HAL Trust

Annual Report 2015

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

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

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Corporate Administration

HAL Holding N.V.

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

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

Highlights and Financial Calendar

In euro	**2015***	2014*
Income *(in millions)*		
Revenues	**5,174.7**	4,546.5
Income from marketable securities and deposits	**6.8**	2.8
Share of results of associates	**328.4**	316.6
Income from other financial assets	**25.5**	9.1
Income from real estate activities	**2.3**	10.9
Net income attributable to owners of parent	**629.6**	556.4
Financial position		
Total assets *(in millions)*	**10,125.1**	8,121.9
Equity attributable to owners of parent (in millions)	**6,698.0**	5,034.5
Equity attributable to owners of parent (as a percentage of total assets)	**66.2**	62.0
Number of Shares outstanding at December 31 *(in thousands)*	**76,272****	74,032**
Average number of Shares outstanding *(in thousands)*	**75,195****	72,876**
Per Share		
Net income	**8.37**	7.40
Shareholders' equity	**87.82**	68.00
Net asset value at market value of quoted companies	**172.80*****	103.71***
Closing price shares HAL Trust at December 31	**164.81**	125.75
Volume-weighted average December share price HAL Trust	**161.84**	125.81
Dividend	**6.50******	5.05
Exchange rates - December 31		
U.S. dollar per euro	**1.09**	1.21

* These figures relate, where applicable, to the pro forma financial statements as included in the supplemental information on pages 107 through 133

** Net of treasury shares

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

**** Proposed

Financial calendar

Shareholders’ meeting HAL Trust and interim statement	May 18, 2016
Ex-dividend date	May 20, 2016
Dividend record date	May 23, 2016
Election period cash/stock (stock being default)	May 24 – June 13, 2016 (15:00 hrs.)
Determination and publication dividend conversion ratio	June 13, 2016 (after close of trading)
Delivery of shares and payment of cash dividend	June 20, 2016
Publication of 2016 half year results	August 30, 2016
Interim statement	November 17, 2016
Publication of preliminary net asset value	January 24, 2017
Publication of 2016 annual results	March 30, 2017
Shareholders’ meeting HAL Trust and interim statement	May 18, 2017

Report of the Trust Committee

HAL Trust

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

For further details of the organization see page 142.

In accordance with the instructions issued on May 18, 2015, the Trust distributed a dividend of € 5.05 per Share on June 18, 2015. This dividend was payable in shares HAL Trust unless a shareholder expressly requested for payment in cash.

Accordingly, a cash dividend was paid on 4,134,526 shares for a total of € 20.9 million and 2,258,283 HAL Trust shares were issued as stock dividend.

On December 31, 2015, 76,399,596 HAL Trust shares were in issue (2014: 74,141,313).

On December 31, 2015, HAL Holding N.V. owned 127,251 HAL Trust shares (2014: 109,776).

The Trust Committee
HAL Trust Committee Ltd.

March 31, 2016

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

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

On May 26, 2015, the general meeting of shareholders appointed Mr. C.O. van der Vorm as a member of the Board. In accordance with the rotation schedule, Mr. T. Hagen resigned on the same date. At the end of 2015 the Board consisted of six members. Their names, nationality and other relevant information are mentioned on page 147.

The Board met during five regularly scheduled meetings. At one meeting, one Board member was absent.

The Executive Board provided the Board with both written and verbal information. Based on this information, the state of affairs of the Company was discussed and evaluated. Among others, the following specific subjects were addressed during the meetings: the strategy, the budget, the development of the results, cash flow and liquidity, the quarterly, semi-annual and annual reports, the report of the financial expert (see below), the remuneration policy, the treasury policy, potential investments and divestitures, the IPO of GrandVision, the dividