currently operating.

TI Africa Limited, the owner of *FSO Africa*, has signed a new agreement with Maersk Oil Qatar (MOQ) for the provision of FSO services on the Al Shaheen field offshore Qatar. The contract has a fixed duration of five years which begun on 1 October 2012 with an option granted to MOQ to extend the contract period for either one or two years.



Top ten spot trading routes for Suezmax
(source : Clarkson Research)


EURONAV
MARIA

# Ship Management

Fleet management is conducted by 3 wholly owned subsidiaries: Euronav Ship Management SAS, Euronav SAS and Euronav Ship Management (Hellas) Ltd. The skills of its seagoing officers and crew and its shore-based staff, including captains and engineers, give Euronav a competitive edge in high quality, maintenance and operation of vessels, as well as project development and execution. Euronav vessels fly Belgian, French, Greek, Panamese and Marshall Islands flag. Euronav manages in-house a fleet of modern double hull crude oil carriers ranging from Suezmax to Very Large, and Ultra Large Crude Oil Carriers and FSO. Euronav's fleet trades worldwide in some of the most difficult weather conditions and sea states, to ports and for charterers with the strictest requirements. The vessels and crews are in constant interaction with the shore staff through regular onboard visits, sophisticated communication means and conferences ashore and on board or in-house training sessions. Superintendents, internal and external auditors, customers, as well as national and international regulatory bodies assess vessel and crew performance. Euronav has excellent relations with all oil majors. The organisation, as well as the vessels, have successfully passed numerous oil major vetting audits both on board and ashore.

All services are provided with the ultimate regard for the health, safety, security, environmental and quality standards applicable to the maritime transportation industry as a primary concern. Euronav is committed to continuous enhancement of the safety, security and quality of the fleet's operation and employment as well as to the protection of the marine environment. Euronav is devoted to a teamwork culture where people work together for the overall success of the Company, on shore and at sea. Euronav practices genuine performance planning and appraisal, training and development, and promotion from within. Its policies aim to enhance and reward performance, engage its people, and retain key talent.

Euronav delivers and operates high-quality, innovative floating production solutions for the offshore oil industry. We do so by cultivating a talented team that works with integrity, communicates openly, serves the community, and protects the environment. Euronav maintains an integrated ship management approach with the following qualities:

- proven experience in managing oil tankers;
- experienced officers and crews with professional credentials;
- professional relations based on merit and trust;
- commitment to improving the quality of working life at sea;
- safety and quality assurance including training, auditing and vetting;
- modern and effective computer based management and training systems;
- human resources policies where people work together for common goals;
- hands-on technical management backed by the latest communication systems;
- experience in long term asset protection;
- open communication and transparency in reporting.

## Full range of services

Euronav provides a full range of ship management services:

- full technical services;
- fleet personnel management of experienced officers and crew;
- comprehensive health, safety, quality and environmental protection management system;
- insurance & claims handling;
- global sourcing of bunkering, equipment, and services for optimum synergies, pricing and quality;
- financial, information technology, human resources, and legal services to improve performance of the Group's human, financial and information assets;
- project management for:
  - newbuilding supervision, including pre- and post-contract consultancy and technical support;
  - FSO conversions;
- commercial management;
- operational management.

Euronav utilises a set of clearly defined Key Performance Indicators (KPIs) as well as standardized inspection reports which are thoroughly evaluated to facilitate the measurement of performance such as:

- vessel reliability;
- crew and shore staff retention and wellbeing;
- safety and environmental performance;
- vetting and port state controls;
- planned and condition based maintenance;
- dry-docking planning and repairs based on work list from dry-dock to dry-dock;
- quarterly management review meetings monitor the trend and set the course of actions.

# Fleet of the Euronav group as per 31 December 2013


## Owned VLCC and V-Plus

| Name | Owned | Built | Dwt | Draft | Flag | Length (m) | Employment | Shipyard |
|---|---|---|---|---|---|---|---|---|
| Alsace | 100% | 2012 | 320,350 | 22.50 | Greek | 330.00 | Spot | Samsung Heavy Industries |
| Antarctica | 100% | 2009 | 315,981 | 22.50 | French | 333.00 | TC Out | Hyundai Heavy Industries |
| Artois | 100% | 2001 | 298,330 | 21.13 | French | 332.95 | Spot | Hitachi Zosen |
| Famenne | 100% | 2001 | 298,412 | 21.13 | French | 332.94 | Spot | Hitachi Zosen |
| Flandre | 100% | 2004 | 305,688 | 22.42 | French | 332.00 | Spot | Daewoo Heavy Industries |
| Luxembourg | 100% | 1999 | 299,150 | 22.02 | Marsh I | 332.06 | Spot | Daewoo Heavy Industries |
| Olympia* | 100% | 2008 | 315,981 | 22.50 | French | 333.00 | TC Out | Hyundai Heavy Industries |
| TI Europe* | 100% | 2002 | 441,561 | 24.53 | Belgian | 380.00 | Spot | Daewoo Heavy Industries |
| TI Hellas | 100% | 2005 | 318,934 | 22.52 | Belgian | 332.99 | Spot | Hyundai Heavy Industries |
| TI Topaz | 100% | 2002 | 319,430 | 22.52 | Belgian | 332.99 | Spot | Hyundai Heavy Industries |
| V.K. Eddie | 50% | 2005 | 305,261 | 22.42 | Panama | 332.00 | Spot | Daewoo Heavy Industries |

*TC Out = time chartered out*

*Marsh I = Marshall Islands*

** The TI Europe and the Olympia have been in dry dock and underwent a special survey (standard procedure for ships every 5 years) in 2013 respectively in Brest, France and in Singapore.*

## VLCC vessels sold in the course of 2013

| Name | Owned | Built | Dwt | Draft | Flag | Length (m) | Shipyard |
|---|---|---|---|---|---|---|---|
| Ardenne Venture | 50% | 2004 | 318,658 | 22.52 | Hong Kong | 332.99 | Hyundai Heavy Industries |

## VLCC vessels sold in the first quarter of 2014

| Name | Owned | Built | Dwt | Draft | Flag | Length (m) | Shipyard |
|---|---|---|---|---|---|---|---|
| Luxembourg | 100% | 1999 | 299,150 | 22.02 | French | 332.06 | Daewoo Heavy Industries |



## VLCC vessels acquired in the first quarter of 2014

| Name | Owned | Built | Dwt | Draft | Flag | Length (m) | Employment | Shipyard |
|---|---|---|---|---|---|---|---|---|
| Nautilus* | 100% | 2006 | 307,284 | 22.72 | Marsh I | 321.66 | Spot | Dalian Shipbuilding Industry |
| Nucleus** | 100% | 2007 | 307,284 | 22.72 | Marsh I | 321.64 | Spot | Dalian Shipbuilding Industry |
| TBN Sonia | TBD | 2012 | 314,000 | 22.10 | Belgian | 319.57 | Spot | STX Offshore & Shipbuilding |
| TBN Nectar | TBD | 2008 | 307,284 | 22.72 | Marsh I | 321.60 | Spot | Dalian Shipbuilding Industry |
| TBN Newton | TBD | 2009 | 299,999 | 22.30 | Belgian | 321.66 | Spot | Dalian Shipbuilding Industry |
| TBN Iris | TBD | 2012 | 314,000 | 22.37 | Belgian | 333.14 | Spot | Hyundai Heavy Industries |
| TBN Ilma | TBD | 2012 | 314,000 | 22.37 | Belgian | 319.03 | Spot | Hyundai Heavy Industries |
| TBN Navarin | TBD | 2007 | 307,284 | 22.72 | Marsh I | 321.65 | Spot | Dalian Shipbuilding Industry |
| TBN Sara | TBD | 2011 | 323,182 | 22.62 | French | 319.57 | Spot | STX Offshore & Shipbuilding |
| TBN Ingrid | TBD | 2012 | 314,000 | 22.38 | Belgian | 319.03 | Spot | Hyundai Heavy Industries |
| TBN Noble | TBD | 2008 | 307,284 | 22.72 | Belgian | 321.67 | Spot | Dalian Shipbuilding Industry |
| TBN Nautica | TBD | 2008 | 307,284 | 22.72 | Marsh I | 321.67 | Spot | Dalian Shipbuilding Industry |
| TBN Simone | TBD | 2012 | 314,000 | 22.10 | Belgian | 319.57 | Spot | STX Offshore & Shipbuilding |
| TBN Neptune | TBD | 2007 | 307,284 | 22.72 | Marsh I | 321.70 | Spot | Dalian Shipbuilding Industry |
| TBN Sandra | TBD | 2011 | 299,999 | 21.32 | French | 319.57 | Spot | STX Offshore & Shipbuilding |

*TBN = to be named*

*TBD = to be delivered*

**Vessel delivered on 20 February 2014.*

***Vessel delivered on 25 February 2014.*

## Owned FSO (Floating, Storage and Offloading)

| Name | Owned | Built | Dwt | Draft | Flag | Length (m) | Employment | Shipyard |
|---|---|---|---|---|---|---|---|---|
| FSO Africa | 50% | 2002 | 441,655 | 24.53 | Marsh I | 380.00 | TC Out | Daewoo Heavy Industries |
| FSO Asia | 50% | 2002 | 441,893 | 24.53 | Marsh I | 380.00 | TC Out | Daewoo Heavy Industries |

## Owned Suezmax

| Name | Owned | Built | Dwt | Draft | Flag | Length (m) | Employment | Shipyard |
|---|---|---|---|---|---|---|---|---|
| Cap Charles | 100% | 2006 | 158,881 | 17.00 | Greek | 274.00 | TC Out | Samsung Heavy Industries |
| Cap Diamant | 100% | 2001 | 160,044 | 15.62 | Greek | 277.32 | TC Out | Hyundai Heavy Industries |
| Cap Felix* | 100% | 2008 | 158,764 | 17.02 | Belgian | 274.00 | Spot | Samsung Heavy Industries |
| Cap Georges | 100% | 1998 | 146,652 | 17.00 | Greek | 274.06 | TC Out | Samsung Heavy Industries |
| Cap Guillaume | 100% | 2006 | 158,889 | 17.00 | Greek | 274.00 | TC Out | Samsung Heavy Industries |
| Cap Jean* | 100% | 1998 | 146,643 | 16.12 | Greek | 274.06 | TC Out | Samsung Heavy Industries |
| Cap Lara | 100% | 2007 | 158,825 | 17.00 | Greek | 274.00 | Spot | Samsung Heavy Industries |
| Cap Laurent | 100% | 1998 | 146,646 | 16.12 | Greek | 274.06 | Spot | Samsung Heavy Industries |
| Cap Leon* | 100% | 2003 | 159,048 | 17.02 | Greek | 274.29 | Spot | Samsung Heavy Industries |
| Cap Philippe | 100% | 2006 | 158,920 | 17.00 | Greek | 274.00 | TC Out | Samsung Heavy Industries |
| Cap Pierre* | 100% | 2004 | 159,083 | 17.02 | Greek | 274.29 | TC Out | Samsung Heavy Industries |
| Cap Romuald* | 100% | 1998 | 146,640 | 16.12 | Greek | 274.06 | TC Out | Samsung Heavy Industries |
| Cap Theodora* | 100% | 2008 | 158,800 | 17.00 | Greek | 274.00 | TC Out | Samsung Heavy Industries |
| Cap Victor | 100% | 2007 | 158,853 | 17.00 | Greek | 274.00 | TC Out | Samsung Heavy Industries |
| Capt. Michael | 50% | 2012 | 157,648 | 17 | Greek | 274.82 | Spot | Samsung Heavy Industries |
| Devon | 50% | 2011 | 157,642 | 17.02 | Greek | 274.82 | Spot | Samsung Heavy Industries |
| Eugenie | 50% | 2010 | 157,677 | 17.02 | Greek | 274 | Spot | Samsung Heavy Industries |
| Felicity | 100% | 2009 | 157,677 | 17.02 | Belgian | 274 | Spot | Samsung Heavy Industries |
| Filikon | 100% | 2002 | 149,989 | 15.95 | Greek | 274.20 | TC Out | Universal |
| Finesse | 100% | 2003 | 149,994 | 15.95 | Greek | 247.20 | Spot | Universal |
| Fraternity | 100% | 2009 | 157,714 | 17.02 | Belgian | 274.20 | TC Out | Samsung Heavy Industries |
| Maria | 50% | 2012 | 157,523 | 17.00 | Greek | 274.82 | Spot | Samung Heavy Industries |

** In 2013 the Cap Theodora, the Cap Leon, the Cap Pierre, the Cap Jean, the Cap Felix and the Cap Romuald have been dry-docked and underwent a special survey. The Cap Theodora, the Cap Pierre and the Cap Jean in Setubal, Portugal. The Cap Leon in Constantza, Romania. The Cap Felix in Ras Laffan, Qatar and the Cap Romuald in Hong Kong.*

## Suezmax vessels sold in the course of 2013

| Name | Owned | Built | Dwt | Draft | Flag | Length (m) | Shipyard |
|---|---|---|---|---|---|---|---|
| Cap Isabella | 100% | 2013 | 157,648 | 17.02 | Greek | 274.41 | Samsung Heavy Industries |

## Time chartered in VLCC

| Name | Interest | Built | Dwt | Draft | Flag | Length (m) | Shipyard |
|---|---|---|---|---|---|---|---|
| KHK Vision | 100% | 2007 | 305,040 | 22.40 | Singapore | 332.00 | Daewoo Heavy Industries |
| Maersk Hojo* | 100% | 2013 | 302,965 | 21.64 | Singapore | 330.00 | Japan Marine United Corp., Ariake Shipyard |
| Island Splendor** | 20% | 2011 | 296,919 | 21.53 | Hong Kong | 330.00 | Jiangnan Changxing Shipbuilding Shanghai |

** Timecharter only effective as of 2014.*

*** Euronav takes participation in ships from time to time which are chartered in by the TI Pool. The consolidated position currently represents an equivalent of 0.20 vessel.*

# Suezmax on bareboat

| Name | Interest | Built | Dwt | Draft | Flag | Length (m) | Shipyard |
|---|---|---|---|---|---|---|---|
| Cap Isabella | 100% | 2013 | 157,648 | 17.02 | Greek | 274.41 | Samsung Heavy Industries |


# Health, Safety, Quality, Environment and Society


*For our society*
*To deliver an essential source of energy in ways that are economically, socially, and environmentally viable now and in the future.*

**Corporate Social Responsibility**
At Euronav we define Corporate Social Responsibility (CSR) as responsible citizenship within the environment and communities in which we operate. We do this by replacing obsolete assets to keep a modern fleet, delivering services that meet the evolving needs of society, and attracting and empowering successive generations of professionals. Moreover, we view CSR as being embedded in our Health, Safety, Quality and Environment (HSQE) standards. We believe that all these factors have enabled us to retain the trust and support of our customers, shareholders, employees, and the communities in which we operate.

Euronav has the will to create a space for all at work, to discuss any issues we might otherwise discuss at home or with friends about the environment. It is our goal to develop realistically achievable targets for reducing the environmental footprint of the Company as well as of each individual.

## Health

The health of Euronav personnel both on board and ashore is a very important aspect of the Company's management system. The working environment is regularly monitored for proper health conditions. Health standards and guidelines of Euronav highlight important issues such as general living conditions, physical exercise and storage of food and nutritional practices.

**Health awareness**
Targeted for seafarers, the health awareness focuses on three main elements:
- fitness: providing necessary equipment on board;
- healthy food: giving healthy food preparation tips and menus;
- food safety: realising the importance of the receipt and handling of provisions (personal hygiene in the galley and the cleaning and disinfection of the aliments).

**Drug and alcohol policy**
Euronav is fully committed to maintaining a safe and healthy working environment. Illegal possession, consumption, distribution or sale of drugs or alcohol by any shipboard personnel shall lead to instant dismissal and will expose the person to legal proceedings.

## Safety

Euronav is committed to operating in accordance with the highest standards of safety in the marine transportation industry and employs experienced crew to ensure that its vessels are operated in a safe and environmentally sound manner. By promoting an active safety culture among its personnel, both ashore and on board, Euronav is committed not only to providing a quality service to their clients, but especially to ensuring consistent protection of the environment and working conditions. Focusing on safety also means to make sure our crew is qualified, regularly trained, informed of current issues and looked after as far as their health is concerned.



### Fleet

The Euronav fleet has been built in the world's established shipyards, and the vessels built for Euronav are constructed in accordance with its own specifications, which in many cases exceed the requirements of the international regulatory agencies.

### Management of Emergencies

The main potential risk for the environment related to the transport of crude oil is the accidental release of cargo into the sea due to breaching the vessel's containment, as a result of grounding, collision etc. Hence the focus on safety of transportation is paramount in our organisation. To deal with possible emergencies, the following procedures have been put into place:

- Emergency and Contingency Manual (ECM) dealing with all possible emergencies in addition to oil pollution;
- Ship Oil Pollution Emergency Plan (SOPEP) dealing with oil pollution emergencies and the response thereto;
- Vessel Response Plan (VRP) dealing with oil pollution emergencies and the response thereto in US waters (as required by US law – Oil Pollution Act 1990);
- California Contingency Plan (CCP) dealing with oil pollution emergencies and the response in Californian waters;
- Standard Table Top Exercises (TTX) which are emergency drills including officers, vessel staff and external participants such as qualified individual or salvage and fire experts;
- Bi-monthly Tailor made Table Top Exercise (TTX) with the participation of vessels and shore management;
- Monthly emergency drills on board covering various scenarios.

## Quality

By focusing on quality, Euronav arranges for its employees to receive a level of care and training designed to deliver the best service to its clients, whilst striving to have the less possible negative impact on the environment. One way of delivering the best quality is to set measurable annual objectives and key performance indicators and regularly monitor the actual performance against these. Regular communication and feedback exchange with the clients, as well as prompt response to their requests is a key parameter for ensuring the quality of our services.

### ISM Compliance

Euronav has developed a Health, Safety, Quality and Environmental Maritime Management System which integrates health, safety, environment and quality management into one seamless system that fully complies with the ISM Code for the "Safe Operation of Ships and Pollution Prevention".

### Certificates

Euronav Ship Management SAS obtained ISM certification from the Belgian Maritime Inspectorate and Bureau Veritas on behalf of the Marshall Islands. ISO 9001:2008 certification was obtained from Det Norske Veritas while the Environmental Management System certification (ISO 14001:2004) was obtained from Bureau Veritas Certification. Euronav Ship Management (Hellas) Ltd. has obtained its ISM certificates and Document of Compliance from the American Bureau of Shipping on behalf of Greek, Marshall Islands and Belgian Flag Administration and from the French Flag Administration. ISO 9001:2008 as well as 14001:2004 certifications were obtained by the American Bureau of Shipping.


SMOKING

### Quality Shipping for the 21st century

In their efforts to eliminate substandard shipping, U.S. Coast Guard has primarily focused on improved methods to identify poor and high quality vessels and, to enforce compliance with international and U.S. standards. QUALSHIP 21 is a Marine Safety Initiative implemented by the Coast Guard on January 1, 2001 to identify high quality foreign-flagged ships and, to provide incentives to encourage quality operations. High quality ships are recognized and rewarded for their commitment to safety and quality.

In 2013 Euronav was proud to see the following 19 of its vessels awarded with QUALSHIP 21: *Cap Philippe*, *Eugenie*, *Alsace*, *Devon*, *Famenne*, *Filikon*, *Finesse*, *Cap Laurent*, *Cap Leon*, *Maria*, *Captain Michael*, *Cap Theodora*, *Cap Charles*, *Cap Guillaume*, *Cap Lara*, *Cap Romuald*, *Cap Victor*, *Cap Diamant* and *Cap Georges*.

Some of the eligibility criteria for rewarding non-U.S. flagged quality ships are:

- no substandard vessel detentions in the U.S. within the previous 36 months;
- no marine violations or serious marine casualties, and no more than one ticket in the U.S. within the previous 36 months;
- successful U.S. Port State Control (PSC) Safety Exam within the previous 12 months;
- not owned or operated by any company that has been associated with any PSC detention in U.S. waters within the previous 24 months;
- not certified by a targeted organisation (Targeted recognised organisations are any that have points assigned in the U.S. Port State Control Matrix);
- not registered with a Flag State that has a detention ratio greater than 1.0% and the vessel's Flag State must have at least 10 distinct arrivals in each of the previous 3 years.

### Training

Euronav has built a comprehensive system of continuous training programs and seminars both on board and ashore which ensures a constant awareness among all personnel in their day-to-day operational duties. Training activities are carried out in a classroom or on-line through a computer based program.

## Environment

World trade and ship numbers have seen a steady increase over recent years, but in parallel there have been economies of scale with larger, more efficient ships. On a per unit basis, emissions both of harmful substances, pollutants and greenhouse gases, from ships have been reduced, allowing shipping still justifiably to assert that it is the most environmentally friendly and the most energy efficient transport mode. Even if shipping will never replace all the other transport modes, more shipping is part of the solution to the challenges of air emissions and global warming which face the world today. During quarterly management review meetings the management reassesses and implements initiatives regarding the Company's environmental performance. Euronav also actively participates in several industry associations (Intertanko, Helmepa, Namepa, TSCF, Oil Majors and Industry Conferences and Classification Societies Committees) which promote safe and environmentally sound ship design and operations. Through its membership with Intertanko Safety, Technical and Environmental Committee, the Company has promoted the concept of benchmarking on environmental performance within the shipping industry. Euronav is ISO 14001 certified for Environmental protection.

### Handling of Emissions

Euronav's dedication to the reduction of emissions is demonstrated by:

- the development of an effective policy on reduction of harmful gas emissions;
- not burning plastics on board the vessels but delivering them ashore;
- the participation of Euronav vessels in the performance of lightering operations in the Delaware River with cargo vapour emission control;
- monitoring of $CO_2$ emissions by measuring the $CO_2$ ship's Operational Index;
- slow steaming as part of voyage optimization.

Euronav takes a systematic approach towards monitoring the propulsion efficiency and evaluating possible improvements in order to reduce the fuel oil consumption. Through this the $CO_2$ emissions may also be reduced. These are some of the measures that were taken:

- Installation of devices that improve propulsion efficiency (Mewis duct);
- installation of electric heaters for minimizing fuel consumption when the vessel is idle or slow steaming;
- painting vessels with modern anti-fouling paint which improves propulsion efficiency, carbon emissions, as well as reducing the toxic effect of the paint on marine life;
- hull and propeller cleaning based on observation;
- hardware and software installation for close monitoring of a vessel's speed and consumption performance.

### Handling of Waste

During normal vessels' operations, Euronav tries to reduce to a maximum vessels' waste by:

- reducing the plastic packaging on board to a strict minimum;
- recycling packing material;
- compacting rubbish prior to discharging;
- keeping on board cargo residues and delivering ashore at proper reception facilities;
- participating in the International Maritime Organisation (IMO) initiatives to improve the port reception facilities by reporting any deficiencies by using the IMO relevant questionnaire;
- sewage treatment plants on board handling the black and grey waters in order to minimise the impact on the environment.

### Further initiatives

The safety of human life and the protection of the environment are primary concerns to Euronav. Euronav is committed to the implementation of the following safety, quality and environmental objectives:

- provide a safe working environment ashore and afloat by encouraging all employees to identify potentially unsafe conditions or practices and to undertake corrective measures;
- cooperate with maritime organisations and government, trade and industry associations to achieve highest standards of safety and preservation of the environment;
- protect and preserve resources, preventing pollution by an environmentally conscious operation of vessels;
- introduction of efficient fuel saving measures;
- continuously improve safety management skills of personnel ashore and on board ships, including preparing for emergencies related both to safety and environmental protection;
- continuously improve all processes by reviewing the available information against stated policies and objectives, evaluating audit results, and analysing available records of corrective and preventive actions.

### Ship Recycling

Although our fleet is young, vessel recycling is an important matter on which Euronav is actively working. The green passport is a significant item of the recycling policy and is a document that follows the entire life of a vessel, beginning with its construction. This document needs to be updated on a regular basis by all different parties involved during the life cycle of a vessel. It contains information such as ship particulars, details on the construction yard but, most importantly, information about every product used during the construction and operation of the vessel. Because of the importance of the green passport within the recycling policy, all Euronav's newbuildings are carrying a green passport, namely: *Cap Theodora*, *Olympia*, *Antarctica*, *Cap Philippe*, *Cap Guillaume*, *Cap Charles*, *Cap Victor*, *Cap Lara*, *Cap Felix*, *Felicity*, *Fraternity*, *Eugenie*, *Devon*, *Maria*, *Capt. Michael* and *Alsace*. (including *Cap Isabella* wich has already been sold)

# Society

### Community involvement

Euronav wants to impact positively on the communities where we live and work. We do this by building relationships and inspiring philanthropy and goodwill both inside and outside the Company. We actively encourage staff to engage in community initiatives and support employee involvement be it volunteering, fundraising or donations through options such as fund-matching or sponsoring specific events.

#### Benefit for children 2013

The Valero Texas Open Benefit for Children Golf Classic which has been running since 2002 is a project of the Valero Energy Corporation raising money for children's charities in the communities where Valero has major operations. The 2013 Valero Texas Open Benefit for Children Golf Classic and the Valero Texas Open, contributed a record USD 10 million to children, USD 1 million more than the 2 previous years. As for previous years, Euronav specifically requested for its donation to be oriented towards children's charities based in Quebec where a large number of our vessels trade.

#### Auction for United Way

United Way is a charity organisation that supports families in need in the area of Levis. Valero is supporting this organisation as it has a refinery in St. Romuald. Euronav has joined forces with Ultramar (a subsidiary of Valero) to support United Way in its quest to improve lives by engaging individuals and mobilizing collective action. For this purpose, Euronav has contributed to an auction by buying winter apparel which was then auctioned. The proceeds of this auction were given to charity.

### Doctors Without Borders

Rather than sending a traditional Season's greetings card, Euronav has sent an electronic card. The amount otherwise allocated to cards and postage has been donated to Doctors Without Borders.

### The Sailors' Society's Antwerp initiative

The Sailors' Society is a charity which operates globally through a network of interdenominational Port Chaplains, who support all seafarers irrespective of their background, faith or nationality. The busy Port of Antwerp is vital to European and global trade, handling approximately 17,000 ships per year. With so many seafarers visiting the port, there is a need for access to welfare services on a large scale. Along with BP Shipping, Euronav donated funds which helped the Sailor Society work of the Antwerp Port Chaplain. The Antwerp Port Chaplain also visits ships to offer his assistance to the crew on board. He takes practical items such as phone cards to help seafarers to contact their families and international news printed from the internet. As well as practical assistance the Antwerp Port Chaplain offers a listening ear to seafarers, providing emotional support when requested. Using his Sailors' Society vehicle, the Antwerp Port Chaplain also offers seafarers free transport to wherever they need to go, such as the nearest phone and internet facilities, the shops or the doctors. That is a crucial service for visiting seafarers, as their time ashore is often limited to just a few hours.

## Education

### School and training program

Euronav Ship Management (Hellas) is participating in the Internship programs of Greek Universities, focusing in Marine studies, by offering their students the opportunity to work for a couple of months, usually during the summer. The Company has also been sponsoring distinguished graduates of these schools.

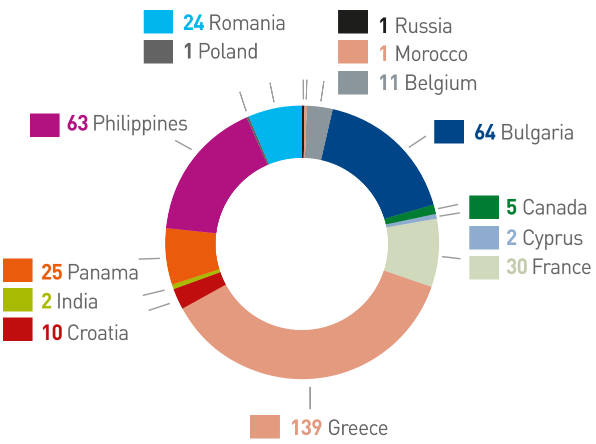
# Human resources

*For our employees*

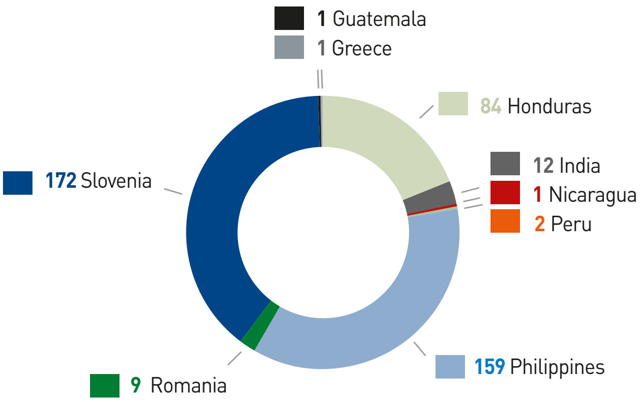
*To inspire and enable talented, hard-working people to achieve their career goals in a healthy, challenging, and rewarding environment.*

One cornerstone of the Euronav mission is dedicated to our people: to inspire and enable talented, hard-working people to achieve their career goals in a healthy, challenging, and rewarding environment. Throughout its shore based offices, Euronav has approximately 110 employees: in London, Nantes, Antwerp and Piraeus. This geographic span across Europe reflects a deep-rooted maritime history and culture built up over generations. About 1,600 seafarers of many different nationalities work aboard Euronav vessels. In an environment where there is a shortening supply of competent seafarers, Euronav has qualified and experienced masters to man all the vessels. Masters' conferences and crew conferences are held regularly. Euronav is devoted to a teamwork culture and an environment where people work together for the overall success of the Company, on shore and at sea. Euronav practises genuine performance planning and appraisal, training and development, and promotion from within. Our policies aim to enhance and reward performance, engage our people, and retain key talent. We celebrate the diversity in our workforce. Many of our employees and officers have a wealth of long service and experience in the business while others are new entrants with fresh perspectives. This commitment and stability enriched with diversity have enabled us to achieve excellent results in an extremely competitive industry. Euronav people

**Total officers and apprentices on board = 378**




**Total ratings on board = 441**




bring to the job a rich diversity of educational and professional qualifications, including professionals with engineering, finance, business administration, legal and humanities backgrounds who have specialised in tanker operations, crewing, marine and technical areas, and shipping corporate services. Virtually everyone speaks at least two languages fluently and half the staff speaks three or more languages.

## Our Culture

Euronav is an integrated shipping services provider with high quality standards and ambitious goals. To empower its people to meet these challenges, Euronav's identity is characterised by:

- common culture with local authority to act;
- high involvement and flexibility in which much of the work is carried out by cross-functional, cross-branch, self-directed work teams;
- clarity in roles, expectations and authorities;
- professional growth and development opportunities aligned with business needs;
- quality and professionalism in matters large and small;
- communication and a no-blame culture cultivated by example.

We encourage corporate social responsibility and have values of fairness and responsibility embedded in our operating ethos. We are an equal opportunity employer; people are selected, rewarded, and advanced based on performance and merit. We strive to fully comply with law and regulations in the markets in which we operate. Euronav strives to be an exemplary employer among its peers and participates in forums for an open exchange of best practices.

## Accomplishments in 2013

In 2013 the human resources department has invested a great deal of work in the following areas:

- staff changes: HR has been actively involved in the selection, recruitment and induction of staff due to the need for additional resources;
- performance appraisals; the annual performance review which has taken place in November–December;
- midyear appraisals took place in June/July. They supplement the annual appraisal with a follow-up in the form of an informal conversation between each manager and each of his/her team members. The purpose of those midyear appraisals is to encourage the employee to discuss career development and review the satisfaction of both the team member and the manager;
- training: the human resources department partnered with all departments to help define, develop and deliver customized training solutions. Individual training plans were written for each staff member across the group as guidance for the whole year;
- maritime HR forum: active participation to the forum of which Euronav is a founding member;
- all hands event: the sixth event took place in Greece. It was attended by 80 employees, 36 of whom travelled in from our offices in Antwerp, Hong Kong, London, Nantes and Qatar.

# Glossary

**Aframax** – A medium size crude oil tanker of approximately 80,000 to 120,000 deadweight tons. Aframaxes can generally transport from 500,000 to 800,000 barrels of crude oil and are also used in lightering. A coated Aframax operating in the refined petroleum products trades may be referred to as an LR2.

**Ballast** – Seawater taken into a vessel's tanks in order to increase draught, to change trim or to improve stability. Ballast can be taken into cargo tanks, double bottoms, fore and aft peak tanks and/or segregated ballast tanks (SBT). All Euronav vessels are equipped with segregated ballast tanks.

**Bareboat Charter** – A Charter under which a customer pays a fixed daily or monthly rate for a fixed period of time for use of the vessel. The customer pays all costs of operating the vessel, including voyage and vessel expenses. Bareboat charters are usually long term.

**Barrel** – A volumetric unit of measurement equal to 42 US gallons or 158.99 liter. There are 6.2898 barrels in one cubic meter. Note that while oil tankers do not carry oil in barrels (although ships once did in the 19th century), the term is still used to define the volume.

**BITR** – Baltic Index Tanker Routes. The Baltic Exchange is a source of independent, freight market data. Information collected from a number of major shipbrokers around the world is collated and published daily. The Exchange publishes the following daily indices: the Baltic Panamax Index, the Baltic Capesize Index, the Baltic Handymax Index and the Baltic International Tanker Routes - clean and dirty. The Exchange also publishes a daily fixture list.

**Charter** - Contract entered into with a customer for the use of the vessel for a specific voyage at a specific rate per unit of cargo (Voyage Charter), or for a specific period of time at a specific rate per unit (day or month) of time (Time Charter).

**Charterer** – The company or person given the use of the vessel for the transportation of cargo or passengers for a specified time.

**Classification Societies** - Organizations that establish and administer standards for the design, construction and operational maintenance of vessels. Vessels cannot trade unless they meet these standards.

**Commercial Management or Commercially Managed** - The management of the employment, or chartering, of a vessel and associated functions, including seeking and negotiating employment for vessels, billing and collecting revenues, issuing voyage instructions, purchasing fuel and appointing port agents.

**Contract of Affreightment or COA** - An agreement providing for the transportation between specified points for a specific quantity of cargo over a specific time period but without designating specific vessels or voyage schedules, thereby allowing flexibility in scheduling since no vessel designation is required. COAs can either have a fixed rate or a market-related rate.

**Crude Oil** - Oil in its natural state that has not been refined or altered.

**Deadweight** – Deadweight Tonnage (dwt) – The lifting or carrying capacity of a ship when fully loaded. This measure is expressed in metric tons when the ship is in salt water and loaded to her marks. It includes cargo, bunkers, water, stores, passengers and crew.

**Demurrage** - Additional revenue paid to the shipowner on its Voyage Charters for delays experienced in loading and/or unloading cargo that are not deemed to be the responsibility of the shipowner, calculated in accordance with specific Charter terms.

**Double Hull** – A design of tanker with double sides and a double bottom. The spaces created between the double sides and bottom are used for ballast, and provide a protective distance between the cargo tanks and the outside world.

**Draft** – The vertical distance measured from the lowest point of a ship's hull to the water surface. Draft marks are cut into or welded onto the surface of a ship's plating. They are placed forward and aft on both sides of the hull and also amidships. The Plimsoll lines which designate maximum drafts allowed for vessels under various conditions are also found amidships.

**Dry-dock** – An out-of-service period during which planned repairs and maintenance are carried out, including all underwater maintenance such as external hull painting. During the drydocking, certain mandatory Classification Society inspections are carried out and relevant certifications issued. Modern vessels are designed to operate for 5 years between dry-dockings. Normally, as the age of a vessel increases, the cost and frequency of drydockings increase. After the third Special Survey, Dry-docks will be conducted every 2.5 years.

**FPSO** – Stands for Floating Production, Storage and Offloading. FPSOs are designed to receive all of the hydrocarbon fluids pumped by nearby offshore platforms (oil and gas), process it, and store it. FPSOs are typically moored offshore ship-shaped vessel, with processing equipment, or topsides, aboard the vessel's deck and hydrocarbon storage below, in the hull of the vessel.

**FSO** – A Floating, Storage and Offloading vessel is commonly used in oil fields where it is not possible or efficient to lay a pipeline to the shore. The production platform will transfer the oil to the FSO where it will be stored until a tanker arrives and connects to the FSO to offload it.

**IMO** – International Maritime Organization – IMO's main task is to develop and maintain a comprehensive regulatory framework for shipping including safety, environmental concerns, legal matters, technical co-operation, maritime security and the efficiency of shipping. The Convention establishing the International Maritime Organization (IMO) was adopted in Geneva in 1948.

**Intertanko** – International Association of Independent Tanker Owners.

**ISM** – International Safety Management is a set of regulations that operators of tankers must comply with, which aims to improve the safety standards of the tanker industry.

**Knot** – A unit of speed equal to one nautical mile (1.852 km) per hour, approximately 1.151 mph.

**KPI** - Key Performance Indicator. A performance indicator or key performance indicator (KPI) is a type of performance measurement. An organization may use KPIs to evaluate its success, or to evaluate the success of a particular activity in which it is engaged.

**Mewis duct** - A device that can be positioned ahead of the propeller. It can significantly enhance the efficiency of the propulsion and can also be retrofitted on an existing ship. It provides significant fuel savings at a given speed. The device consists of a duct together with an integrated fin system.

**MOPU** - Mobile Offshore Production Unit.

**P&I Insurance** - Protection and indemnity insurance, commonly known as P&I insurance, is a form of marine insurance provided by a P&I club. A P&I club is a mutual (i.e. a co-operative) insurance association that provides cover for its members, who will typically be ship-owners, ship-operators or charterers.

**Pool** - A pool is a group of similar size and quality vessels with different shipowners that are placed under one administrator or manager. Pools allow for scheduling and other operating efficiencies such as multi-legged charters and Contracts of Affreightment.

**Profit share** – is a mechanism where, depending on the outcome of the negotiations and under certain time charter contracts it is being agreed that the owner of the vessel is entitled to an increase of the agreed base hire rate (minimum or floor) amounting to a certain percentage of the difference between that base rate and the average of rates applicable for a certain period on certain routes.

**Rate** – The cost or revenue for a particular voyage based on a standard reference, e.g. Worldscale, INTASCALE, ATRS.

**Scrapping** - The disposal of vessels by demolition for scrap metal.

**Semi** - A semi-submersible (semisubmerged ship) is a specialised marine vessel used in a number of specific offshore roles such as offshore drilling rigs, safety platforms, oil production platforms, and heavy lift cranes. They are designed with good stability and seakeeping characteristics. Other terms include semisubmersible, semi-sub, or simply semi.

**Shale oil** - A crude oil that is extracted from oil shale (fine-grained sedimentary rock containing kerogen) by using techniques other than the conventional (oil well) method for example heating and distillation.

**Spar** - Single Point Mooring and Reservoir - A spar is a type of floating oil platform typically used in very deep waters, and is named for logs used as buoys in shipping that are moored in place vertically. Spar production platforms have been developed as an alternative to conventional platforms.

**Special Survey** – The survey required by the Classification Society that usually takes place every five years and usually in a dry-dock. During the special survey all vital pieces of equipment and compartments and steel structures are opened up and inspected by the classification surveyor.

**Spill** – Oil getting into the sea, in any amount, for any reason.

**Spot (Voyage) Charter** – A charter for a particular vessel to transport a single cargo between specified loading port(s) and discharge port(s) in the immediate future. Contract rate (spot rate) covers total operating expenses such as port charges, bunkering, crew expenses, insurance, repairs and canal tolls. The charterer will generally pay all cargo-related costs and is liable for Demurrage, if incurred. The rate is usually quoted in terms of Worldscale (see below).

**Spot Market** – The market for the immediate charter of a vessel.

**Suezmax** – The maximum size vessel that can sail through the Suez canal. This is generally considered to be between 120,000 and 199,999 – dwt depending on a ship's dimensions and draft.

**(Super) slow steaming** - reducing operating speeds in order to save fuel. Operating laden speeds are reduced from 15 knots to 13 knots and operating ballast speeds from 15 knots to 8 knots.

**Technical Management** - The management of the operation of a vessel, including physically maintaining the vessel, maintaining necessary certifications, and supplying necessary stores, spares, and lubricating oils. Responsibilities also generally include selecting, engaging and training crew, and could also include arranging necessary insurance coverage.

**Time Charter (T/C)** – A charter for a fixed period of time, usually between one and ten years, under which the owner hires out the vessel to the charterer fully manned, provisioned and insured. The charterer is usually responsible for bunkers, port charges, canal tolls and any extra cost related to the cargo. The charter rate (hire) is quoted in terms of a total cost per day. Subject to any restrictions in the Charter, the customer decides the type and quantity of cargo to be carried and the ports of loading and unloading.

**Time Charter Equivalent - TCE** – (TCE is the abbreviation for Time Charter Equivalent). TCE revenues, which are voyage revenues less voyage expenses, serve as an industry standard for measuring and managing fleet revenue and for comparing results between geographical regions and among competitors.

**TLP** - Tension Leg Platform - A tension-leg platform (TLP) or extended tension leg platform (ETLP) is a vertically moored floating structure normally used for the offshore production of oil or gas, and is particularly suited for water depths greater than 300 metres (about 1000 ft) and less than 1500 metres (about 4900 ft). Use of tension-leg platforms has also been proposed for wind turbines.

**Ton-mile** – A unit for freight transportation equivalent to a ton of freight moved one mile.

**Ton-mile demand** - A calculation that multiplies the average distance of each route a tanker travels by the volume of cargo moved. The greater the increase in long haul movement compared with shorter haul movements, the higher the increase in ton-mile demand.

**UDW** – Ultra Deep Water – water depth of more than 1500 meters.

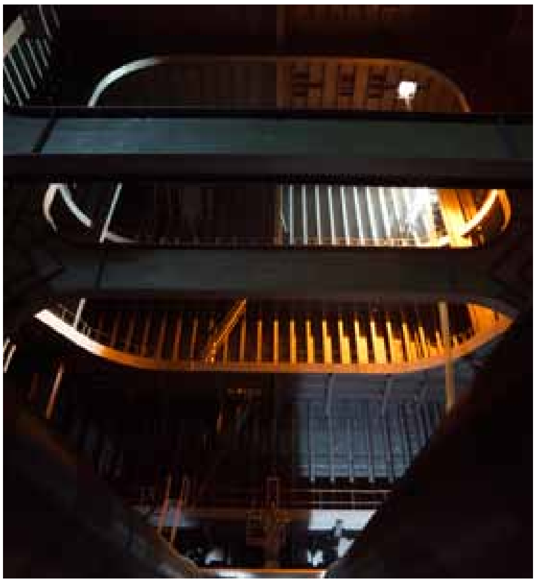
**ULCC or V-Plus** - ULCC is an abbreviation for Ultra Large Crude Carrier, a crude oil tanker of more than 350,000 deadweight tons. ULCCs can transport three million barrels or more of crude oil and are mainly used on the same long haul routes as VLCCs.

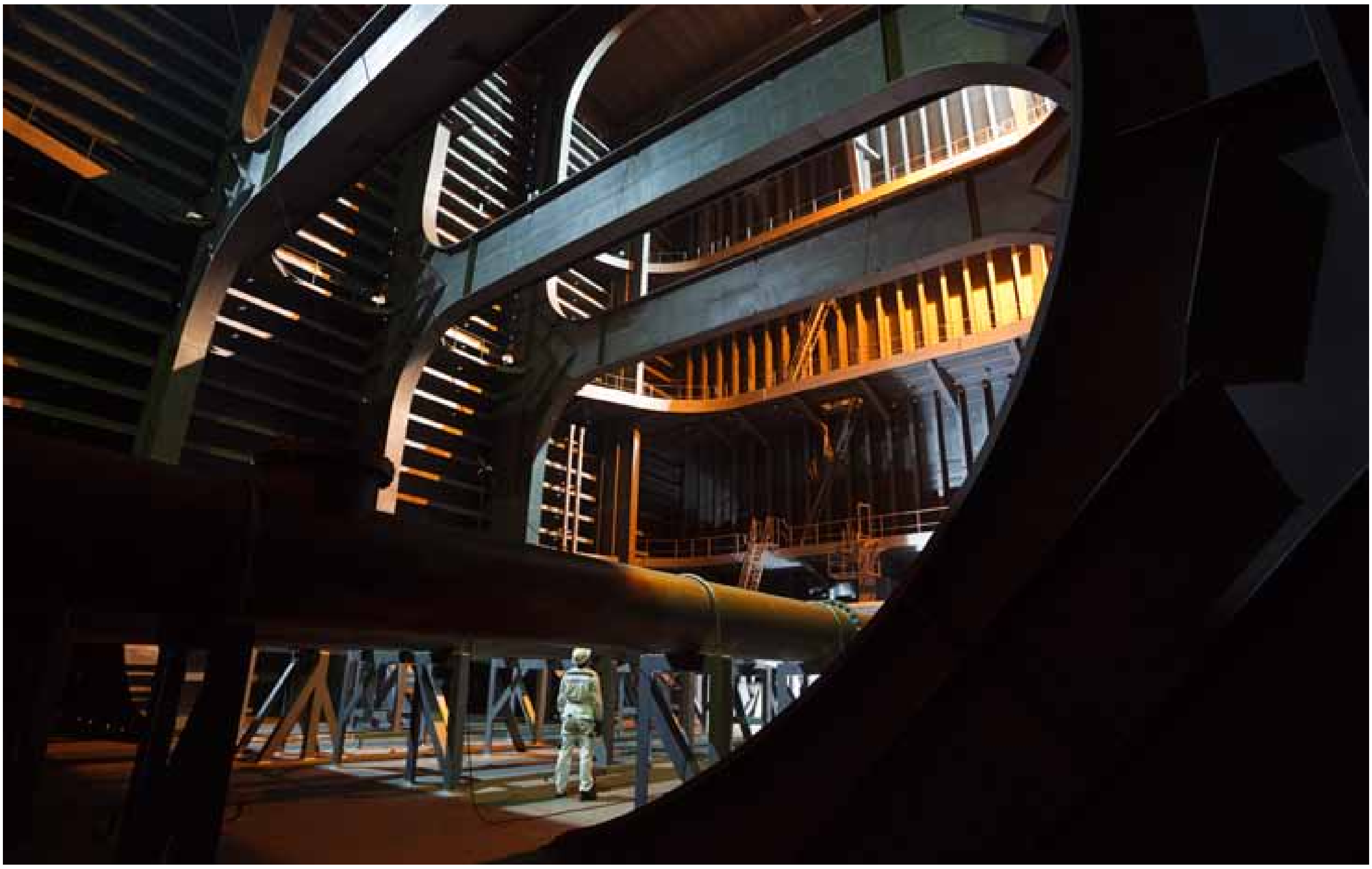
**Vessel Expenses** – Includes crew costs, vessel stores and supplies, lubricating oils, maintenance and repairs, insurance and communication costs associated with the operations of vessels.

**VLCC** – The abbreviation for Very Large Crude Carrier. Tankers with a capacity between 200,000 and 320,000 dwt.

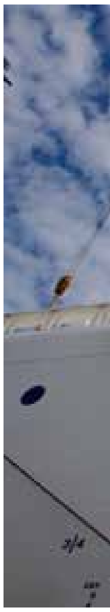
**Voyage Expenses** - Includes fuel, port charges, canal tolls, cargo handling operations and brokerage commissions paid by the shipowner under Voyage Charters. These expenses are subtracted from shipping revenues to calculate Time Charter Equivalent revenues for Voyage Charters.

**Worldscale** – The New Worldwide Tanker Nominal Freight Scale is a catalogue of theoretical freight rates expressed as USD per ton for most of the conceivable spot voyages in the tanker trade. The final rate agreed will be determined as a percentage of the 'Worldscale' rate, based upon a guaranteed minimum quantity of cargo. This allows for charter parties to cover a wide range of possible voyage options without the need to calculate and negotiate each one separately.










# Financial report



Een Nederlandstalige versie van de geconsolideerde jaarrekening is beschikbaar op de website van de vennootschap www.euronav.com. Een papieren versie van de geconsolideerde jaarrekening in het Nederlands is tevens verkrijgbaar op eenvoudig verzoek.

# CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| (in thousands of USD) | Note | 2013 | 2012 Restated* |
|---|---|---|---|
| **ASSETS** | | | |
| **NON-CURRENT ASSETS** | **-** | **1,870,779** | **2,065,448** |
| **Property, plant and equipment** | **-** | **1,865,685** | **2,062,063** |
| Vessels | 7 | 1,855,052 | 2,061,397 |
| Other tangible assets | 7 | 633 | 666 |
| Prepayments | 7 | 10,000 | - |
| **Intangible assets** | **-** | **32** | **78** |
| **Financial assets** | **-** | **3,773** | **2,344** |
| Investments | - | 1 | 2 |
| Receivables | 9 | 3,772 | 2,342 |
| **Investments in equity accounted investees** | **24** | **409** | **-** |
| **Deferred tax assets** | **8** | **880** | **963** |
| **CURRENT ASSETS** | **-** | **278,194** | **297,431** |
| Trade and other receivables | 10 | 117,994 | 98,644 |
| Current tax assets | - | 36 | 27 |
| Cash and cash equivalents | 11 | 120,750 | 145,840 |
| Non-current assets held for sale | 2 | 39,414 | 52,920 |
| **TOTAL ASSETS** | **-** | **2,148,973** | **2,362,879** |

** See significant accounting policies: 2.(e)*

*The notes on pages 68 to 120 are an integral part of these consolidated financial statements.*

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

| (in thousands of USD) | Note | 2013 | 2012 Restated* |
|---|---|---|---|
| **EQUITY and LIABILITIES** | | | |
| **EQUITY** | - | **800,990** | **866,970** |
| **Equity attributable to owners of the Company** | **12** | **800,990** | **866,970** |
| Share capital | - | 58,937 | 56,248 |
| Share premium | - | 365,574 | 353,063 |
| Translation reserves | - | 946 | 730 |
| Hedging reserve | 18 | -6,714 | -15,221 |
| Treasury shares | 12 | -46,062 | -46,062 |
| Retained earnings | - | 428,309 | 518,212 |
| **NON-CURRENT LIABILITIES** | - | **1,049,846** | **1,186,139** |
| **Loans and borrowings** | **14** | **995,599** | **1,119,741** |
| Finance leases | - | | |
| Bank loans | - | 869,777 | 987,047 |
| Convertible notes | - | 125,822 | 132,694 |
| Other loans | - | | |
| **Other payables** | **15** | **52,347** | **64,233** |
| **Deferred tax liabilities** | **8** | **-** | **-** |
| **Employee benefits** | **16** | **1,900** | **2,165** |
| **CURRENT LIABILITIES** | - | **298,137** | **309,770** |
| Trade and other payables | 17 | 114,136 | 141,434 |
| Tax liabilities | - | 21 | - |
| Loans and borrowings | 14 | 183,980 | 168,336 |
| **TOTAL EQUITY AND LIABILITIES** | - | **2,148,973** | **2,362,879** |

** See significant accounting policies: 2.(e)*

*The notes on pages 68 to 120 are an integral part of these consolidated financial statements.*

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

| (in thousands of USD) | Note | 2013 | 2012 Restated* |
|---|---|---|---|
| Revenue | 3 | 400,901 | 410,701 |
| Gains on disposal of vessels/other tangible assets | 7 | 8 | 10,067 |
| Other operating income | - | 12,089 | 10,501 |
| | | | |
| Expenses for shipping activities | 4 | -246,386 | -247,173 |
| Losses on disposal of vessels | 7 | -215 | -32,080 |
| Depreciation tangible assets | 7 | -167,287 | -177,332 |
| Depreciation intangible assets | - | -75 | -181 |
| Employee Benefits | 4 | -13,881 | -15,733 |
| Other operating expenses | 4 | -14,072 | -15,564 |
| **RESULT FROM OPERATING ACTIVITIES** | **-** | **-28,918** | **-56,794** |
| Finance income | 5 | 2,031 | 5,419 |
| Finance expenses | 5 | -63,027 | -67,947 |
| Net finance expense | 5 | -60,996 | -62,528 |
| Share of profit(loss) of equity accounted investees (net of income tax) | 24 | 409 | - |
| **PROFIT (LOSS) BEFORE INCOME TAX** | **-** | **-89,505** | **-119,322** |
| Income tax expense | 6 | -178 | 726 |
| **PROFIT (LOSS) FOR THE PERIOD** | **-** | **-89,683** | **-118,596** |
| Attributable to: | | | |
| Owners of the Company | - | -89,683 | -118,596 |
| Basic earnings per share (in USD) | 13 | -1.79 | -2.37 |
| Diluted earnings per share (in USD) | 13 | -1.79 | -2.37 |

** See significant accounting policies: 2.(e)*

*The notes on pages 68 to 120 are an integral part of these consolidated financial statements.*

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| (in thousands of USD) | Note | 2013 | 2012 Restated* |
|---|---|---|---|
| **PROFIT (LOSS) FOR THE PERIOD** | **-** | **-89.683** | **-118.596** |
| **Other comprehensive income, net of tax** | | | |
| *Items that will never be reclassified to profit or loss:* | | | |
| Remeasurements of the defined benefit liability (asset) | 16 | 263 | -386 |
| *Items that are or may be reclassified to profit or loss:* | | | |
| Foreign currency translation differences | 5 | 216 | 78 |
| Cash flow hedges - effective portion of changes in fair value | 18 | 8,507 | 4,886 |
| Cash flow hedges - reclassified to profit or loss. | - | - | - |
| **Other comprehensive income for the period, net of tax** | **-** | **8,986** | **4,578** |
| **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD** | **-** | **-80,697** | **-114,018** |
| Attributable to: | | | |
| Owners of the Company | - | -80,697 | -114,018 |

** See significant accounting policies: 2.(e)*

*The notes on pages 68 to 120 are an integral part of these consolidated financial statements.*

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| (in thousands of USD) | Note | Capital | Share premium account | Translation reserve | Hedging reserve | Treasury shares | Retained earnings | Capital and reserves | Non-controlling interest | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|
| **BALANCE AT 1 JANUARY 2012 AS REPORTED** | **-** | **56,248** | **353,063** | **652** | **-20,107** | **-46,062** | **637,194** | **980,988** | **-** | **980,988** |
| **Total comprehensive income for the period (restated*)** | **-** | | | | | | | | | |
| Profit (loss) for the period | - | - | - | - | - | - | -118,596 | **-118,596** | - | **-118,596** |
| Other comprehensive income | - | | | | | | | | | |
| Foreign currency translation differences | - | - | - | 78 | - | - | - | **78** | - | **78** |
| Cash flow hedges - effective portion of changes in fair value | 18 | - | - | - | 4,886 | - | - | **4,886** | - | **4,886** |
| Cash flow hedges - reclassified to profit or loss | - | - | - | - | - | - | - | **-** | - | **-** |
| Net change in fair value defined benefit liability (asset) | - | - | - | - | - | - | -386 | **-386** | - | **-386** |
| Total other comprehensive income | - | - | - | 78 | 4,886 | - | -386 | **4,578** | - | **4,578** |
| **Total comprehensive income for the period (restated*)** | **-** | **-** | **-** | **78** | **4,886** | **-** | **-118,982** | **-114,018** | **-** | **-114,018** |
| **RESTATED BALANCE AT 31 DECEMBER 2012** | **-** | **56,248** | **353,063** | **730** | **-15,221** | **-46,062** | **518,212** | **866,970** | **-** | **866,970** |
| **BALANCE AT 1 JANUARY 2013** | **-** | **56,248** | **353,063** | **730** | **-15,221** | **-46,062** | **518,212** | **866,970** | **-** | **866,970** |
| **Total comprehensive income for the period** | | | | | | | | | | |
| Profit (loss) for the period | - | - | - | - | - | - | -89,683 | **-89,683** | - | **-89,683** |
| Other comprehensive income | - | | | | | | | | | |
| Foreign currency translation differences | - | - | - | 216 | - | - | - | **216** | - | **216** |
| Cash flow hedges - effective portion of changes in fair value | 18 | - | - | - | 8,507 | - | - | **8,507** | - | **8,507** |
| Cash flow hedges - reclassified to profit or loss | - | - | - | - | - | - | - | **-** | - | **-** |
| Net change in fair value defined benefit liability (asset) | 16 | - | - | - | - | - | 263 | **263** | - | **263** |
| Total other comprehensive income | - | - | - | 216 | 8,507 | - | 263 | **8,986** | - | **8,986** |
| **Total comprehensive income for the period** | **-** | **-** | **-** | **216** | **8,507** | **-** | **-89,420** | **-80,697** | **-** | **-80,697** |
| **Transactions with owners of the company** | | | | | | | | | | |
| Issue of ordinary shares | 12 | 2,689 | 12,511 | - | - | - | - | **15,200** | - | **15,200** |
| Issue and conversion of convertible notes | - | - | - | - | - | - | -666 | **-666** | - | **-666** |
| Equity-settled share-based payment | 25 | - | - | - | - | - | 183 | **183** | - | **183** |
| Total contributions by and distributions to owners | - | 2,689 | 12,511 | - | - | - | -483 | **14,717** | - | **14,717** |
| **Total transactions with owners** | **-** | **2,689** | **12,511** | **-** | **-** | **-** | **-483** | **14,717** | **-** | **14,717** |
| **BALANCE AT 31 DECEMBER 2013** | **-** | **58,937** | **365,574** | **946** | **-6,714** | **-46,062** | **428,309** | **800,990** | **-** | **800,990** |

** See significant accounting policies: 2.(e)*

*The notes on pages 68 to 120 are an integral part of these consolidated financial statements.*

## CONSOLIDATED STATEMENT OF CASH FLOWS

| (in thousands of USD) | Note | 2013 | 2012 Restated* |
|---|---|---|---|
| **PROFIT (LOSS)** | **-** | **-89.683** | **-118.596** |
| | | | |
| **Adjustments for:** | - | 228,296 | 242,722 |
| Depreciation tangible assets | 7 | 167,287 | 177,332 |
| Depreciation intangible assets | - | 75 | 180 |
| Impairment on non-current assets held for sale | 2 | - | 32,080 |
| Leasing | 14 | - | -18,509 |
| Tax expense | 6 | 178 | -726 |
| Share of profit of equity-accounted investees, net of tax | 24 | -409 | - |
| Net Finance expense | 5 | 60,996 | 62,529 |
| Capital Gain(loss) on disposal of assets | - | -14 | -10,164 |
| Equity-settled share-based payment transactions | 4 | 183 | - |
| **Changes in working capital requirements** | - | -51,285 | 20,373 |
| Change in cash guarantees | - | - | -1 |
| Change in trade receivables | 10 | -3,210 | -7,196 |
| Change in accrued income | 10 | -1,767 | -3,109 |
| Change in deferred charges | 10 | -8,684 | -3,834 |
| Change in other receivables | 9-10 | -7,110 | 19,035 |
| Change in trade payables | 17 | 17,313 | -3,460 |
| Change in employee benefits | 17 | -28 | 934 |
| Change in accrued expenses | 17 | 9,157 | 2,919 |
| Change in deferred income | 17 | -781 | -1,737 |
| Change in other payables | 17 | -56,089 | 16,918 |
| Change in provisions for employee benefits | 16 | -86 | -96 |
| **Income taxes paid during the period** | - | -82 | 523 |
| **Interest paid** | 5-17 | -61,118 | -68,194 |
| **Interest received** | 5-10 | 129 | 1,003 |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | **-** | **26,257** | **77,831** |
| | | | |
| Acquisition of vessels | 7 | -10,000 | -148,700 |
| Proceeds from the sale of vessels | 7 | 52,920 | 47,593 |
| | | | |
| Acquisition of other (in)tangible assets | - | -355 | -145 |
| Proceeds from the sale of other (in)tangible assets | - | 24 | 39 |
| | | | |
| Loans to related parties | - | - | 171 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | **-** | **42,589** | **-101,042** |
| | | | |
| Proceeds from New long-term borrowings | 14 | 63,310 | 759,524 |
| Repayment of long-term borrowings | 14 | -156,682 | -776,064 |
| | | | |
| Dividends paid | - | -4 | -47 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | **-** | **-93,376** | **-16,587** |
| | | | |
| **NET DECREASE IN CASH AND CASH EQUIVALENTS** | **-** | **-24,530** | **-39,798** |
| Net cash and cash equivalents at the beginning of the period | - | 145,840 | 185,414 |
| | | | |
| Effect of changes in exchange rates | - | -560 | 224 |
| **NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD** | **11** | **120,750** | **145,840** |

** See significant accounting policies: 2.(e)*

*The notes on pages 68 to 120 are an integral part of these consolidated financial statements.*

# Significant accounting policies

## 1. Reporting Entity

EURONAV (the "Company") is a company domiciled in Belgium. The address of the Company's registered office is De Gerlachekaai 20, 2000 Antwerpen. The consolidated financial statements of the Company for the year ended 31 December 2013 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates and jointly controlled entities.

## 2. Basis of preparation

### (a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union on 31 December 2013.

The financial statements were authorised for issue by the Board of Directors on 27 March 2014

### (b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position

- Derivative financial instruments are measured at fair value
- Non-derivative financial instruments at fair value through profit and loss are measured at fair value
- Available for sale financial assets are measured at fair value

### (c) Functional and presentation currency

The financial statements are presented in USD, which is the Company's functional and presentation currency. All financial information presented in USD has been rounded to the nearest thousand except when otherwise indicated.

### (d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which are the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statement is included in the following notes:

- Note 7 – Impairment

Information about assumptions and estimation uncertainties that have a significant risk on resulting in a material adjustment within the next financial year are included in the following notes:

- Note 7 – Impairment test: key assumptions underlying the recoverable amount.

**Measurement of fair values**

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO

The valuation team regularly reviews significant unobservable inputs and valuations adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified Significant valuation issues are reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e.

as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

## (e) Changes in accounting policies

Except for the changes below, the accounting policies and calculation methods adopted in the preparation of the consolidated financial statements for the period ended 31 December 2013 are consistent with those applied in the preparation of the consolidated financial statements for the year ended 31 December 2012. Other new standards, amendments to standards and interpretations that became effective for annual periods beginning on or after 1 January 2013 did not have an impact on the Group's consolidated financial statements.

**Defined Benefit plans**

As a result of IAS 19 Employee benefits (2011), the Group has changed its accounting policy with respect to the basis for determining the income or expense related to defined benefit plans. The impact resulting from this change in accounting policy on the Group's financial position, profit and loss, comprehensive income and cash flows was very limited and can be summarised as follows:

**Statement of Financial position**

| | Effect of changes in accounting policy | | |
|---|---|---|---|
| **31 December 2012** | **As previously reported** | **Defined benefit plans** | **As restated** |
| Total Equity | 867,020 | -50 | 866,970 |
| Employee benefits | 2,115 | 50 | 2,165 |

**Income statement and comprehensive income statement**

| | Effect of changes in accounting policy | | |
|---|---|---|---|
| **For the 12 months period ended 31 December 2012** | **As previously reported** | **Defined benefit plans** | **As restated** |
| Result for the period | -118,931 | 335 | -118,596 |
| Other comprehensive income for the period | 4,962 | -385 | 4,577 |
| **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD** | **-113,969** | **-50** | **-114,018** |

**Fair value measurement**

IFRS 13 fair value measurement replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 Financial instruments: Disclosures. Accordingly, the Group has included additional disclosures in this regard

**Presentation of items of OCI**

As a result of the amendments to IAS1, the Group has modified the presentation of items of OCI in its statement of profit or loss and OCI from items that would never be reclassified to profit or loss. Comparative information has been re-presented accordingly.

**Presentation of other financial charges**

The Group has decided to modify the presentation of other financial charges which will be presented as financial expense and no longer as other operating expenses.

| | **As reported 2012** | **As Restated 2012** |
|---|---|---|
| Other operating expenses | -19,386 | -15,564 |
| Net finance expense | -58,704 | -62,528 |

## (f) Basis of Consolidation

### (i) Business Combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

For acquisitions on or after 1 January 2010, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquire ; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise,subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

#### (ii) Acquisitions of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

#### (iii) Subsidiaries

Subsidiaries are those entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

#### (iv) Loss of control

On the loss of control, the Group derecognises 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 recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest 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.

#### (v) Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses.
The consolidated financial statements include the Group's share of the total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.

#### (vi) Jointly controlled entities

Jointly controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement. The consolidated financial statements include the Group's proportionate share of the entities' assets, liabilities, revenue and expenses with items of a similar nature on a line-by-line basis, from the date that joint control commences until the date that joint control ceases.

#### (vii) Transactions eliminated on consolidation

Intragroup balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in the entity. Unrealised gains arising from transactions with associates are eliminated against the investment in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### (g) Foreign currency

#### (i) Foreign currency transactions

Transactions in foreign currencies are translated to USD at the foreign exchange rate applicable at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to USD at the foreign exchange rate applicable at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

#### (ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to USD at exchange rates at the reporting date. The income and expenses of foreign operations are translated to USD at rates approximating the exchange rates at the dates of the transactions.

Foreign currency differences are recognised directly in equity. Since 1 January 2003, the Group's date of transition to IFRSs, such differences have been recognised in the foreign currency translation reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss.

### (h) Financial Instruments

#### (i) Non-derivative financial assets

The group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated as at fair value through profit and loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity financial assets and available-for-sale financial assets. The Company determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

**Financial assets at fair value through profit or loss**

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, which takes into account any dividend income, are recognised in profit or loss.

Financial assets designated as at fair value through profit or loss comprise equity securities that otherwise would have been classified as available for sale.

Assets in this category are classified as current assets if they are expected to be realised within 12 months of the balance sheet date.

**Loans and receivables**

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

**Held-to-maturity investments**

If the Group has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.
Held-to-maturity financial assets comprise debentures.

**Available-for-sale financial assets**

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities and debt securities.

They are included in non-current assets unless the Company intends to dispose of the investment within 12 months of the balance sheet date.

**(ii) Non-derivative financial liabilities**

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated as at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

### (iii) Share capital

**Ordinary share capital**

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

**Repurchase of share capital**

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

### (iv) Derivative financial instruments

The Group holds derivative financial instruments to hedge its exposure to market fluctuations, foreign exchange and interest rate risks arising from operational, financing and investment activities.

On initial designation of the derivative as hedging instrument, the Group formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 80-125 percent. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported net income.

Derivative financial instruments are recognised initially at fair value; attributable transaction costs are expensed as incurred. Subsequent to initial recognition, all derivatives are remeasured to fair value, and changes therein are accounted for as follows:

**Cash flow hedges**

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity.

The amount recognised in other comprehensive income is removed and included in profit or loss in the same period as the hedged cash flows affect profit or loss under the same line item in the statement of comprehensive income as the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

When the hedged item is a non-financial asset, the amount accumulated in equity is included in the carrying amount of the asset when the asset is recognised. In other cases, the amount accumulated in equity is reclassified to profit or loss in the same period that the hedged item affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated, exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified to profit or loss.

**Other non-trading derivatives**

When a derivative financial instrument is not held for trading, and is not designated in a qualifying hedge relationship, all changes in its fair value are recognised immediately in profit or loss.

### (v) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible notes denominated in USD that can be converted to ordinary shares at the option of the holder, when the number of shares is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments in initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity component in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.
Interest related to the financial liability is recognised in profit and loss. On conversion, the financial liability is reclassified to equity and no gain or loss is recognised.

## (i) Intangible assets

### (i) Goodwill

Goodwill represents amounts arising on an acquisition of subsidiaries, associates and joint ventures. For the measurement of goodwill at initial recognition, see note (f).

Goodwill is recognised as an asset and initially at its cost. After initial recognition goodwill shall be remeasured at cost less any accumulated impairment losses (refer accounting policy k. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss is allocated to the carrying amount of the equity accounted investee as a whole.

### (ii) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and impairment losses (see accounting policy k).
The cost of an intangible asset acquired in a separate acquisition is the cash paid or the fair value of any other consideration given. The cost of an internally generated intangible asset includes the directly attributable expenditure of preparing the asset for its intended use.

### (iii) Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and its cost can be measured reliably. All other expenditure is expensed as incurred.

### (iv) Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful life of the intangible asset as from the date they are available for use. The estimated maximum useful live are as follows:

- Software: 3 - 5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

## (j) Vessels, property, plant and equipment

### (i) Owned assets

Vessels and items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation (see below) and impairment losses (refer accounting policy k). The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- The cost of materials and direct labour;
- Any other costs directly attributable to bringing the asset to a working condition for their intended use;
- When the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- Capitalised borrowing costs.

Property that is being constructed or developed for future use as investment property is classified as property, plant and equipment and stated at cost until construction or development is complete, at which time it is reclassified as investment property.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

Gains and losses on disposal of a vessel or of another item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the vessel or the item of property, plant and equipment and are recognised net. For the sale of vessels or other items of property, plant and equipment, transfer of risk and rewards usually occurs upon delivery of the vessel to the new owner

### (ii) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Plant and equipment acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation (see below) and impairment losses (refer accounting policy K). Lease payments are accounted for as described in accounting policy Q.
Other leases are operating leases and are not recognised in the Group's statement of financial position

### (iii) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost less accumulated depreciation and impairment losses. As such, the rules as described in accounting policy note (j) Vessels, property, plant and equipment apply.

Rental income from investment property is accounted for as described in accounting policy (o(iii)).

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

#### (iv) Assets under construction

Assets under construction, especially newbuilding vessels, are accounted for in accordance with the stage of completion of the newbuilding contract. Typical stages of completion are the milestones that are usually part of a newbuilding contract: signing or receipt of refund guarantee, steel cutting, keel laying, launching and delivery. All stages of completion are guaranteed by a refund guarantee provided by the shipyard.

#### (v) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other expenditure is recognised in the income statement as an expense as incurred.

#### (vi) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

#### (vi) Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of vessels and items of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.
Vessels and items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated maximum useful lives are as follows:

- tankers 20 years
- FSO/FpSO/FPSO 25 years
- buildings 33 years
- plant and equipment 5 - 20 years
- fixtures and fittings 5 - 10 years
- other tangible assets 3 - 20 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

### (k) Impairment

#### (i) Non-derivative financial assets

A financial asset not classified as at fair value through profit or loss is assessed at each reporting date whether there is objective evidence that it is impaired.
A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security a significant or prolonged decline in the fair value of the
security below its cost is objective evidence of impairment.

**Financial assets measured at amortised cost**

The Group considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and held-to-maturity investment securities) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to maturity investment securities. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

**Available-for-sale financial assets**
Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment losses attributable to the application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

**Equity-accounted investees**
An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

### (ii) Non-Financial asset
The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets (refer accounting policy (s)), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Goodwill and indefinite-lived intangible assets are tested annually for impairment. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Future cash flows are based on current market conditions, historical trends as well as future expectations. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU's. Goodwill acquired in a business combination is allocated to groups of CGU's that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGU's are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGU's), and then to reduce the carrying amounts of the other assets in the CGU (group of CGU's) on a pro rata basis.
An impairment loss recognised for goodwill shall not be reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## (l) Assets held for sale
Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets or disposal group are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets or investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

## (m) Employee benefits
### (i) Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the services are discounted to their present value.

### (ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return of plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability(asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined plan when the settlement occurs.

### (iii) Other long term employee benefits

The Group's net obligation in respect of long-term service benefits, other than pension plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on AA credit rated bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Remeasurements are recognised in OCI in the period in which they arise.

### (iv) Termination benefits

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

### (v) Short-term employee benefit

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

### (vi) Share-based payment transactions

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

## (n) Provisions

A provision is recognised when the Group has a legal or constructive obligation that can be estimated reliably, as result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. The provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

**Restructuring**

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Future operating costs are not provided for.

**Onerous contracts**

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

## (o) Revenue

### (i) Pool Revenues

Aggregated revenue recognized on a daily basis from vessels operating on voyage charters in the spot market and on contract of affreightment (COA) within the pool are converted into an aggregated net revenue amount by subtracting aggregated voyage expenses (such as fuel and port charges) from Gross voyage revenue. These aggregated net revenues are combined with aggregate time charter revenues to determine aggregate pool Time Charter Equivalent revenue (TCE). Aggregate pool TCE revenue is then allocated to pool partners in accordance with the allocated pool points earned for each vessel that recognises each vessel's earnings capacity based on its cargo, capacity, speed and fuel consumption performance and actual On Hire days. The TCE revenue earned by our vessels operated in the pools is equal to the Pool Point Rating of the vessels multiplied by Time On Hire, as reported by the pool manager.

### (ii) Time - and Bareboat charters

Revenues from time charters and bareboat charters are accounted for as operating leases and are recognized on a straight line basis over the periods of such charters, as service is performed.
The Group does not recognize time charter revenues during periods that vessels are offhire.

### (iii) Spot voyages

Within the shipping industry, there are two methods used to account for voyage revenues:
rateably over the estimated length of each voyage and completed voyage.

The recognition of voyage revenues rateably on a daily basis over the estimated length of each voyage is the most prevalent method of accounting for voyage revenues and the method used by the Group and the pools in which we participate. Under each method, voyages may be calculated on either a load-to-load or discharge-to-discharge basis. In applying its revenue recognition method, management believes that the discharge-to-discharge basis of calculating voyages more accurately estimates voyage results than the load-to-load basis. Since, at the time of discharge, management generally knows the next load port and expected discharge port, the discharge-to-discharge calculation of voyage revenues can be estimated with a greater degree of accuracy. Euronav does not begin recognizing voyage revenue until a charter has been agreed to by both the Group and the customer, even if the vessel has discharged its cargo and is sailing to the anticipated load port on its next voyage because it is only at this time the charter rate is determinable for the specified load and discharge ports and collectability is reasonably assured.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

## (p) Gain on disposal of vessels

**Losses on disposal of vessels**

In view of their importance the Group reports capital gains and losses on the sale of vessels as a separate line item in the income statement. For the sale of vessels, transfer of risks and awards usually occurs upon delivery of the vessel to the new owner.

## (q) Leases

**Lease payments**

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.
Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant period rate of interest on the remaining balance of the liability.

## (r) Finance income and finance cost

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, dividends on redeemable preference shares, interest receivable on funds invested, dividend income, foreign exchange gains and losses, and gains and losses on hedging instruments that are recognised in the income statement (refer accounting policy (h)).

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset. Dividend income is recognised in the income statement on the date that the dividend is declared.

The interest expense component of finance lease payments is recognised in the income statement using the effective interest rate method.

## (s) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In application of an IFRIC agenda decision on IAS 12 Income taxes, tonnage tax is not accounted for as income taxes in accordance with IAS 12 and is not presented as part of income tax expense in the income statement but is shown as an administrative expense under the heading Other operating expenses (Note 4).

### (t) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Since 2010, the company has adopted IFRS 8 Operating segments and has distinguished two segments: the operation of crude oil tankers on the international markets and the floating storage and offloading operations (FSO/FpSO). The company's internal organisational and management structure does not distinguish any geographical segments.

### (u) Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

### (v) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2013, and have not been applied in preparing these consolidated financial statements:

**IFRS 9 Financial Instruments** is intended to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 deals with classification and measurement of financial assets and financial liabilities. This standard is the first phase in the replacement of IAS 39 The IASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and add new requirements to address the impairment of financial assets. In 2013 the IASB issued a new general hedge accounting standard as part of IFRS 9 which will align hedge accounting more closely with risk management. The IASB will determine an effective date once the classification and measurement and impairment phases of IFRS 9 are finalised. The Group does not plan to adopt this standard early and the extent of the impact has not yet been determined.

**IFRS 10 Consolidated Financial Statements** introduces a new approach to determining which investees should be consolidated and provides a single model to be applied in the control analysis for all investees and will become mandatory for the Group's 2014 consolidated financial statements, with retrospective application. It does not have a material impact on the Group's consolidated financial statements and there are no changes to the principle of control and the basis for consolidation .

**IFRS 11 Joint Arrangements** focuses on the rights and obligations of joint arrangements, rather than the legal form (as is currently the case). It distinguishes joint arrangements between joint operations and joint ventures; and always requires the equity method for jointly controlled entities that are now called joint ventures. IFRS 11 will become mandatory for the Group's 2014 consolidated financial statements, with retrospective application. It will have a material impact on the Group's consolidated financial statements as outlined in the table below:

| in thousands of USD | Old Situation | IFRS 11 Applied |
|---|---|---|
| Turnover | 400,901,472 | 304,621,555 |
| **RESULT FROM OPERATING ACTIVITIES** | **-28,918,813** | **-54,714,831** |
| Net Finance Expense | -60,146,486 | -51,796,998 |
| **RESULT FOR THE PERIOD** | **-89,683,447** | **-89,683,447** |
| | | |
| Non-Current Assets | 1,870,779,536 | 1,728,993,000 |
| Current Assets | 278,193,670 | 191,767,000 |
| Non-Current Liabilities | 1,049,846,162 | 874,979,000 |
| Current Liabilities | 298,137,684 | 244,792,000 |

**IFRS 12 Disclosure of Interests in Other Entities** contains the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities. IFRS 12 will become mandatory for the Group's 2014 consolidated financial statements, with retrospective application. It is expected not to have a material impact on the Group's consolidated financial statements.

**Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)** limits the possible restatement as a result of the application of IFRS 10, IFRS 11 and IFRS 12 to one year. The transition guidance will become mandatory for the Group's 2014 consolidated financial statements, with retrospective application. It is expected not to have a material impact on the Group's consolidated financial statements.

**IAS 28 Investments in Associates and Joint Ventures (2011)** makes the following amendments:
- IFRS 5 applies to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale; and
- on cessation of significant influence or joint control, even if an investment in an associate becomes an investment in a joint venture or vice versa, the entity does not remeasure the retained interest.

The amendments which become mandatory for the Group's 2014 consolidated financial statements, are not expected to have a material impact on the Group's consolidated financial statements.

**Annual Improvements to IFRS 2010-2012 cycle** is a collection of minor improvements to 6 existing standards. This collection, which is expected to become mandatory for the Group's 2015 consolidated financial statements, is not expected to have a material impact on our consolidated financial statements.

**Annual Improvements to IFRS 2011-2013 cycle** is a collection of minor improvements to 4 existing standards. This collection, which is expected to become mandatory for the Group's 2015 consolidated financial statements, is not expected to have a material impact on our consolidated financial statements.

**Amendments to IAS 19 Employee Benefits – Defined Benefit Plans: Employee Contributions** introduce a relief that will reduce the complexity and burden of accounting for certain contributions from employees or third parties. The amendments which are expected to become mandatory for the Group's 2015 consolidated financial statements, are not expected to have a material impact on the Group's consolidated financial statements.

**Amendments to IAS 36 Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets** requires the recoverable amount of every cash-generating unit to which significant goodwill or indefinite-lived intangible assets have been allocated to be disclosed only when an impairment loss has been recognised or reversed. The amendments will become mandatory for the Group's 2014 consolidated financial statements, with retrospective application. It is expected not to have a material impact on the Group's consolidated financial statements.

**IFRIC 21 Levies** provides guidance on accounting for levies in accordance with the requirements of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The interpretation is expected to become mandatory for the Group's 2014 consolidated financial statements, with retrospective application. It is expected not to have a material impact on the Group's consolidated financial statements.

**Amendments to IAS 39 Financial Instruments – Novation of Derivatives and Continuation of Hedge Accounting** add a limited exception to IAS 39, to provide relief from discontinuing an existing hedging relationship when a novation that was not contemplated in the original hedging documentation meets specific criteria. The amendments will become mandatory for the Group's 2014 consolidated financial statements, with retrospective application. It is expected not to have a material impact on the Group's consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 DECEMBER 2013

## NOTE 1 - SEGMENT REPORTING

At present, the Group distinguishes two operating segments: the operation of crude oil tankers on the international markets (tankers) and the floating production, storage and offloading operations (FSO/FpSO). These two divisions operate in completely different markets, where in the latter the assets are tailor made or converted for specific long term projects. The tanker market requires a different marketing strategy as this is considered a very volatile market, contract duration is often less than two years and the assets are to a big extent standardized. The segment profit or loss figures and key assets are presented as set out below to the executive committee on at least a quarterly basis to help the key descission makers in evaluating the respective segments.

The Group has two clients in tanker segment that represents respectively 13% and 10% of the Group's total turnover. All the other clients represent less than 10%.

The Group's internal organisational and management structure does not distinguish any geographical segments.

### Consolidated statement of financial position

| | 2013 | | | | 2012 Restated* | | | |
|---|---|---|---|---|---|---|---|---|
| **(in thousands of USD)** | **Tankers** | **FSO** | **Eliminations** | **Total** | **Tankers** | **FSO** | **Eliminations** | **Total** |
| **ASSETS** | | | | | | | | |
| **NON-CURRENT ASSETS** | **1,922,035** | **244,138** | **295,394** | **1,870,779** | **2,100,055** | **260,784** | **295,391** | **2,065,448** |
| Property, plant and equipment | 1,625,302 | 240,383 | - | 1,865,685 | 1,803,610 | 258,453 | - | 2,062,063 |
| Intangible assets | 32 | - | - | 32 | 78 | - | - | 78 |
| Financial assets | 295,412 | 3,755 | 295,394 | 3,773 | 295,404 | 2,331 | 295,391 | 2,344 |
| Investments in equity accounted investees | 409 | - | - | 409 | - | - | - | - |
| Deferred tax assets | 880 | - | - | 880 | 963 | - | - | 963 |
| **CURRENT ASSETS** | **227,337** | **51,159** | **302** | **278,194** | **263,034** | **35,214** | **817** | **297,431** |
| **TOTAL ASSETS** | **2,149,372** | **295,297** | **295,696** | **2,148,973** | **2,363,089** | **295,998** | **296,208** | **2,362,879** |
| | | | | | | | | |
| **EQUITY AND LIABILITIES** | | | | | | | | |
| **EQUITY** | **913,533** | **-112,543** | **-** | **800,990** | **1,010,773** | **-143,804** | **-1** | **866,970** |
| Equity attributable to equity holders of the Company | 913,533 | -112,543 | - | 800,990 | 1,010,773 | -143,804 | -1 | 866,970 |
| Non-controlling interest | - | - | - | - | - | - | - | - |
| **NON-CURRENT LIABILITIES** | **966,196** | **379,044** | **295,394** | **1,049,846** | **1,089,907** | **391,625** | **295,393** | **1,186,139** |
| Loans and borrowings | 923,005 | 367,988 | 295,394 | 995,599 | 1,040,867 | 374,267 | 295,393 | 1,119,741 |
| Other payables | 41,291 | 11,056 | - | 52,347 | 46,875 | 17,358 | - | 64,233 |
| Employee benefits | 1,900 | - | - | 1,900 | 2,165 | - | - | 2,165 |
| **CURRENT LIABILITIES** | **269,643** | **28,796** | **302** | **298,137** | **262,409** | **48,177** | **816** | **309,770** |
| **TOTAL EQUITY AND LIABILITIES** | **2,149,372** | **295,297** | **295,696** | **2,148,973** | **2,363,089** | **295,998** | **296,208** | **2,362,879** |

** See significant accounting policies: 2.(e)*

## NOTE 1 - SEGMENT REPORTING (CONTINUED)

### Consolidated statement of profit or loss

| | 2013 | | | | 2012 Restated* | | | |
|---|---|---|---|---|---|---|---|---|
| **(in thousands of USD)** | **Tankers** | **FSO** | **Eliminations** | **Total** | **Tankers** | **FSO** | **Eliminations** | **Total** |
| Revenue | 337,383 | 63,698 | 180 | **400,901** | 357,197 | 53,684 | 180 | **410,701** |
| Capital gains on disposal of vessels | 8 | - | - | **8** | 10,067 | - | - | **10,067** |
| Other operating income | 11,756 | 333 | - | **12,089** | 10,260 | 241 | - | **10,501** |
| Expenses for shipping activities | -234,250 | -12,316 | -180 | **-246,386** | -236,504 | -10,849 | -180 | **-247,173** |
| Capital losses on disposal of vessels | -215 | - | - | **-215** | -32,080 | - | - | **-32,080** |
| Depreciation tangible assets | -149,216 | -18,071 | - | **-167,287** | -159,257 | -18,075 | - | **-177,332** |
| Depreciation intangible assets | -75 | - | - | **-75** | -181 | - | - | **-181** |
| Employee Benefits | -13,881 | - | - | **-13,881** | -15,733 | - | - | **-15,733** |
| Other operating expenses | -13,483 | -589 | - | **-14,072** | -15,300 | -264 | - | **-15,564** |
| **RESULT FROM OPERATING ACTIVITIES** | **-61,973** | **33,055** | **-** | **-28,918** | **-81,531** | **24,737** | **-** | **-56,794** |
| Finance income | 1,998 | 33 | - | **2,031** | 5,364 | 55 | - | **5,419** |
| Finance expenses | -58,123 | -4,904 | - | **-63,027** | -59,624 | -8,323 | - | **-67,947** |
| Net finance expense | -56,125 | -4,871 | - | **-60,996** | -54,260 | -8,268 | - | **-62,528** |
| Share of profit(loss) of equity accounted investees (net of income tax | 409 | - | - | **409** | - | - | - | **-** |
| **PROFIT(LOSS) BEFORE INCOME TAX** | **-117,689** | **28,184** | **-** | **-89,505** | **-135,791** | **16,469** | **-** | **-119,322** |
| Income tax expense | -178 | - | - | **-178** | 726 | - | - | **726** |
| **PROFIT(LOSS) FOR THE PERIOD** | **-117,867** | **28,184** | **-** | **-89,683** | **-135,065** | **16,469** | **-** | **-118,596** |
| Attributable to: | | | | | | | | |
| Owners of the Company | -117,867 | 28,184 | - | **-89,683** | -135,065 | 16,469 | - | **-118,596** |

### Consolidated statement of cash flows

| | 2013 | | | | 2012 Restated* | | | |
|---|---|---|---|---|---|---|---|---|
| **(in thousands of USD)** | **Tankers** | **FSO** | **Eliminations** | **Total** | **Tankers** | **FSO** | **Eliminations** | **Total** |
| Cash flows from operating activities | -12,239 | 38,496 | - | **26,257** | 44,577 | 33,254 | - | **77,831** |
| Cash flows from investing activities | 42,589 | - | - | **42,589** | -101,093 | 51 | - | **-101,042** |
| Cash flows from financing activities | -68,360 | -25,016 | - | **-93,376** | 7,719 | -24,306 | - | **-16,587** |
| Capital expenditure | -55,630 | - | | **-55,630** | -204,128 | 51 | | **-204,077** |
| Impairment losses | - | - | - | **-** | - | - | - | **-** |
| Impairment losses reversed | - | - | - | **-** | - | - | - | **-** |

** See significant accounting policies: 2.(e)*

## NOTE 2 - ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS

### Assets held for sale

The assets held for sale can be detailed as follows:

| **(in thousands of EUR)** | **2013** | **2012** |
|---|---|---|
| **Vessels** | **39,414** | **52,920** |
| *Of which in Tankers segment* | *39,414* | *52,920* |
| *Of which in FSO segment* | - | - |

| **(in thousands of EUR)** | **Estimated Sale price** | **Book Value** | **Expected Gain/Loss** |
|---|---|---|---|
| Cap Isabella | 52,920 | **85,000** | -32,080 |
| **AT 31 DECEMBER 2012** | **52,920** | **85,000** | **-32,080** |

The expected loss on the disposal of the Cap Isabella was recognised in 2012. The Cap Isabella was sold in 2013. (See Note 7).

| **(in thousands of EUR)** | **Estimated Sale price** | **Book Value** | **Expected Gain/Loss** |
|---|---|---|---|
| Ardenne Venture (50%) | 20,850 | 17,904 | 2,946 |
| Luxembourg | 28,000 | 21,510 | 6,490 |
| **AT 31 DECEMBER 2013** | **48,850** | **39,414** | **9,436** |

The capital gain on the sale of the Ardenne Venture and Luxembourg will be taken when the vessels are delivered to the new owner. (See Note 28 - Subsequent events)

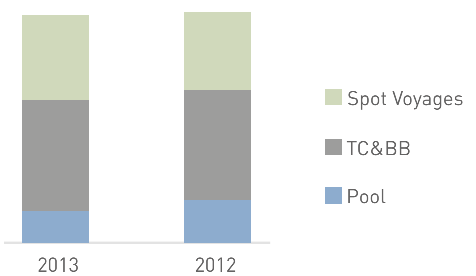
### Discontinued operations

As per 31 December 2013 and per 31 December 2012 the Group had no operations that meet the criteria of a discontinued operation.

## NOTE 3 - REVENUE

| **(in thousands of USD)** | **Note** | **2013** | **2012** |
|---|---|---|---|
| Pool Revenue | - | 55,733 | 74,466 |
| Time And Bareboat charters (TC& BB) | 19 | 196,130 | 194,800 |
| Spot Voyages | - | 149,038 | 138,727 |
| **TOTAL** | **-** | **400,901** | **407,993** |

For the account treatment of revenue, please refer to the accounting policies (o) - Revenue.



## NOTE 4 - EXPENSES FOR SHIPPING ACTIVITIES AND OTHER EXPENSES FROM OPERATING ACTIVITIES

### Expenses for shipping activities

| (in thousands of USD) | Note | 2013 | 2012 Restated* |
|---|---|---|---|
| Operating expenses | - | -134,282 | -129,787 |
| Charter hire | 19 | -18,026 | -24,545 |
| Bare boat hire | 19 | -3,002 | - |
| Voyage expenses | - | -91,076 | -92,840 |
| **TOTAL** | **-** | **-246,386** | **-247,172** |

### Employee benefits

| (in thousands of USD) | 2013 | 2012 Restated* |
|---|---|---|
| Wages and salaries | -9,498 | -11,439 |
| Social security costs | -2,149 | -2,323 |
| Provision for employee benefits | 86 | 96 |
| Equity-settled share-based payments | -183 | - |
| Other staff costs | -2,137 | -2,066 |
| **TOTAL** | **-13,881** | **-15,732** |
| Average number of full time equivalents | 97.30 | 102.00 |

### Other operating expenses

| (in thousands of USD) | 2013 | 2012 Restated* |
|---|---|---|
| Administrative expenses | -13,761 | -15,515 |
| Claims | 106 | -49 |
| Provisions | -418 | - |
| **TOTAL** | **-14,073** | **-15,564** |

** See significant accounting policies: 2.(e)*

## NOTE 5 - NET FINANCE EXPENSE

### Recognised in profit or loss

| (in thousands of USD) | 2013 | 2012 Restated* |
|---|---|---|
| Interest income on bank deposits | 136 | 999 |
| Foreign exchange gains | 1,895 | 4,420 |
| Finance income | **2,031** | **5,419** |
| | | |
| Interest expense on financial liabilities measured at amortised cost | -58,423 | -61,033 |
| Fair value adjustment on interest rate swaps | 3,380 | 1,221 |
| Other financial charges | -5,240 | -3,823 |
| Foreign exchange losses | -2,744 | -4,312 |
| Finance expenses | **-63,027** | **-67,947** |
| **NET FINANCE EXPENSE RECOGNISED IN PROFIT OR LOSS** | **-60,996** | **-62,528** |

The above finance income and expenses include the following in respect of assets (liabilities) not at fair value through profit and loss:

| | | |
|---|---|---|
| Total interest income on financial assets | 136 | 999 |
| Total interest expense on financial liabilities | -58,423 | -61,033 |
| Total other financial charges | -5,240 | -3,823 |

### Recognised directly in equity

| (in thousands of USD) | 2013 | 2012 Restated* |
|---|---|---|
| Foreign currency translation differences for foreign operations | 216 | 78 |
| Cash flow hedges - effective portion of changes in fair value | 8,507 | 4,886 |
| Cash flow hedges - reclassified to profit or loss | - | - |
| **NET FINANCE EXPENSE RECOGNISED DIRECTLY IN EQUITY** | **8,723** | **4,964** |
| Attributable to: | | |
| Equity holders of the Company | 8,723 | 4,964 |
| **NET FINANCE EXPENSE RECOGNISED DIRECTLY IN EQUITY** | **8,723** | **4,964** |
| Recognised in: | | |
| Translation reserve | 216 | 78 |
| Hedging reserve | 8,507 | 4,886 |
| | **8,723** | **4,964** |

** See significant accounting policies: 2.(e)*

## NOTE 6 - TAX EXPENSE

| (in thousands of USD) | 2013 | 2012 Restated* |
|---|---|---|
| **Current tax** | | |
| Current period | -58 | -12 |
| **TOTAL** | **-58** | **-12** |
| | | |
| **Deferred tax** | | |
| Origination and reversal of temporary differences | -120 | 738 |
| **TOTAL** | **-120** | **738** |
| | | |
| **TOTAL TAX EXPENSE** | **-178** | **726** |

### Reconciliation of effective tax

| | 2013 | | 2012 Restated* | |
|---|---|---|---|---|
| (in thousands of USD) | Tankers | FSO | Tankers | FSO |
| Result before tax | | -89,505 | | -119,322 |
| Tax at domestic rate | -33.99% | 30,423 | -33.99% | 40,558 |
| Effects on tax of: | | | | |
| Tax exempt profit / loss | | -2,863 | | -845 |
| Non-deductible expenses | | -180 | | -270 |
| Use of Unrecognised tax losses, tax credits and tax allowances | | 138 | | 168 |
| Tonnage Tax regime | | -33,717 | | -42,620 |
| Effects of tax regimes in foreign jurisdictions | | 6,021 | | 3,735 |
| **TOTAL TAXES** | **0.20%** | **-178** | **-0.61%** | **726** |

In application of an IFRIC agenda decision on IAS 12 Income taxes, tonnage tax is not accounted for as income taxes in accordance with IAS 12 and is not presented as part of income tax expense in the consolidated income statement but has been shown as an administrative expense under the heading Other operating expenses (see Note 4) .

** See significant accounting policies: 2.(e)*

## NOTE 7 - PROPERTY, PLANT AND EQUIPMENT

| (in thousands of USD) | Tankers | FSO | Vessels under construction | Other equipment & vehicles | Prepayment | Total PPE |
|---|---|---|---|---|---|---|
| **AT 1 JANUARY 2012** | | | | | | |
| Cost | 2,648,820 | 347,258 | 136,911 | 2,775 | - | **3,135,764** |
| Depreciation & impairment losses | -904,399 | -70,680 | - | -1,870 | - | **-976,949** |
| Net carrying amount | 1,744,421 | 276,578 | 136,911 | 905 | - | **2,158,815** |
| Acquisitions | - | - | 203,950 | 127 | - | **204,077** |
| Disposals and cancellations | -37,458 | - | - | -10 | - | **-37,468** |
| Depreciation charge | -158,896 | -18,074 | - | -362 | - | **-177,332** |
| Transfer to assets held for sale | - | - | -86,035 | - | - | **-86,035** |
| Transfers | 254,877 | -51 | -254,826 | | - | **-** |
| Translation differences | - | - | - | 4 | - | **4** |
| **BALANCE AT 31 DECEMBER 2012** | **1,802,944** | **258,453** | **-** | **664** | **-** | **2,062,061** |
| **AT 1 JANUARY 2013** | | | | | | |
| Cost | 2,759,053 | 347,207 | - | 2,377 | - | **3,108,637** |
| Depreciation & impairment losses | -956,109 | -88,754 | - | -1,713 | - | **-1,046,576** |
| Net carrying amount | 1,802,944 | 258,453 | - | 664 | - | **2,062,061** |
| Acquisitions | - | - | - | 325 | 10,000 | **10,325** |
| Disposals and cancellations | - | - | - | -10 | - | **-10** |
| Depreciation charge | -148,861 | -18,070 | - | -355 | - | **-167,286** |
| Transfer to assets held for sale | -39,414 | - | - | - | - | **-39,414** |
| Transfers | - | - | - | | - | **-** |
| Translation differences | - | - | - | 9 | - | **9** |
| **BALANCE AT 31 DECEMBER 2013** | **1,614,669** | **240,383** | **-** | **633** | **10,000** | **1,865,685** |
| **AT 31 DECEMBER 2013** | | | | | | |
| Cost | 2,644,292 | 347,207 | - | 2,487 | 10,000 | **3,003,986** |
| Depreciation & impairment losses | -1,029,623 | -106,824 | - | -1,854 | - | **-1,138,301** |
| Net carrying amount | 1,614,669 | 240,383 | - | 633 | 10,000 | **1,865,685** |

### Disposal of assets - Gain/Losses

| (in thousands of USD) | Acquisitions | Net sale price * | Book Value | Gain | Loss |
|---|---|---|---|---|---|
| Ti Guardian (Financial lease) | - | - | - | 2,831 | - |
| Algarve | - | 35,775 | 28,571 | 7,204 | - |
| Cap Isabella | - | 52,920 | 85,000 | - | -32,080 |
| Other | - | - | - | 32 | - |
| **AT 31 DECEMBER 2012** | **-** | **88,695** | **113,571** | **10,067** | **-32,080** |

| | Acquisitions | Net sale price * | Book Value | Gain | Loss |
|---|---|---|---|---|---|
| Cap Isabella | 215 | 52,920 | 53,135 | - | -215 |
| Other | | | | 8 | |
| **AT 31 DECEMBER 2013** | **215** | **52,920** | **53,135** | **8** | **-215** |

** Sale price minus cost to sell*

In the course of 2006, the Group entered into a sale and lease-back transaction on the TI Guardian. This transaction has been classified as finance lease. The excess of the sale proceeds over the carrying value at the moment of the sale amounting to USD 11,678,000 is amortized over the period of the lease term, i.e. 7 years. Furthermore, the Group had options to acquire the vessel as from the third year (2009). On 7 November 2012, the time charter contract which was running until October 2013 was terminated. As a result, the Group booked a capital gain of 2.8 million in 2012.

## NOTE 7 - PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

On 24 October 2012, the Group sold the VLCC Algarve(1999 - 298,969 dwt) for a selling price of USD 35.8 million. The capital gain of USD 7.2 million was recorded in 2012, when the vessel was delivered to its new owner.

On 15 March 2013, the Group sold the Suezmax Cap Isabella (2013 – 157,648 dwt) to Belle Shipholdings Ltd. The Cap Isabella was a newbuilding from Samsung Heavy Industries. The selling price of the vessel was USD 54 million while Euronav still had a capital commitment to the yard of 55.2M USD.

As this transaction was signed before the announcement of the 2012 final figures and is the result of negotiations with various parties which started in the financial year 2012, the Group recorded the capital loss of USD -32 million already in 2012 (See Note 2 - Discontinued Operations) with a small adjustment in 2013 of USD -215k.

On 30 October 2013, the Group sold the jointly owned (50%) VLCC Ardenne Venture (2004 - 318,658 dwt) for a total amound of USD 41.7M. The vessel was delivered on 2 January 2014, and therfore the capital gain of approximatly USD 2.2 million will be recognized in the first quarter of 2014. The vessel is classified as a non-current asset held for sale at 31 December 2013 (See Note 28 - Subsequent Events and Note 2 - Discontinued Operations.)

On 7 January 2014, the Group sold its oldest double-hulled VLCC Luxembourg (1999 – 299,150 dwt), for USD 28 million. The vessel is wholly owned by Euronav. As the sale process had begun in 2013, and management had good indications that the sale would occur in the near future, the asset was transferred to non-current asset held for sale.The capital gain on that sale of about USD 6 million will be recorded at delivery. See Note 28 - Subsequent Events.

### Impairment

As a result of the decline in charter rates and vessels value during 2013, the Group has performed an impairment test whereby the carrying amount of the fleet is compared to its recoverable amount, which is the greater of its value in use and its Fair value less cost to sell. In assessing value in use, the following assumptions were used:

- 10 year historical average spot freight rates for the CGU Tankers.
- WACC of 6.38%.
- 20 year useful life with residual value equal to zero for tankers.

Although management believes that the assumptions used to evaluate potential impairment are reasonable and appropriate, such assumptions are subjective to judgement.

The impairment test did not result in any need to record an impairment loss in 2013.

Even an increase of the WACC with 5% shows no need for impairment loss in 2013.

For the two FSO's (FSO Asia and FSO Africa), the Group did not see any indicators for impairment in 2012 and 2013.

### Security

All tankers and FSOs financed are subject to a mortgage to secure bank loans. (see Note 14)

### Vessels on order or under construction

| (in thousands of USD) | 2013 | 2012 |
|---|---|---|
| VLCC | - | - |
| Suezmax tankers | - | - |
| FSO | - | - |
| **TOTAL** | **-** | **-** |

### Other assets under construction

| (in thousands of USD) | 2013 | 2012 |
|---|---|---|
| Software | - | - |
| **TOTAL** | **-** | **-** |

## NOTE 7 - PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Prepayment

On 5 January 2014, the Group signed a contract to acquire fifteen (15) Very Large Crude Carriers (VLCC) from Maersk Tankers Singapore Pte Ltd for a total acquisition price of USD 980 million, payable as the vessels are being delivered. For this transaction the Group made a prepayment in December 2013 for a total of USD 10M. For more information on this transaction, please refer to the Note 28 - Subsequent Events.

As at 31 December 2013 the Group's total capital commitment amounts to USD 970,000,000 (2012: USD 55,250,000). These can be detailed as follows:

| | As at 31 December 2012 payments scheduled for | | | |
|---|---|---|---|---|
| **(in thousands of USD)** | **total** | **2013** | **2014** | **2015** |
| Commitments in respect of VLCCs | - | - | - | - |
| Commitments in respect of Suezmaxes | 55,250 | 55,250 | - | - |
| Commitments in respect of FSOs | - | - | - | - |
| **TOTAL** | **55,250** | **55,250** | **-** | **-** |
| of which related to joint ventures | - | - | - | - |

| | As at 31 December 2013 payments scheduled for | | | |
|---|---|---|---|---|
| **(in thousands of USD)** | **total** | **2014** | **2015** | **2016** |
| Commitments in respect of VLCCs | 970,000 | 970,000 | - | - |
| Commitments in respect of Suezmaxes | - | - | - | - |
| Commitments in respect of FSOs | - | - | - | - |
| **TOTAL** | **970,000** | **970,000** | **-** | **-** |
| of which related to joint ventures | - | - | - | - |

## NOTE 8 - DEFERRED TAX ASSETS AND LIABILITIES

### Deferred tax assets and liabilities are attributable to the following:

| | 2013 | | | 2012 | | |
|---|---|---|---|---|---|---|
| **(in thousands of USD)** | **Assets** | **Liabilities** | **Net** | **Assets** | **Liabilities** | **Net** |
| Employee benefits | 52 | - | 52 | 41 | - | 41 |
| Unused tax losses & tax credits | 828 | - | 828 | 922 | - | 922 |
| | 880 | - | 880 | 963 | - | 963 |
| Offset | - | - | | - | - | |
| **TOTAL** | **880** | **-** | | **963** | **-** | |

### Deferred tax assets and liabilities have not been recognised in respect of the following items:

| | 2013 | | 2012 | |
|---|---|---|---|---|
| **(in thousands of USD)** | **Assets** | **Liabilities** | **Assets** | **Liabilities** |
| Deductible temporary differences | 352 | - | 420 | - |
| Taxable temporary differences | - | -16,587 | - | -16,601 |
| Tax losses & tax credits | 30,148 | - | 31,167 | - |
| | 30,500 | -16,587 | 31,587 | -16,601 |
| Offset | -16,587 | 16,587 | -16,601 | 16,601 |
| **TOTAL** | **13,913** | **-** | **14,986** | **-** |

The unrecognised tax assets in respect of tax losses & tax credits are entirely related to tax losses carried forward, investment deduction allowances and excess dividend received deduction. These unrecognised tax losses and credits have no expiration date. Deferred tax assets have not been recognised because future taxable profits cannot be measured on a reliable basis.

The unrecognised tax liabilities in respect of taxable temporary differences relate to tax liabilities in respect of non distributed reserves of the Group that will be taxed when distributed. No deferred tax liability has been recognised because the Group is able to control the timing of the reversal of the temporary differences and it is not probable that they will reverse in the foreseeable future.

### Movement in deferred tax balances during the year

| **(in thousands of USD)** | **Balance at 1 Jan 2012** | **Recognised in income** | **Recognised in equity** | **Other movements** | **Translation differences** | **Balance at 31 Dec 2012** |
|---|---|---|---|---|---|---|
| Employee benefits | 60 | -21 | - | **-** | 2 | **41** |
| Unused tax losses & tax credits | 145 | 758 | - | - | 19 | **922** |
| **TOTAL** | **205** | **737** | **-** | **-** | **21** | **963** |

| | **Balance at 1 Jan 2013** | **Recognised in income** | **Recognised in equity** | **Other movements** | **Translation differences** | **Balance at 31 Dec 2013** |
|---|---|---|---|---|---|---|
| Employee benefits | 41 | 9 | - | - | 2 | **52** |
| Unused tax losses & tax credits | 922 | -129 | - | - | 35 | **828** |
| **TOTAL** | **963** | **-120** | **-** | **-** | **37** | **880** |

## NOTE 9 - NON-CURRENT RECEIVABLES

| (in thousands of USD) | 2013 | 2012 |
|---|---|---|
| Receivable: | | |
| Between one and two years | - | - |
| Between two and three years | - | - |
| Between three and four years | - | - |
| Between four and five years | 2,080 | - |
| More than five years | 1,692 | 2,342 |
| **TOTAL** | **3,772** | **2,342** |

The non current receivables relates to a tax retention on the contract with Maersk Oil Qatar for the operation of the *FSO Asia* and *FSO Africa*. The retention amounts are expected to be released one year after the completion of the contract, 2017 for *FSO Asia* and 2017,2018 or 2019 for the *FSO Africa* depending on the lifting of the options. The amounts are dicounted with a rate of return of 3.07%.

## NOTE 10 - TRADE AND OTHER RECEIVABLES

| (in thousands of USD) | 2013 | 2012 |
|---|---|---|
| Trade receivables | 31,931 | 28,720 |
| Accrued income | 14,197 | 12,430 |
| Accrued intrest | 18 | 10 |
| Deferred charges | 33,984 | 25,300 |
| Other receivables | 37,864 | 32,183 |
| **TOTAL** | **117,994** | **98,643** |

The other receivables relate to income to be received by the Group from Tankers International.

The increase in deferred charges relates to the bunkers on board of the vessels, which increased in 2013 due to the higher spot exposure of the Euronav Fleet resulting in increased bunker costs. Furthermore, many vessels have bunkered late December 2013.

For currency and credit risk, please refer to Note 18.

## NOTE 11 - CASH AND CASH EQUIVALENTS

| (in thousands of USD) | 2013 | 2012 |
|---|---|---|
| Bank deposits | 47,773 | 92,383 |
| Cash at bank and in hand | 72,977 | 53,457 |
| **TOTAL** | **120,750** | **145,840** |
| *Of which restricted cash* | 17,765 | 15,123 |
| Less: | | |
| Bank overdrafts used for cash management purposes | - | - |
| **NET CASH AND CASH EQUIVALENT IN THE CASH FLOW STATEMENT** | **120,750** | **145,840** |

## NOTE 12 - EQUITY

### Share capital and share premium

| in shares | 2013 | 2012 |
|---|---|---|
| On issue at 1 January | 51,750,000 | 51,750,000 |
| Capital increase | 2,473,817 | - |
| **ON ISSUE AT 31 DECEMBER- FULLY PAID** | **54,223,817** | **51,750,000** |

On 12 November 2013 and 19 December 2013, the Group's share capital was increased following the exercise of the conversion option of respectively 88 and 64 bonds issued in 2013 and maturing in 2018 for a total amount of USD 15.2M resulting in the issuance of 1,432,210 and 1,041,607 new ordinary shares respectively.

At 31 December 2013 the share capital is represented by 54,223,817 shares. The shares have no par value.

On 16 December 2013, Euronav raised USD 150 milllion via a private placement of a perpetual convertible preferred equity instrument. ("PCPs"). The instrument has been issued in January 2014 at par and will bear an interest of 6% during the first 5 years payable annually in arrears in cash or in shares at the option of the Group. The price against which the PCPs can be contributed is EUR 5.776 (or USD 7.928715 at EUR/USD exchange rate of 1.3727) per common share. The Group will have an option to force the contribution if the share price reaches a certain level over a certain period of time and the Group has completed a listing in New York (NYSE or NASDAQ). As based on the subscription agreement with the relevant investors, the funds were received in 2014 and the instrument was only issued in January 2014, the transaction had no effect on the 2013 figures. (See Note 28 - Subsequent Events)

At 31 December 2013, the authorised share capital amounts to USD 47,311,178 (2012: USD 50,000,000) or the equivalent of 43,528,067 shares (2012: 46,001,884 shares).

The holders of ordinary shares are entitled to receive dividends when declared and are entitled to one vote per share at the shareholders' meetings of the Group.

### Convertible Notes

There are no share options outstanding except the options granted to the convertible notes holders. (see Note 14 and Note 28)

### Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

### Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occured. (see also Note 18)

### Treasury shares

At 31 December 2013 the Group holds 1,750,000 treasury shares (31 December 2012: 1,750,000 shares).

The Group has purchased the shares at an average price of EUR 18.1605 or USD 26.321.

The treasury shares have been deducted from equity and amount to USD 46,061,831 at 31 December 2013 (31 December 2012: USD 46,061,831).

### Dividends

In 2012 and 2013, the directors of the Group proposed not to pay a dividend.

### Dividend limitations

The Group is subject to a dividend covenant in relation to its senior secured credit facilities: the dividend shall not exceed 50% of the net income earned in a book year or part thereof to which that dividend relates, unless the majority of the lenders of those particular facilities agree to a dividend in excess of the said 50%.

There will be a downward adjustment of the Conversion Price of the Convertible Notes in the event of a distribution of a Dividend exceeding the Threshold Amounts for a particular year as set out in the offering circular dated 21 September 2009 (available on Euronav's website).

## NOTE 13 - EARNINGS PER SHARE

### Basic earnings per share

The calculation of basic earnings per share at 31 December 2013 was based on a result attributable to ordinary shares of USD -89,683,000 (2012: USD -118,596,000) and a weighted average number of ordinary shares outstanding during the period ended 31 December 2013 of 50,230,438 (2012: 50,000,000), calculated as follows:

### Result attributable to ordinary shares

| (in thousands of USD) | 2013 | 2012 |
|---|---|---|
| Result for the period | -89.683 | -118.596 |
| Weighted average | 50.230.438 | 50.000.000 |
| Basic earnings per share (in USD) | -1,79 | -2,37 |

### Weighted average number of ordinary shares

| (in shares) | Shares issued | Treasury shares | Shares outstanding | Weighted number of shares |
|---|---|---|---|---|
| On issue at 31 December 2011 | 51,750,000 | 1,750,000 | 50,000,000 | 50,000,000 |
| Purchases of treasury shares | - | - | | |
| Withdrawal of treasury shares | - | - | | |
| Sales of treasury shares | - | - | | |
| *On issue at 31 December 2012* | *51,750,000* | *1,750,000* | *50,000,000* | *50,000,000* |
| Issuance of shares | *2,473,817* | - | *2,473,817* | *230,438* |
| Purchases of treasury shares | - | - | - | - |
| Withdrawal of treasury shares | - | - | - | - |
| Sales of treasury shares | - | - | - | - |
| On issue at 31 December 2013 | *54,223,817* | *1,750,000* | *52,473,817* | *50,230,438* |

### Diluted earnings per share

The potential ordinary shares relating to the issuance of the convertible notes could potentially dilute basic earnings per share in the future, but were not included in the calculation of the diluted earnings per share because they were anti-dilutive (2012 and 2013 earnings per share would increase).

### Number of ordinary shares (diluted)

The table below shows the potential number of shares that could be created if all the convertible notes were to be converted into ordinary shares.

| (in shares) | 2013 | 2012 |
|---|---|---|
| Ordinary shares outstanding (basic) | 52,473,817 | 50,000,000 |
| Effect of potential conversion of convertible notes | 18,949,134 | 6,474,307 |
| Effect of potential conversion of PCPS | - | - |
| **NUMBER OF ORDINARY SHARES (DILUTED)** | **71,422,951** | **56,474,307** |

## NOTE 13 - EARNINGS PER SHARE (CONTINUED)

On 31 January 2013, Euronav launched an invitation to current bondholders to exchange any and all outstanding 6.50% convertible bonds due in January 2015 for new 6.50% convertible bonds due in January 2018. The conversion price of the new convertible bond was set to EUR 5.65 or USD 7.54. At the time of the early voluntary conversion an additional number of shares will be made available at the same price as the conversion price to compensate for the unpaid coupons of the first 4 years. 1,250 2015 bonds were tendered for exchange.

The number of shares related to a potential conversion of convertible notes may vary according to any adjustment of the Conversion Price in some events such as a change of control or a distribution of a dividend exceeding certain threshold amounts or early voluntary conversion. The details of such adjustments as well as the list of events that may trigger those adjustments can be found in the offering circular of 21 September 2009 and the exchange memorandum. (available on Euronav's Website)

In the course of Q1 2014, the majority of the convertible bonds issued in 2013 and maturing in 2018, were converted to new ordinary shares. (See Note 28)

On 6 February 2014, 30 of the 60 perpetual convertible preferred equity instruments issued on 10 January 2014, were contributed in kind. (See Note 28)

In the beginning of 2012, the group performed a buyback of 68 convertible bonds issued in 2009 and maturing January 2015. These bonds were exchanged in February 2013 for new 6.50% convertible bonds due in January 2018. In the course of 2013, these bonds were sold.

The following table illustrates all the capital increases that occurred in Q1 2014 and the remaining possible dilution for the outstanding bonds and perpetual convertible equity instruments.

| **Capital Increase 2014** | **Date of transaction** | **Nr of instruments Converted/ Contributed** | **Amount in USD** | **Issued Ordinary shares** | **Total number of ordinary shares in issue** |
|---|---|---|---|---|---|
| Shares outstanding on | **31/12/13** | | | **54.223.817** | **54.223.817** |
| Exercise Conversion Option Convertible bond 2018 | 10/01/14 | 491 | 49,100,000 | 8,163,810 | 62,387,627 |
| First Capital Increase | 10/01/14 | NA | 49,999,867 | 5,473,571 | 67,861,198 |
| Exercise Conversion Option Convertible bond 2018 | 24/01/14 | 97 | 9,700,000 | 1,679,010 | 69,540,208 |
| Exercise Conversion Option Convertible bond 2018 | 6/02/14 | 453 | 45,300,000 | 7,841,164 | 77,381,372 |
| Contribution in kind of the PCPS | 6/02/14 | 30 | 75,000,000 | 9,459,286 | 86,840,658 |
| Second Capital Increase | 24/02/14 | NA | 300,000,133 | 32,841,528 | 119,682,186 |
| Exercise Conversion Option Convertible bond 2018 | 24/02/14 | 8 | 800,000 | 134,808 | 119,816,994 |
| Exercise Conversion Option Convertible bond 2018 | 10/03/14 | 47 | 4,700,000 | 662,763 | 120,479,757 |
| **TOTAL** | | | | | **120,479,757** |

The above transactions resulted in the following capital structure:

| | **Shares issued** | **Treasury shares** | **Shares outstanding** | **Weighted number of shares** |
|---|---|---|---|---|
| On issue at 31 December 2013 | 54,223,817 | 1,750,000 | 52,473,817 | 50,230,438 |
| Issuance of shares | 66,255,940 | - | | |
| purchases of treasury shares | - | - | | |
| withdrawal of treasury shares | - | - | | |
| sales of treasury shares | - | - | | |
| On issue at YTD 2014 | 120,479,757 | 1,750,000 | 118,729,757 | 91,146,918 |

After all the conversion of the convertible bonds and the contributions in kind, the remaining outstanding instruments which can give rise to dilution are summarized as follows:

| **(in shares)** | |
|---|---|
| Ordinary shares outstanding (basic) | 118,729,757 |
| Effect of potential conversion of convertible notes | 1,175,823 |
| Effect of potential conversion of PCPS | 9,459,286 |
| Number of ordinary shares (diluted) | 129,364,866 |

## NOTE 14 - INTEREST-BEARING LOANS AND BORROWINGS

| (in thousands of USD) | Finance lease | Bank loans | Convertible notes | Total |
|---|---|---|---|---|
| More than 5 years | - | 97,150 | - | **97,150** |
| Between 1 and 5 years | 8,616 | 948,954 | 134,456 | **1,092,026** |
| More than 1 year | 8,616 | 1,046,105 | 134,456 | **1,189,177** |
| Less than 1 year | 9,894 | 160,268 | | **170,162** |
| **AT 1 JANUARY 2012** | **18,510** | **1,206,373** | **134,456** | **1,359,339** |
| | | | | |
| New loans | - | 763,313 | - | **763,313** |
| Scheduled repayments | -18,510 | -103,516 | - | **-122,026** |
| Early repayments | - | -712,351 | -6,800 | **-719,151** |
| Other changes | - | 1,566 | 5,038 | **6,604** |
| **BALANCE AT 31 DECEMBER 2012** | **-** | **1,155,385** | **132,694** | **1,288,079** |
| | | | | |
| More than 5 years | - | 59,053 | | **59,053** |
| Between 1 and 5 years | - | 927,995 | 132,694 | **1,060,689** |
| More than 1 year | - | 987,048 | 132,694 | **1,119,742** |
| Less than 1 year | - | 168,336 | - | **168,336** |
| **BALANCE AT 31 DECEMBER 2012** | **-** | **1,155,384** | **132,694** | **1,288,078** |

| | Finance lease | Bank loans | Convertible notes | Total |
|---|---|---|---|---|
| More than 5 years | - | 59,053 | | **59,053** |
| Between 1 and 5 years | - | 927,995 | 132,694 | **1,060,689** |
| More than 1 year | - | 987,048 | 132,694 | **1,119,742** |
| Less than 1 year | - | 168,336 | | **168,336** |
| **AT 1 JANUARY 2013** | **-** | **1,155,384** | **132,694** | **1,288,078** |
| | | | | |
| New loans | - | 56,585 | 6,800 | **63,385** |
| Scheduled repayments | - | -148,460 | | **-148,460** |
| Early repayments | - | -9,500 | -500 | **-10,000** |
| Conversion | - | - | -15,200 | **-15,200** |
| Other changes | - | -252 | 2,028 | **1,776** |
| **BALANCE AT 31 DECEMBER 2013** | **-** | **1,053,757** | **125,822** | **1,179,579** |
| | | | | |
| More than 5 years | - | 49,368 | | **49,368** |
| Between 1 and 5 years | - | 820,410 | 125,822 | **946,232** |
| More than 1 year | - | 869,778 | 125,822 | **995,600** |
| Less than 1 year | - | 183,980 | - | **183,980** |
| **BALANCE AT 31 DECEMBER 2013** | **-** | **1,053,758** | **125,822** | **1,179,580** |

### Bank Loans

In October 2008, a joint venture formed between Euronav and its partner Overseas Shipholding Group Inc (OSG) entered into a **USD 500 million senior secured credit facility**. The facility consists of a term loan of USD 180 million which was used to finance the acquisition of two ULCC vessels, TI Asia and the Ti Africa respectively from Euronav and OSG and a project finance loan of USD 320 million which has been used to finance the conversion of the above mentioned vessels into FSO. Following the termination of the original service contract related to the FSO Africa and the signature of a new contract for the FSO Africa with the same client the Tranche of the facility related to FSO Africa was restructured. The tranche related to FSO Asia matures in 2017 and has a rate of Libor + a margin of 1.15%. After the restructuring the tranche related to FSO Africa was maturing in August 2013 with a balloon of USD 45,000,000 and had a rate of Libor + a margin of 2.25%. In 2013, the Africa Tranche was extended until 2015 at which point it will be fully repaid and the margin increased with 50bps to 2.75%. The total amount drawn under this facility (Euronav share) on 31 December 2013 was USD 98,249,785.50.

In the course of 2008, several joint venture companies formed between Euronav and a partner to build a total of 4 Suezmax Vessels have concluded pre and post-delivery senior secured credit facilities.

## NOTE 14 - INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

In April 2009, Euronav entered into a **USD 300 million senior secured credit facility**. The facility consists of a term loan of USD 300 million for the purpose of financing 2 VLCC and 4 Suezmax. The facility has a maturity of 5 years at a rate equal to Libor increased with a margin of 2.50%. In the course of 2013, the facility was extended by 4 years until 2018 with the same repayment profile. The rate incresed to Libor + a margin of 3.40 % The total amount drawn under this facility on 31 December 2013 was USD 211,433,333.

In June 2011, Euronav entered into a **USD 750 million forward start senior secured credit facility**. The main purpose of this facility was to repay and retire the USD 1,600 million facility signed in April 2005. The credit facility is comprised of (i) a USD 250 million non-amortising revolving credit facility and (ii) a USD 500 million term loan facility. The credit facilities have 6 years maturity as from the date of signing at a rate of LIBOR +225 bps and have the same financial covenants as the existing facilities. On the closing date, the facilities were secured by 22 of the wholly-owned vessels of the Group's fleet, comprising of 1 ULCC, 7 VLCCs, 14 Suezmaxes. On 19 March 2012, Euronav drew down part of the revolving credit facility (RCF) and the full term loan under these facilities. Following the sale of the Algarve in October 2012, the term loan facility was prepaid with an amount of USD 18.6 million and the non-amortizing revolving loan facility was reduced by USD 10.2 million.

### Short-term loans

| (in thousands of USD) | 2013 | 2012 |
|---|---|---|
| Current portion of long-term loans | 183,980 | 168,336 |
| **TOTAL** | **183,980** | **168,336** |

### Undrawn borrowing facilities

At 31 December 2013, the Group has undrawn borrowing facilities amounting to EUR 15,000,000 (2012: EUR 55,000,000) expiring in January 2015. At the same date, an amount of USD 21,280,237 (2012: USD 54,780,237) was undrawn on the non-amortising revolving loan facility.

### Terms and debt repayment schedule

The terms and conditions of outstanding loans were as follows:

| | | | | 31 December 2013 | | 31 December 2012 | |
|---|---|---|---|---|---|---|---|
| (in thousands of USD) | Currency | Nominal interest rate | Year of maturity | Face value | Carrying value | Face value | Carrying value |
| Secured vessels loan | USD | libor +3.40% | 2017 | 350,079 | 347,845 | 436,400 | 432,505 |
| Secured vessels Revolving loan* | USD | libor +3.40% | 2017 | 239,780 | 218,500 | 239,780 | 185,000 |
| Secured vessels loan | USD | libor +3.40% | 2018 | 211,433 | 209,510 | 231,433 | 231,433 |
| Secured vessels loan | USD | libor +2.95% | 2017 | 58,550 | 58,320 | 62,850 | 62,540 |
| Secured FSO loan | USD | libor +1.15% | 2017 | 78,875 | 78,875 | 91,287 | 91,287 |
| Secured FSO loan | USD | libor +2.75% | 2015 | 19,375 | 19,273 | 31,875 | 31,875 |
| Secured Vessel loan in JV | USD | libor +2.70% | 2018 | 9,975 | 9,847 | 13,125 | 12,969 |
| Secured Vessel loan in JV | USD | libor +0.80% | 2017 | 7,583 | 7,583 | 9,749 | 9,749 |
| Secured Vessel loan in JV | USD | libor +2.75% | 2021 | 28,375 | 28,375 | 29,875 | 29,875 |
| Secured Vessel loan in JV | USD | libor +2.75% | 2020 | 21,235 | 21,235 | 23,235 | 23,235 |
| Secured Vessel loan in JV | USD | libor+1.50% | 2020 | 20,526 | 20,526 | 22,511 | 22,511 |
| Secured Vessel loan in JV | USD | libor+1.225% | 2020 | 20,281 | 20,281 | 22,406 | 22,406 |
| Unsecured bank facility | EUR | euribor +1.00% | 2015 | 25,000 | 13,588 | 55,000 | - |
| **TOTAL INTEREST-BEARING BANK LOANS** | | | | **1,091,067** | **1,053,758** | **1,269,526** | **1,155,385** |

The carrying amount of the vessel loans can be reduced if the value of the collateralized vessels falls under a certain percentage of the outstanding amount under that loan.

** The total amount available under the Revolving Credit Facility depends on the total value of the fleet of tankers securing the facility.*

## NOTE 14 - INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

### Loan covenant

For the USD 750 million forward start senior secured credit facility, Euronav negotiated in the course of 2013 with its lenders a 2-year relaxation of the Asset Protection clause from 125% down to 110% against an increase of the margin above the LIBOR rate to 3.40%. The margin will be reduced to 3.00% at the end of the relaxation period in 2015 or whenever the Group decides to go back to the original ratio of 125%.

The OSG's Chapter 11 filing has no impact on the continued operations of the FSO joint venture, including the ability of the joint venture to continue to perform its obligations under the existing charters as well as its ability to continue to service its outstanding debt obligations and maintain continued compliance with the covenants under such debt agreements. On 12 November 2012, MOQ issued a waiver to the FSO joint venture agreeing not to exercise its rights to terminate the service contracts. The initial waiver period expired on 15 February 2013 and was subsequently extended to 15 February 2014, with MOQ having the right to terminate such waiver at an earlier date upon occurrence of certain events or after giving a 90-day notice of its intent to do so. In November 2012, the joint venture also obtained waivers of any events of default arising as a result of the commencement of the Chapter 11 Cases from (i) the bank syndicate that funds its loan facilities, (ii) the counterparties to the interest rate swaps agreements described above, and (iii) the bank that has issued performance guarantees of the joint venture's performance of certain of its obligations under the FSO Africa and FSO Asia service contracts. The initial waiver periods on all such waivers expired on 15 February 2013 and were subsequently extended to 15 February 2014 and again extended until 15 July 2014 subject to the occurrence of certain events.

For two secured vessel loans in JV's, Euronav's negotiated in the course of 2013 with its lenders a 1-year relaxation of the Asset Protection clause from 125% down to 100% (until 31 December 2013) against an increase of the margin above the LIBOR rate to 2.75%. The margin will be reduced to 2.00% at the end of the relaxation period in 2014. The asset protection clause will be tested again in April 2014, and if necessary the Group will ask for an extension on the waiver period or opt to repay part of the facility(ies).

### Convertible notes

| | | | 31 December 2013 | | | 31 December 2012 | | |
|---|---|---|---|---|---|---|---|---|
| **(in thousands of USD)** | **Nominal interest rate** | **Year of maturity** | **Face Value** | **Carrying value** | **Classified as Equity** | **Face Value** | **Carrying value** | **Classified as Equity** |
| Unsecured convertible notes | 6.50% | 2015 | 25,000 | 23,517 | 1,483 | 150,000 | 132,694 | 17,306 |
| Unsecured convertible notes | 6.50% | 2018 | 109,800 | 102,305 | 7,495 | - | - | - |
| **TOTAL CONVERTIBLE NOTES** | | | **134,800** | **125,822** | **8,978** | **150,000** | **132,694** | **17,306** |

## NOTE 14 - INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

On 24 September 2009, Euronav issued **USD 150 million fixed rate senior unsecured convertible Notes**, due 2015. The Notes were issued at 100 per cent of their principal amount and bear interest at a rate of 6.5 per cent per annum, payable semi-annually in arrears. The initial conversion price is EUR 16.28375 (or USD 23.16852 at EUR/USD exchange rate of 1.4228) per share and was set at a premium of 25 per cent to the volume weighted average price of Euronav's ordinary shares on Euronext Brussels on 3 September 2009. If all of the Notes were to be converted into new ordinary shares at the initial conversion price, 6,474,307 new ordinary shares would be issued, representing 11.12% of Euronav's share capital on a fully diluted basis.

The Notes are convertible between 4 November 2009 and 24 January 2015 into ordinary shares of Euronav at the conversion price applicable at such conversion date and in accordance with the conditions set out in a trust deed in relation to the Notes. Unless previously redeemed, converted or purchased and cancelled, the Notes will be redeemed in cash on 31 January 2015 at 100 per cent of their principal amount.

The Notes were added to the official list of the Luxemburg Stock Exchange and are traded on the Luxemburg Stock Exchange's Euro MTF Market.

In the course of the first quarter 2012, the Group bought back 68 Notes of its USD 150 million fixed rate senior unsecured convertible notes, due 2015. The face value of each bond is USD 100,000 and the Group paid an average of USD 78,441.

In 2013, the Group offered to exchange the Notes against a new Note which bears the same interest rate of 6.5% but which would mature in 2018 and would have a lower conversion price of EUR 5.65. The new Notes have a feature to compensate the bondholders for the forgiven coupons in case of conversion to shares during the first 4 years. The exchange offer resulted in USD 125 millions of bond (face value) being exchanged for new bonds, including the 68 notes acquired by the Group in 2012. (see also Note 28)

In the second quarter of 2013, Euronav bought back an additional 5 of its Notes due in 2015 for an average price of USD 92,000, while selling in the third quarter the 68 Notes due in 2018 it held after the above exchange.

During 2013, 152 Notes of the USD 125M bond due in 2018, were converted into ordinary shares. (See Note 12)

| (in thousands of USD) | 2013 | 2012 |
|---|---|---|
| Carrying amount of liability at the beginning of period | 132,694 | 134,456 |
| Interest | 2,448 | 4,678 |
| Amortisation of transaction costs | -1,023 | 360 |
| Buyback of Convertible Note | -470 | -6,800 |
| Sale of Convertible Note | 5,898 | - |
| Conversion of Convertible Note | -13,725 | - |
| **CARRYING AMOUNT OF LIABILITY AT THE END OF THE PERIOD** | **125,822** | **132,694** |

## NOTE 15 - NON-CURRENT OTHER PAYABLES

| (in thousands of USD) | Fair Value derivatives | Sellers Credit | TOTAL |
|---|---|---|---|
| More than 5 years | - | - | **-** |
| Between 1 and 5 years | 24,233 | 40,000 | **64,233** |
| **BALANCE AT 31 DECEMBER 2012** | **24,233** | **40,000** | **64,233** |
| | **Fair Value derivatives** | **Sellers Credit** | **TOTAL** |
| More than 5 years | - | - | **-** |
| Between 1 and 5 years | 12,347 | 40,000 | **52,347** |
| **BALANCE AT 31 DECEMBER 2013** | **12,347** | **40,000** | **52,347** |

The amount of Other payables represents the long-term portion of amounts payable in relation to Interest Rate Swaps (see also Note 18) and sellers credit obtained by the Group.

## NOTE 16 - EMPLOYEE BENEFITS

### The amounts recognised in the balance sheet are as follows:

| (in thousands of USD) | 2013 | 2012 Restated* |
|---|---|---|
| **NET LIABILITY AT BEGINNING OF PERIOD** | **-2,166** | **-1,832** |
| Recognized in profit or loss | 86 | 96 |
| Recognized in other comprehensive income | 263 | -386 |
| Foreign currency translation differences | -83 | -44 |
| **NET LIABILITY AT END OF PERIOD** | **-1,900** | **-2,166** |
| | | |
| Present value of funded obligations | -1,495 | -1,345 |
| Fair value of plan assets | 1,215 | 911 |
| | -280 | -434 |
| Present value of unfunded obligations | -1,620 | -1,732 |
| **NET LIABILITY** | **-1,900** | **-2,166** |
| | | |
| Amounts in the balance sheet: | | |
| Liabilities | -1,900 | -2,166 |
| Assets | - | - |
| **NET LIABILITY** | **-1,900** | **-2,166** |

### Liability for defined benefit obligations

The Group makes contributions to three defined benefit plans that provide pension benefits for employees upon retirement. One plan - the Belgian plan - is fully insured through an insurance company. The second and third - French and Greek plan - are uninsured and unfunded.

The group expects to contribute the folowing amount to its defined benefit pension plans in 2014: USD 112,902.
Due to the adoption of IAS 19 revised, the 2012 figures were restated.

## NOTE 17 - TRADE AND OTHER PAYABLES - CURRENT

| (in thousands of USD) | 2013 | 2012 Restated* |
|---|---|---|
| Trade payables | 32,068 | 14,756 |
| Staff costs | 2,298 | 2,324 |
| Dividends payable | 10 | 14 |
| Derivatives | - | - |
| Accrued expenses | 32,030 | 22,873 |
| Accrued Intrest | 13,964 | 10,831 |
| Deferred income | 12,548 | 13,329 |
| Other payables | 21,218 | 77,307 |
| **TOTAL** | **114,136** | **141,434** |

The amount under other payables relates to the option fee received in cash to sell both the Antarctica (2000 - 315,981 dwt) and the Olympia (2008 - 315,981 dwt) for delivery latest first half 2015. In 2012, it also included the remaining payment to Samsung Shipyard for the delivery of the Cap Isabella which was paid in 2013.
The increase in trade payables and accrued expenses mainly relates to the increase in spot exposure of the Euronav Fleet resulting in increased bunker costs. Furthermore, many vessels have bunkered late December 2013.

** See significant accounting policies: 2.(e)*

## NOTE 18 - FINANCIAL INSTRUMENTS - MARKET AND OTHER RISKS

### Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

| | | Carrying Amount | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|---|
| **(in thousands of USD)** | **Note** | **Fair value - Hedging instruments** | **Loans and receivables** | **Other financial liabilities** | **Total** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **31 December 2012** | | | | | | | | | |
| **Financial assets measured at fair value** | | | | | | | | | |
| Non-current other receivables | 9 | - | 2,342 | - | 2,342 | | - | | - |
| | | **-** | **2,342** | **-** | **2,342** | **-** | **-** | **-** | **-** |
| **Financial assets not measured at fair value *** | | | | | | | | | |
| Trade and other receivables | 10 | - | 98,644 | - | 98,644 | - | - | - | - |
| Cash and cash equivalents | 11 | - | 145,840 | - | 145,840 | - | - | - | - |
| | | **-** | **244,484** | **-** | **244,484** | **-** | **-** | **-** | **-** |
| **Financial liabilities measured at fair value** | | | | | | | | | |
| Interest rate swaps used for hedging | | 24,079 | - | - | 24,079 | - | 24,079 | - | 24,079 |
| Forward exchange contracts used for hedging | | 154 | - | - | 154 | - | 154 | - | 154 |
| | **15** | **24,233** | **-** | **-** | **24,233** | **-** | **24,233** | **-** | **24,233** |
| **Financial liabilities not measured at fair value *** | | | | | | | | | |
| Secured bank loans | 14 | - | - | 1,155,384 | 1,155,384 | - | 1,214,526 | - | 1,214,526 |
| Unsecured bank loans | | - | - | - | - | - | - | - | - |
| Unsecured convertible bonds | 14 | - | - | 132,694 | 132,694 | 124,328 | - | - | 124,328 |
| Trade payables | 17 | - | - | 141,434 | 141,434 | - | - | - | - |
| Sellers Credit | 15 | - | - | 40,000 | 40,000 | - | - | - | - |
| | | **-** | **-** | **1,469,512** | **1,469,512** | **124,328** | **1,214,526** | **-** | **1,338,854** |
| **31 December 2013** | | | | | | | | | |
| **Financial assets measured at fair value** | | | | | | | | | |
| Non-current other receivables | 9 | - | 3,772 | - | 3,772 | - | - | - | - |
| | | **-** | **3,772** | **-** | **3,772** | **-** | **-** | **-** | **-** |
| **Financial assets not measured at fair value *** | | | | | | | | | |
| Trade and other receivables | 10 | - | 117,994 | - | 117,994 | - | - | - | - |
| Cash and cash equivalents | 11 | - | 120,750 | - | 120,750 | - | - | - | - |
| | | **-** | **238,744** | **-** | **238,744** | **-** | **-** | **-** | **-** |
| **Financial liabilities measured at fair value** | | | | | | | | | |
| Interest rate swaps used for hedging | | 12,347 | - | - | 12,347 | - | 12,347 | - | 12,347 |
| Forward exchange contractsused for hedging | | - | - | - | - | - | - | - | - |
| | **15** | **12,347** | **-** | **-** | **12,347** | **-** | **12,347** | **-** | **12,347** |
| **Financial liabilities not measured at fair value *** | | | | | | | | | |
| Secured bank loans | 14 | - | - | 1,040,170 | 1,040,170 | - | 1,066,067 | - | 1,066,067 |
| Unsecured bank loans | | - | - | 13,588 | 13,588 | - | - | - | - |
| Unsecured convertible bonds | 14 | - | - | 125,822 | 125,822 | 169,120 | - | - | 169,120 |
| Trade payables | 17 | - | - | 114,136 | 114,136 | - | - | - | - |
| Sellers Credit | 15 | - | - | 40,000 | 40,000 | - | - | - | - |
| | | **-** | **-** | **1,333,716** | **1,333,716** | **169,120** | **1,066,067** | **-** | **1,235,187** |

** The Group has not disclosed the fair values for financial instruments such as sellers credit and trade and other receivables and payables, because their carrying amounts are a reasonable approximation of fair values.*

## NOTE 18 - FINANCIAL INSTRUMENTS - MARKET AND OTHER RISKS (CONTINUED)

### Measurement of fair values

**Valuation techniques and significant unobservable inputs**

Level 1 fair value was determined on the actual trading of the unsecured convertible bonds, due in 2015 and 2018 and the trading price on 31 December 2013. The following tables show the valuation techniques used in measuring Level 2 fair values, as well as the significant unobservable inputs used.

**Financial instruments measured at fair value**

| Type | Valuation Techniques | Significant unobservable inputs |
|---|---|---|
| Forward exchange contracts and interest rate swaps for which no hedge accounting applies | *Market comparison technique:* The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments. | Not applicable |
| Interest rate swaps for which hedge accounting applies | *Fair value calculation:* The fair values are computed by calculating the present value of the future cash flows (Fixed and floating), which depends on the forward rates. The forward rates are calculated on the interest rate curves such as LIBOR. | Not applicable |

**Financial instruments not measured at fair value**

| Type | Valuation Techniques | Significant unobservable inputs |
|---|---|---|
| Debt Securities | Discounted cash flow | Not applicable |
| Other financial liabilities* | Discounted cash flow | Not applicable |

**Transfers between Level 1 and 2**

There were no transfers in either direction in 2012 and 2013.

### Financial risk management

In the course of its normal business, the Group is exposed to following risks:

- Credit risk
- Liquidity risk
- Market risk (Tanker market risk, intrest rate risk and currency risk)

We also refer to the risk section of the annual report (Pages 31 - 33) where we have defined the risks associated to our business.

**Credit risk**

**Trade and other receivables**

The Group has no formal credit policy. Credit evaluations - when necessary - are performed on an ongoing basis. At the balance sheet date there were no significant concentrations of credit risk. In particular, the clients representing 13% and 10% of turnover (see Note 1) only represented 0.37% of the total trade and other receivables at 31 December 2013. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet.

The ageing of trade and other receivables is as follows:

| (in thousands of USD) | 2013 | 2012 |
|---|---|---|
| Not past due | 110,970 | 89,436 |
| Past due 0-30 days | 4,892 | 181 |
| Past due 31-365 days | 1,229 | 8,287 |
| More than one year | 903 | 740 |
| **TOTAL** | **117,994** | **98,644** |

## NOTE 18 - FINANCIAL INSTRUMENTS - MARKET AND OTHER RISKS (CONTINUED)

For the ageing of the non-current receivables, please refer to Note 9.

Past due amounts are not impaired as collection is still considered to be likely and management is confident the outstanding amounts can be recovered. It is worth noting that at 31 December 2013 27.59% of the total trade and other receivables relates to TI Pool which is paid after completion of the voyages but which only deals with oil majors, national oil companies and other actors of the oil industry whose credit worthiness is very high. Amounts not past due are also with customers with very high credit worthiness and are therefore not impaired.

**Cash and cash equivalents**

The Group held cash and cash equivalents of USD 120,750 thousand at 31 December 2013 (2012: USD 145,840 thousand). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated A- to AA+, based on rating agency S&P. (See Note 11)

**Derivatives**

The derivatives are entered into with banks and financial institution counterparties, which are rated A- to AA+, based on rating agency S&P.

**Guarantees**

The Group's policy is to provide financial guarantees only for subsidiaries and Joint Ventures. At 31 December 2013, the Group has issued a guarantee to certain banks in respect of credit facilities granted to 6 Joint Ventures (See Note 21).

### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Despite the crisis on the financial markets since the summer of 2008, the liquidity risk of the Group remains under control.The sources of finance have been diversified with the first issuance of a convertible bond in September 2009 and the bulk of the loans are irrevocable, long-term and maturities are spread over different years.

The following are the remaining contractual maturities of financial liabilities:

## NOTE 18 - FINANCIAL INSTRUMENTS - MARKET AND OTHER RISKS (CONTINUED)

| (in thousands of USD) | Note | Carrying Amount | Total | Less than 1 year | Between 1 and 5 years | More than 5 years |
|---|---|---|---|---|---|---|
| | | **Contractual cash flows 31 December 2012** | | | | |
| **Non derivative financial liabilities** | | | | | | |
| Bank loans | 14 | 1,155,385 | **1,242,234** | 197,199 | 983,705 | 61,330 |
| Convertible notes | 14 | 132,694 | **170,328** | 9,750 | 160,578 | |
| Current trade and other payables | 17 | 141,434 | **141,434** | 141,434 | - | - |
| Non-current other payables | 15 | 40,000 | **40,000** | - | 40,000 | - |
| | | **1,469,513** | **1,593,996** | **348,383** | **1,184,283** | **61,330** |
| **Derivative financial liabilities** | | | | | | |
| Interest rate swaps | | 24,079 | **24,933** | - | 24,933 | - |
| Forward exchange contracts | | 154 | **154** | 154 | - | - |
| | **15** | **24,233** | **25,087** | **154** | **24,933** | **-** |

| (in thousands of USD) | Note | Carrying Amount | Total | Less than 1 year | Between 1 and 5 years | More than 5 years |
|---|---|---|---|---|---|---|
| | | **Contractual cash flows 31 December 2013** | | | | |
| **Non derivative financial liabilities** | | | | | | |
| Bank loans | 14 | 1,053,757 | **1,160,198** | 218,618 | 890,263 | 51,317 |
| Convertible notes | 14 | 125,822 | **165,193** | 8,730 | 156,463 | - |
| Current trade payables | 17 | 114,136 | **114,136** | 114,136 | | |
| Non-current trade payables | 15 | 40,000 | **40,000** | - | 40,000 | - |
| | | **1,333,715** | **1,479,527** | **341,484** | **1,086,726** | **51,317** |
| **Derivative financial liabilities** | | | | | | |
| Interest rate swaps | 15 | 12,347 | **13,118** | 1,442 | 11,676 | - |
| Forward exchange contracts | 15 | - | **-** | - | - | - |
| | | **12,347** | **13,118** | **1,442** | **11,676** | **-** |

** The Group has not disclosed the fair values for financial instruments such as sellers credit and trade and other receivables and payables, because their carrying amounts are a reasonable approximation of fair values.*

## NOTE 18 - FINANCIAL INSTRUMENTS - MARKET AND OTHER RISKS (CONTINUED)

As disclosed in Note 14, the Group has secured bank loans that contain loan covenants. A future breach of covenant may require the Group to repay the loan earlier than indicated in the above table. The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rate change.

The future cash flows on derivative instruments may be different from the amount in the above table as interest rates and exchange rates change. Except for these financial liabilities, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

| (in thousands of USD) | Note | Interest swaps with hedge accounting | Interest swaps with no hedge accounting | Forward exchange contracts used for hedging | TOTAL |
|---|---|---|---|---|---|
| Dirty value | - | -20,949 | -14,570 | -46 | **-35,565** |
| Accrued Intrest | - | 842 | 4,383 | - | **5,225** |
| **CLEAN VALUE AT 01 JANUARY 2012** | **-** | **-20,107** | **-10,187** | **-46** | **-30,340** |
| Effective portion recognized directly in OCI | - | 4,886 | - | | **4,886** |
| Ineffective portion recognized in profit or loss | - | - | 1,329 | -108 | **1,221** |
| Dirty value | - | -16,006 | -8,927 | -154 | **-25,087** |
| Accrued Intrest | - | 785 | 69 | - | **854** |
| **CLEAN VALUE AT 31 DECEMBER 2012** | **15** | **-15,221** | **-8,858** | **-154** | **-24,233** |
| Dirty value | - | -16,006 | -8,928 | -154 | **-25,088** |
| Accrued Intrest | - | 785 | 69 | - | **854** |
| **CLEAN VALUE AT 01 JANUARY 2013** | | **-15,221** | **-8,858** | **-154** | **-24,233** |
| Effective portion recognized directly in OCI | - | 8,507 | - | | **8,507** |
| Ineffective portion recognized in profit or loss | - | - | 3,226 | 154 | **3,380** |
| Dirty value | - | -7,417 | -5,701 | - | **-13,118** |
| Accrued Intrest | - | 703 | 68 | - | **771** |
| **CLEAN VALUE AT 31 DECEMBER 2013** | **15** | **-6,714** | **-5,633** | **-** | **-12,347** |

### Market risk

**Tanker market risk**

The Spot Tanker freight market is one of the most volatile markets in the world and the Group cannot predict what the market will be. In order to manage the risk associated to this volatility, the Group has adopted a balanced strategy of operating part of its fleet on the spot market and the other part under fixed time charter contract. The proportion of vessels operated on the spot will vary according to the many factors affecting both the spot and fixed time charter contract markets. For more details on this policy and the risks associated with our business, please refer to Section 5 of the Corporate Governance Statement chapter of the Annual Report.

A Spot tanker freight market (VLCC and Suezmax) increase (decrease) of 1,000 USD per day would have increased (decreased) 2013 profit or loss by the amounts shown below (effect in thousands of USD):

| 2013 Profit or loss | | 2012 Profit or loss | |
|---|---|---|---|
| 1000 USD increase | 1000 USD increase | 1000 USD increase | 1000 USD increase |
| 6,836 | -6,836 | 7,149 | -7,149 |

## NOTE 18 - FINANCIAL INSTRUMENTS - MARKET AND OTHER RISKS (CONTINUED)

**Interest rate risk**

The Group hedges part of its exposure to changes in interest rates on borrowings. All borrowings contracted for the financing of vessels are on the basis of a floating interest rate, increased by a margin. The Group uses various interest rate related derivatives (IRS, caps and floors) to achieve an appropriate mix of fixed and floating rate exposure as defined by the Group.

The Group, through several of its JV companies in connection to the FSO conversion project of the TI Asia and TI Africa has also entered in two Interest Rate Swap instruments for a combined notional value of USD 480 million (Euronav's share amounts to 50%). These IRSs are used to hedge the risk related to any fluctuation of the Libor rate and have a duration of 8 years starting respectively in July 2009 and September 2009 for FSO Asia and FSO Africa.

Following the termination of the original service contract related to the FSO Africa on 22 January 2010 and the consecutive reduction of financing, the hedge related to that tranche lost its qualification as hedging instrument in a cash flow hedge relationship under IAS 39. As such the cash flows from this IRS is expected to occur and affect profit or loss as from 2009 throughout 2017. Fair value at 31 December 2013: USD -5,632,334 (2012: USD - 8.858.507)

However the hedge related to the financing of FSO Asia still qualifies fully as hedging instrument in a cash flow hedge relationship under IAS 39. This instrument is measured at fair value; effective changes in fair value are recognised in equity and the ineffective portion is recorded in profit or loss accounts. Fair value at 31 December 2013: USD -5,423,358 (2012: USD -8,499,589).

The Group, in connection to the USD 300 million facility raised in April 2009 has also entered in several Interest Rate Swap instruments for a combined notional value of USD 300 million. These IRSs are used to hedge the risk related to any fluctuation of the Libor rate and qualify for hedging instruments in a cash flow hedge relationship under IAS 39. These instruments are measured at their fair value; effective changes in fair value are recognised in equity and the ineffective portion is recognised in profit or loss. These IRS have a duration of 5 years matching the repayment profile of that facility. Fair value of these instruments at 31 December 2013: USD -1,291,121 (2012: USD -6,721,015).

The senior unsecured convertible bond loan of USD 25 million, was issued at a fixed rate of 6.5% per annum.

The senior unsecured convertible bond loan of USD 109.8 million, was issued at a fixed rate of 6.5% per annum.

At the reporting date the interest rate profile of the Group's interest-bearing financial liabilities was:

| (in thousands of EUR) | Carrying amount 2013 | 2012 |
|---|---|---|
| **Fixed rate instruments** | | |
| Financial assets | **-** | - |
| Financial liabilities | **125,822** | 132,694 |
| | **125,822** | **132,694** |
| **Variable rate instruments** | | |
| Financial liabilities | **1,053,758** | 1,155,384 |

**Fair value sensitivity analysis for fixed rate instruments**

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss nor equity.

**Cash flow sensitivity analysis for variable rate instruments**

A change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2012.

## NOTE 18 - FINANCIAL INSTRUMENTS - MARKET AND OTHER RISKS (CONTINUED)

| (in thousands of USD) | Profit or loss | | Equity | |
|---|---|---|---|---|
| | 50 bp increase | 50 bp decrease | 50 bp increase | 50 bp decrease |
| **31 DECEMBER 2012** | | | | |
| Variable rate instruments | -6,102 | 6,102 | - | - |
| Interest rate swaps | 1,335 | -1,353 | 2,629 | -2,260 |
| **CASH FLOW SENSITIVITY (NET)** | **-4,767** | **4,749** | **2,629** | **-2,260** |
| **31 DECEMBER 2013** | | | | |
| Variable rate instruments | -5,510 | 5,510 | - | - |
| Interest rate swaps | 900 | -922 | 1,164 | -902 |
| **CASH FLOW SENSITIVITY (NET)** | **-4,610** | **4,588** | **1,164** | **-902** |

**Currency risk**

The Group's exposure to currency risk is related to its operational expenses (excluding depreciations) expressed in Euros. In 2013 about 55% (2012: 51%) of the Group's total operational expenses were incurred in Euros. Revenue and the financial instruments are expressed in USD only.

| (in thousands of USD) | 31 December 2013 | | 31 December 2012 | |
|---|---|---|---|---|
| | EUR | USD | EUR | USD |
| Trade payables | -5,541 | -21,926 | -1,314 | -12,905 |
| Operational Expenses | -48,117 | -49,210 | -45,223 | -54,243 |
| **NET EXPOSURE** | **-53,658** | **-71,136** | **-46,537** | **-67,148** |

For the average and closing rates applied during the year, please refer to Note 26.

**Sensitivity analysis**

A 10 percent strengthening of the EUR against the USD at 31 December would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

| (in thousands of USD) | 2013 | 2012 |
|---|---|---|
| Equity | 74 | 442 |
| Profit or loss | -8,179 | -7,794 |

A 10 percent weakening of the EUR against the USD at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

### Master netting or similar agreements

The Group enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements. In general, under such agreements the amounts owned by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other.

### Capital management

Euronav is continuously optimising its capital structure (mix between debt and equity). The main objective is to maximise shareholder value while keeping the desired financial flexibility to execute the strategic projects. Some of the Group's other key drivers when making capital structure decisions are pay-out restrictions and the maintenance of the strong financial health of the Group Besides the statutory minimum equity funding requirements that apply to the Group's subsidiaries in the various countries, the Group is also subject to covenants in relation to some of its senior secured credit facilities: the ratio of stockholders' Equity to total assets should be no less than 30% and has been met at year end. When analysing the Group's capital structure, the same debt/equity classification as applied in the IFRS reporting is used. Within this context, the Group concluded a convertible notes offering in September 2009 (see Note 14).

## NOTE 19 - OPERATING LEASES

### Leases as lessee

The Group leases in some of its vessels under time charter and bare boat agreements (operating leases). The future minimum lease payments with an average duration of 9 months under non-cancellable leases are as follows:

### Future minimum lease payments

| (in thousands of USD) | 2013 | 2012 |
|---|---|---|
| Less than 1 year | -11,812 | -19,301 |
| Between 1 and 5 years | -914 | -7,889 |
| More than 5 years | - | - |
| **TOTAL** | **-12,726** | **-27,190** |

On some of the abovementioned vessels the Group has the option to extend the charter period. These option periods have not been taken into account when calculating the future minimum lease payments.

The decrease in leases relates to two existing time charters contracts that will terminate in the beginning of 2014.

### Amounts recognized in profit and loss

| (in thousands of USD) | 2013 | 2012 |
|---|---|---|
| Bareboat charter | -3,001 | - |
| Time charter | -18,025 | -24,545 |
| | **-21,026** | **-24,545** |

Non-cancellable operating lease rentals for office space with an average duration of 6 years and 4 months are payable as follows:

| (in thousands of USD) | 2013 | 2012 |
|---|---|---|
| Less than 1 year | -1,135 | -1,145 |
| Between 1 and 5 years | -3,113 | -3,814 |
| More than 5 years | -643 | -783 |
| **TOTAL** | **-4,891** | **-5,742** |

### Leases as lessor

The Group leases out some of its vessels under time charter agreements (operating leases). The future minimum lease receivables with an average duration of 10 months under non-cancellable leases are as follows:

### Future minimum lease receivables

| (in thousands of USD) | 2013 | 2012 |
|---|---|---|
| Less than 1 year | 142,813 | 179,284 |
| Between 1 and 5 years | 184,787 | 314,074 |
| More than 5 years | - | - |
| **TOTAL** | **327,600** | **493,358** |

## NOTE 19 - OPERATING LEASES (CONTINUED)

On some of the abovementioned vessels the Group has granted the option to extend the charter period. These option periods have not been taken into account when calculating the future minimum lease receivables.

### Amounts recognized in profit and loss

| (in thousands of USD) | 2013 | 2012 |
|---|---|---|
| Bareboat charter | - | - |
| Time charter | 189,596 | 192,304 |
| | **189,596** | **192,304** |

## NOTE 20- PROVISIONS & CONTINGENCIES

The Group is involved in a number of disputes in connection with its day-to-day activities, both as claimant and defendant. Such disputes and the associated expenses of legal representation are covered by insurance. Moreover, they are not of a magnitude that lies outside the ordinary, and their scope is not of such a nature that they could jeopardise the Group's financial position.

## NOTE 21 - RELATED PARTIES

### Identity of related parties

The Group has a related party relationship with its subsidiaries (see Note 22) and joint ventures (see Note 23) and with its directors and executive officers.

### Transactions with key management personnel

The total amount of the remuneration paid to all non-executive directors for their services as members of the board and committees (if applicable) is as follows:

| **(in thousands of EUR)** | **2013** | **2012** |
|---|---|---|
| **Total remuneration** | **1,189** | **1,040** |

The nominating and remuneration committee annually reviews the remuneration of the members of the executive committee. The remuneration (excluding the CEO) consists of a fixed and a variable component and can be summarised as follows:

| **(in thousands of EUR)** | **2013** | **2012** |
|---|---|---|
| **Total fixed remuneration** | **953** | **938** |
| of which | | |
| Cost of pension | 32 | 32 |
| Other benefits | 51 | 52 |
| **Total variable remuneration** | **700** | **225** |

All amounts mentioned refer to the executive committee in its official composition throughout 2013.

## NOTE 21 - RELATED PARTIES (CONTINUED)

The remuneration of the CEO can be summarised as follows:

| (in thousands of GBP) | 2013 | 2012 |
|---|---|---|
| **Total fixed remuneration** | **345** | **336** |
| of which | | |
| Cost of pension | 50 | 50 |
| Other benefits | 11 | 10 |
| **Total variable remuneration** | **268** | **61** |

Within the framework of a stock option plan, the board of directors has on 16 December 2013 granted options on its 1,750,000 treasury shares to the members of the executive committee for no consideration. 525,000 options were granted to the CEO and 1,225,000 options were granted to the other members of the executive committee. The exercise price of the options is EUR 5.7705. All of the beneficiaries have accepted the options granted to them. At the date of this report 2/3 of the options have been vested and 1/3 will be vested only if certain conditions (stock price and business related) are met. A maximum of fifty per cent of the options will be exercisable at the latest as from 1 January 2015. The other fifty per cent of the options can be exercised as from 1 January 2016. (See Note 25)

### Relationship with CMB

In 2004, Euronav split from CMB and currently both have Saverco as a reference shareholder. CMB renders some administrative and general services on an at arms' length basis. In 2013 CMB invoiced a total amount of USD 61,895 (2012: USD 265,000).

### Relationship with Saverco

Saverco, a reference shareholder from Euronav, has rendered some services on an at arms' length basis to Euronav. In 2013, Saverco invoiced a total amount of USD 25,533 (2012 : USD 27,000)

### Relationship with Chartwell Management Inc.

Chartwell Management Inc. and Euronav both have Ceres as final reference shareholder. Chartwell Management Inc. rendered some general services on an at arms' length basis. In 2013, Chartwell Management Inc. invoiced a total amount of EUR 40,603 (2012:0)

### Transactions with subsidiaries and joint ventures

On 15 March 2013, the Group sold the Suezmax Cap Isabella (2013 – 157,648 dwt) to Belle Shipholdings Ltd. Peter Livanos, the vice-chairman of the board of directors of the Group directly or indirectly holds an important participation in Belle Shipholdings Ltd. Peter Livanos, as the permanent representative of Tanklog Holdings Ltd., notified Euronav's board of directors which met on 14 March 2013, that pursuant to the provisions of the Belgian Code of Companies relating to the existence of conflicts of interest, he had a direct or indirect patrimonial interest that conflicts with the interests of the Company in respect of this sale and therefore, did not participate in the deliberation or the vote that authorised the Group to sell the Cap Isabella on the basis of current market values.

The Cap Isabella was a newbuilding from Samsung Heavy Industries. The Group chartered the ship back on bareboat for a fixed period of 2 years with 3 options in favour of the charterer to extend for a further year. In case of a sale by the new owner during the bareboat charter contract the Group will also share in any surplus if the vessel value exceeds a certain threshold. The selling price of the vessel was USD 54 million.

As this transaction was signed before the announcement of the 2012 final figures and is the result of negotiations with various parties which started in the financial year 2012, the Group recorded the capital loss of USD -32 million already in 2012.

The Group has supplied funds in the form of shareholder's advances to some of its Joint Venture subsidiaries at pre-agreed conditions which are always similar for the other party involved in the Joint Venture in question. (see Note 23)

### Guarantees

The Group has provided guarantees to financial institutions that have provided credit facilities to 6 of its Joint Ventures. The total of the related outstanding bank loans amounts to USD 188M.

## NOTE 22 - GROUP ENTITIES

| | Country of incorporation | Consolidation method | Ownership interest | |
|---|---|---|---|---|
| | | | 2013 | 2012 |
| Africa Conversion Corp. | Marshall Islands | proportional | 50.00% | 50.00% |
| Asia Conversion Corp. | Marshall Islands | proportional | 50.00% | 50.00% |
| Euronav (UK) Agencies Limited | UK | full | 100.00% | 100.00% |
| Euronav Luxembourg SA | Luxembourg | full | 100.00% | 100.00% |
| Euronav nv | Belgium | full | 100.00% | 100.00% |
| Euronav sas | France | full | 100.00% | 100.00% |
| Euronav Ship Management sas | France | full | 100.00% | 100.00% |
| Euronav Ship Management Ltd | Liberia | full | 100.00% | 100.00% |
| *Euronav Ship Management Hellas (branch office)* | | | | |
| Euronav Hong Kong | Hong Kong | full | 100.00% | 100.00% |
| Euro-Ocean Shipmanagement (Cyprus) Ltd | Cyprus | full | 100.00% | 100.00% |
| Fiorano Shipholding Ltd | Hong Kong | proportional | 50.00% | 50.00% |
| Fontvieille Shipholding Ltd | Hong Kong | proportional | 50.00% | 50.00% |
| Great Hope Enterprises Ltd | Hong Kong | proportional | 50.00% | 50.00% |
| Kingswood Co. Ltd | Marshall Islands | proportional | 50.00% | 50.00% |
| Larvotto Shipholding Ltd | Hong Kong | proportional | 50.00% | 50.00% |
| Moneghetti Shipholding Ltd | Hong Kong | proportional | 50.00% | 50.00% |
| Seven Seas Shipping Ltd | Marshall Islands | proportional | 50.00% | 50.00% |
| TI Africa Ltd | Hong Kong | proportional | 50.00% | 50.00% |
| TI Asia Ltd | Hong Kong | proportional | 50.00% | 50.00% |
| Tankers International LLC | Marshall Islands | equity | 41,10% | NA |

## NOTE 23 - INTEREST IN JOINT VENTURES

The Group has several interests in joint ventures. Included in the consolidated financial statements are the following items that represent the Group's interest in assets and liabilities, revenues and expenses of the joint ventures:

### Consolidated statement of financial position

| | 2013 | | | | 2012 | | | |
|---|---|---|---|---|---|---|---|---|
| (in thousands of USD) | Subsidiaries & associates | Joint ventures | Eliminations | Total | Subsidiaries & associates | Joint ventures | Eliminations | Total |
| **ASSETS** | | | | | | | | |
| **NON-CURRENT ASSETS** | **1,839,694** | **424,006** | **392,921** | **1,870,779** | **1,976,001** | **470,894** | **381,447** | **2,065,448** |
| Property, plant and equipment | 1,445,433 | 420,252 | - | **1,865,685** | 1,593,503 | 468,560 | - | **2,062,063** |
| Intangible assets | 32 | - | - | **32** | 78 | - | - | **78** |
| Financial assets | 392,940 | 3,754 | 392,921 | **3,773** | 381,457 | 2,334 | 381,447 | **2,344** |
| Investments in equity accounted investees | 409 | - | - | **409** | - | - | - | **-** |
| Deferred tax assets | 880 | - | - | **880** | 963 | - | - | **963** |
| **CURRENT ASSETS** | **191,583** | **88,863** | **2,252** | **278,194** | **247,426** | **51,918** | **1,913** | **297,431** |
| **TOTAL ASSETS** | **2,031,277** | **512,869** | **395,173** | **2,148,973** | **2,223,427** | **522,812** | **383,360** | **2,362,879** |
| | | | | | | | | |
| **EQUITY & LIABILITIES** | | | | | | | | |
| **EQUITY** | **917,570** | **-116,580** | **-** | **800,990** | **1,007,072** | **-140,102** | **-** | **866,970** |
| Equity attributable to equity holders of the Company | 917,570 | -116,580 | - | **800,990** | 1,007,072 | -140,102 | - | **866,970** |
| Non-controlling interest | - | - | - | **-** | - | - | - | **-** |
| **NON-CURRENT LIABILITIES** | **869,099** | **573,668** | **392,921** | **1,049,846** | **972,587** | **595,000** | **381,448** | **1,186,139** |
| Loans and borrowings | 835,908 | 552,612 | 392,921 | **995,599** | 933,547 | 567,642 | 381,448 | **1,119,741** |
| Other payables | 31,291 | 21,056 | - | **52,347** | 36,875 | 27,358 | - | **64,233** |
| Employee benefits | 1,900 | - | - | **1,900** | 2,165 | - | - | **2,165** |
| **CURRENT LIABILITIES** | **244,608** | **55,781** | **2,252** | **298,137** | **243,768** | **67,914** | **1,912** | **309,770** |
| **TOTAL EQUITY & LIABILITIES** | **2,031,277** | **512,869** | **395,173** | **2,148,973** | **2,223,427** | **522,812** | **383,360** | **2,362,879** |

## NOTE 23 - INTEREST IN JOINT VENTURES (CONTINUED)

### Consolidated statement of profit or loss

| (in thousands of USD) | 2013 | | | | 2012 | | | |
|---|---|---|---|---|---|---|---|---|
| | Subsidiaries & associates | Joint ventures | Eliminations | Total | Subsidiaries & associates | Joint ventures | Eliminations | Total |
| Turnover | 304,621 | 97,591 | 1,311 | **400,901** | 320,836 | 95,342 | 5,477 | **410,701** |
| Capital gains on disposal of vessels | 8 | - | - | **8** | 10,067 | - | - | **10,067** |
| Other operating income | 11,520 | 569 | - | **12,089** | 10,478 | 243 | 220 | **10,501** |
| Expenses for shipping activities | -206,526 | -41,170 | -1,310 | **-246,386** | -210,558 | -42,308 | -5,693 | **-247,173** |
| Capital losses on disposal of vessels | -215 | - | - | **-215** | -32,080 | - | - | **-32,080** |
| Depreciation and amortisation expense | -136,957 | -30,405 | - | **-167,362** | -147,061 | -30,452 | - | **-177,513** |
| Employee benefits | -13,881 | - | - | **-13,881** | -15,733 | - | - | **-15,733** |
| Other operating expenses | -13,284 | -789 | -1 | **-14,072** | -15,065 | -503 | -4 | **-15,564** |
| **RESULT FROM OPERATING ACTIVITIES** | **-54,714** | **25,796** | **-** | **-28,918** | **-79,116** | **22,322** | **-** | **-56,794** |
| Finance income | 1,992 | 39 | - | **2,031** | 5,349 | 70 | - | **5,419** |
| Finance expenses | -54,637 | -8,390 | - | **-63,027** | -55,507 | -12,440 | - | **-67,947** |
| Net finance expense | -52,645 | -8,351 | - | **-60,996** | -50,158 | -12,370 | - | **-62,528** |
| Share of profit(loss) of equity accounted investees (net of income tax) | 409 | - | - | **409** | - | - | - | **-** |
| **PROFIT(LOSS) BEFORE INCOME TAX** | **-106,950** | **17,445** | **-** | **-89,505** | **-129,274** | **9,952** | **-** | **-119,322** |
| Income tax expense | -178 | - | - | **-178** | 726 | - | - | **726** |
| **PROFIT(LOSS) FOR THE PERIOD** | **-107,128** | **17,445** | **-** | **-89,683** | **-128,548** | **9,952** | **-** | **-118,596** |
| Attributable to: | | | | | | | | |
| Owners of the Company | -107,128 | 17,445 | - | **-89,683** | -128,548 | 9,952 | - | **-118,596** |
| Non-controlling interest | - | - | - | - | - | - | - | - |

## NOTE 24 - EQUITY-ACCOUNTED INVESTEES

| (in thousands of USD) | 2013 | 2012 |
|---|---|---|
| Interest in joint venture | - | - |
| Interest in associates | 409 | - |

| (in thousands of USD) | Tankers International LLC |
|---|---|
| **AT 31 DECEMBER 2012** | |
| Percentage ownership interest | NA |
| Non-Current assets | - |
| Current Assets | - |
| *of which cash and cash equivalents* | - |
| Non-Current Liabilities | - |
| Current Liabilities | - |
| **NET ASSETS (100%)** | **-** |
| | |
| **CARRYING AMOUNT OF INTEREST IN JOINT VENTURE** | **-** |
| | |
| Revenue | - |
| Depreciations and amortisation | - |
| Interest Expense | - |
| Income tax expense | - |
| Profit and total comprehensive income (100%) | - |
| **GROUP'S SHARE OF PROFIT AND TOTAL COMPREHENSIVE INCOME** | **-** |
| | |
| **AT 31 DECEMBER 2013** | |
| Percentage ownership interest | 41.10% |
| Non-Current assets | - |
| Current Assets | 2,135 |
| *of which cash and cash equivalents* | 78 |
| Non-Current Liabilities | - |
| Current Liabilities | 1,139 |
| **NET ASSETS (100%)** | **996** |
| | |
| **CARRYING AMOUNT OF INTEREST IN JOINT VENTURE** | **409** |
| | |
| Revenue | 996 |
| Depreciations and amortisation | - |
| Interest Expense | - |
| Income tax expense | - |
| Profit and total comprehensive income (100%) | 996 |
| **GROUP'S SHARE OF PROFIT AND TOTAL COMPREHENSIVE INCOME** | **409** |

## NOTE 25 - SHARE-BASED PAYMENT ARRANGEMENTS

### Description of share-based payment arrangements:

At 31 December 2013, the Group had the following share-based payment arrangements

Share option programmes (Equity-settled)
On 16 December 2013, the Group established a share option programme that entitles key management personnel to purchase shares in the Company. Under the programme, holders of vested options are entitled to purchase shares at the market price of the shares at the grant date. Currently this programme is limited to key management personnel.

The key terms and conditions related to the grants under these programmes are as follows:
The company intends to use its treasury shares to settle all the options.

| Grant date/employees entitled | Number of instruments | Vesting Conditions | Contractual life of Options |
|---|---|---|---|
| **Options granted to key management personnel** | | | |
| 16 December 2013 | 583,000 | Share price to be at least EUR 7.5 | 5 years |
| 16 December 2013 | 583,000 | Share price to be at least EUR 8.66 | 5 years |
| 16 December 2013 | 583,000 | Share price to be at least EUR 11.54 and US listing | 5 years |
| **TOTAL SHARE OPTIONS** | **1,750,000** | | |

In addition, 50% of the options can only be exercised at the earliest if the shares of the Group are admitted for listing in a recognised US listing exchange platform (the "listing event"). The other 50% can only be exercised one year after the listing event. If the shares are not listed on a US listing exchange, then only 2/3 of the shares will be exercisable and will have to meet the first 2 vesting conditions listed above.

### Measurement of Fair Value

The fair value of the employee share options has been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the transactions were not taken into account in measuring fair value.
The inputs used in measurement of the fair values at grant date for the equity-settled share-based payments plan were as follows:

| | 2013 | | | 2012 | | |
|---|---|---|---|---|---|---|
| **(Figures in EUR)** | **Option 1** | **Option 2** | **Option 3** | **Option 1** | **Option 2** | **Option 3** |
| Fair value at grant date | 2.270 | 2.260 | 2.120 | - | - | - |
| Share price at grant date | 6.070 | 6.070 | 6.070 | - | - | - |
| Exercise price | 5.770 | 5.770 | 5.770 | - | - | - |
| Expected volatility (weighted average) | 40% | 40% | 40% | - | - | - |
| Expected life (Days) (weighted average) | 303 | 467 | 730 | - | - | - |
| Expected dividends | - | - | - | - | - | - |
| Risk-free interest rate | 1% | 1% | 1% | - | - | - |

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical periods commensurated with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour using the Monte Carlo simulation.

### Expenses recognised in profit or loss

For details on related employee benefits expense see Note 4.

## NOTE 25 - SHARE-BASED PAYMENT ARRANGEMENTS

### Reconciliation of outstanding share options

The number and weighted-average exercise prices of options under the share option programmes are as follows:

| (Figures in EUR) | Number of options 2013 | Weighted average exercise price 2013 | Number of options 2012 | Weighted average exercise price 2012 |
|---|---|---|---|---|
| Outstanding at 1 January | - | | - | - |
| Forfeited during the year | - | | - | - |
| Exercised during the year | - | | - | - |
| Granted during the year | 1,750,000 | 5.770 | - | - |
| **OUTSTANDING AT 31 DECEMBER** | **1,750,000** | **5.770** | **-** | **-** |
| Exercisable at 31 December | - | - | - | - |

## NOTE 26 - SUBSIDIARIES

In 2013 no new subsidiaries were established, nor were there any sales or liquidations of subsidiaries.

## NOTE 27 - MAJOR EXCHANGE RATES

The following major exchange rates have been used in preparing the consolidated financial statements:

| | closing rates | | average rates | |
|---|---|---|---|---|
| **1 XXX = x,xxxx USD** | **2013** | **2012** | **2013** | **2012** |
| EUR | 1.3791 | 1.3194 | 1.3259 | 1.2909 |
| GBP | 1.6542 | 1.6167 | 1.5629 | 1.5873 |

## NOTE 28 - SUBSEQUENT EVENTS

On 16 December 2013 the board of directors announced that the Group has raised USD 150M via a private placement of a perpetual convertible preferred equity instrument. This instrument was issued on 13 January 2014 and this transaction therefore had no impact on the 2013 consolidated financial statements.

On 2 January 2014 the VLCC Ardenne Venture (2004 - 318,658 dwt) was delivered to its new owners after the sale announced on 14 November 2013 for USD 41,7M. The capital gain of approximatly USD 2.2 million will therefore be recognized in the first quarter of 2014.

On 3 January 2014 the Group entered into a contract to acquire fifteen (15) Very Large Crude Carriers (VLCC) from Maersk Tankers Singapore Pte Ltd for a total acquisition price of USD 980 million payable as the vessels are being delivered. The vessels have an average age of 4 years. The vessels will be operated in the Tankers International VLCC Pool of which Euronav is a founding member.

Each vessel will be sold under the industry standard sale form as a stand-alone asset with deliveries taking place between late January and June 2014 with the exception of one vessel currently under charter, which will be delivered towards the end of the year.
On 20 and 25 February 2014 Euronav successfully took delivery of the first two vessels, respectively the *Nautulus* and *Nucleus*.

## NOTE 28 - SUBSEQUENT EVENTS (CONTINUED)

The transaction was financed by a USD 350 million capital increase, a 7-year bond for a total amount of USD 235 million and a USD 500 million senior secured credit facility.
The USD 350 million raise of new capital consisted of a USD 50 million capital increase under the authorised capital, for which 5,473,571 new ordinary shares were issued on 10 January 2014, and a USD 300 million capital increase which was approved by the extraordinary shareholders' meeting on 24 February 2014 and which resulted in the creation of 32,841,528 new ordinary shares.

On 4 February 2014 Euronav announced the issuance of a USD 235 million 7-year bond to the same investors who participated in the capital increase of 10 January 2014 and the signing of a commitment letter for a USD 500 million senior secured credit facility.

The USD 500 million senior secured credit facility was fully underwritten in equal part by DnB, Nordea and SEB and was successfully syndicated on 25 March 2014. The credit facility has a 6-year maturity as from closing the syndication and will bear interest at a rate based on LIBOR plus a margin of 2.75%.

On 7 January 2014 the Group sold its oldest double-hulled VLCC Luxembourg (1999 – 299,150 dwt), for USD 28 million. The vessel is wholly owned by Euronav. The capital gain on that sale of about USD 6 million will be recorded at delivery. The net cash proceeds available to Euronav after the mandatory repayment of its debt obligation will be USD 5 million. The vessel is foreseen to be delivered to its new owner between 1 May 2014 and mid-June 2014 .

On 6 February 2014 30 of the 60 perpetual convertible preferred equity instruments issued on 15 December 2013, were contributed in kind, resulting in the issuance of 9,459,286 ordinary shares.

In the course of Q1 2014 the majority of the remaining convertible bonds issued in 2013 and maturing in 2018 were converted in new ordinary shares, as the following table illustrates:

| (Figures in EUR) | 10 January 2014 | 23 January 2014 | 6 February 2014 | 24 February 2014 | 10 March 2014 * |
|---|---|---|---|---|---|
| Nr of Bonds converted | 491 00 | 97 00 | 453 00 | 8 00 | 47 00 |
| Issued Shares | 8,163,810,00 | 1,679,010,00 | 7,841,164,00 | 134,808,00 | 662,763,00 |

** The bonds and conversion notices were received after the optional redemption notice, given on 20 February 2014 by the executive commmittee of Euronav NV.*

The above conversions have reduced the total number of outstanding convertible bonds maturing in 2018 to 2. In addition, the Group sent out a notice to the holders of convertible bonds issued in 2013 to redeem the outstanding convertible bonds on 2 April 2014.

On 27 February 2014 Euronav bought back 13 bonds of the unsecured convertible bond due in 2015. The face value of each bond is USD 100,000 and the Group paid an average of USD 103,445.

On 1 March 2014 Euronav Ship Management Antwerp (ESMA) took over the ship management of the vessel FSO Africa, owned by TI Africa LTD. Her sister vessel FSO ASIA is already in management of ESMA as from the conversion of the vessel into an FSO in 2009. The transition of management was carried out as planned. ESMA will receive a ship management fee for these services.

In March 2014 the company agreed to extend the period of the purchase option on the Antarctica (2009 – 315,981 dwt) and the Olympia (2008 – 315,981 dwt) by one month, until April 30th 2014.

## NOTE 29 - AUDITORS FEES

The worldwide audit and other fees in respect of services provided by statutory auditor KPMG can be summarised as follows:

| (in thousands of USD) | 2013 | 2012 |
|---|---|---|
| Audit services for the annual financial statements | -404 | -364 |
| Audit related services | -16 | - |
| Tax services | -31 | -40 |
| Other non-audit assignments | - | -20 |
| **TOTAL** | **-451** | **-424** |

## NOTE 30 - STATEMENT ON THE TRUE AND FAIR VIEW OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE FAIR OVERVIEW OF THE MANAGEMENT REPORT

The board of directors, represented by Marc Saverys, its Chairman, and the executive committee, represented by Patrick Rodgers, the CEO and Hugo De Stoop, the CFO hereby confirm that, to the best of their knowledge, the consolidated financial statements for the year ended 31 December 2013, which have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the entities included in the consolidation as a whole, and that the management report includes a fair overview of the important events that have occurred during the financial year and of the major transactions with the related parties, and their impact on the consolidated financial statements, together with a description of the principal risks and uncertainties they are exposed to.

# STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF EURONAV NV AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2013

In accordance with the legal requirements, we report to you in the context of our statutory auditor's mandate. This report includes our report on the consolidated financial statements as of and for the year ended December 31, 2013, as defined below, as well as our report on other legal and regulatory requirements.

## Report on the consolidated financial statements - unqualified opinion

We have audited the consolidated financial statements of Euronav NV ("the Company") and its subsidiaries (jointly "the Group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated statement of financial position as at December 31, 2013 and the consolidated statements of profit or loss and comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. The total of the consolidated statement of financial position amounts to USD'000 2.148.973 and the consolidated statement of comprehensive income shows a loss for the year of USD'000 89.683.

### Board of directors' responsibility for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines, is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Statutory auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements.

We have obtained from the Company's officials and the board of directors the explanations and information necessary for performing our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified opinion.

### Unqualified opinion

In our opinion, the consolidated financial statements give a true and fair view of the Group's equity and consolidated financial position as at December 31, 2013 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

## Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the annual report on the consolidated financial statements.

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we provide the following additional statement which does not modify our opinion on the consolidated financial statements:

- The annual report on the consolidated financial statements includes the information required by law, is consistent, in all material respects, with the consolidated financial statements and does not present any material inconsistencies with the information that we became aware of during the performance of our mandate.

Kontich, April 3, 2014
KPMG Réviseurs d'Entreprises / Bedrijfsrevisoren
Statutory Auditor
represented by

| | |
|---|---|
| Serge Cosijns<br>Réviseur d'Entreprises<br>Bedrijfsrevisor | Jos Briers<br>Réviseur d'Entreprises/<br>Bedrijfsrevisor |

# STATUTORY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

The annual accounts of Euronav NV are given hereafter in summarised form. In accordance with the Company Law, the annual accounts of Euronav NV, together with the annual report and the auditor's report are deposited with the National Bank of Belgium. The documents can be obtained upon demand at the registered offices of the Company. The auditor did not express any reservations in respect of the annual accounts of Euronav NV.

## BALANCE SHEET OF EURONAV NV

for the period ended 31 December 2013.

### ASSETS

| (in USD) | 2013 | 2012 |
|---|---|---|
| **FIXED ASSETS** | **1,830,111,859** | **1,967,639,378** |
| II. Intangible assets | 15,945 | 73,462 |
| III. Tangible assets | 1,477,747,065 | 1,609,094,831 |
| IV. Financial assets | 352,348,849 | 358,471,085 |
| **CURRENT ASSETS** | **165,302,794** | **185,992,201** |
| V. Amounts receivable after one year | - | - |
| VII. Amounts receivable within one year | 56,056,138 | 52,998,025 |
| VIII. Investments | 55,130,115 | 88,762,099 |
| IX. Cash at bank and in hand | 24,797,849 | 20,986,628 |
| X. Deferred charges and accrued income | 29,318,692 | 23,245,449 |
| **TOTAL ASSETS** | **1,995,414,653** | **2,153,631,579** |

### LIABILITIES

| (in USD) | 2013 | 2012 |
|---|---|---|
| **CAPITAL AND RESERVES** | **877,041,935** | **1,005,415,264** |
| I. Capital | 58,936,522 | 56,247,701 |
| II. Share premium account | 365,574,165 | 353,062,999 |
| IV. Reserves | 100,626,275 | 100,626,275 |
| V. Accumulated profits | 351,904,973 | 495,478,289 |
| **PROVISIONS FOR LIABILITIES AND CHARGES** | **6,949,457** | **154,124** |
| VII. Provisions and deferred taxes | 6,949,457 | 154,124 |
| **CREDITORS** | **1,111,423,261** | **1,148,062,191** |
| VIII. Amounts payable after one year | 898,991,592 | 978,262,477 |
| IX. Amounts payable within one year | 171,700,212 | 139,321,769 |
| X. Accrued charges and deferred income | 40,731,457 | 30,477,945 |
| **TOTAL LIABILITIES** | **1,995,414,653** | **2,153,631,579** |

## INCOME STATEMENT OF EURONAV NV

for the period ended 31 December 2013.

| (in USD) | 2013 | 2012 |
|---|---|---|
| I. Operating income | 315,525,547 | 336,667,478 |
| II. Operating charges | 379,786,136 | 389,122,557 |
| **III. Operating result** | **-64,260,589** | **-52,455,079** |
| IV. Financial income | 2,309,431 | 6,432,635 |
| V. Financial charges | 47,410,104 | 46,825,882 |
| **VI. Result on ordinary activities before taxes** | **-109,361,262** | **-92,848,326** |
| VII. Extraordinary income | - | - |
| VIII. Extraordinary charges | 32,059,197 | - |
| **IX. Result for the year before taxes** | **-141,420,459** | **-92,848,326** |
| X. Income taxes | 2,152,858 | 1,109,141 |
| **XI. Result for the year** | **-143,573,317** | **-93,957,467** |
| **XII. Result for the year available for appropriation** | **-143,573,317** | **-93,957,467** |

## APPROPRIATION ACCOUNT

| (in USD) | 2013 | 2012 |
|---|---|---|
| **A. Result to be appropriated** | **351,904,973** | **495,478,289** |
| **B. Transfers to capital and reserves** | **-** | **-** |
| **C. Result to be carried forward** | **351,904,973** | **495,478,289** |
| **D. Distribution of result** | **-** | **-** |

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The ocean is our environment

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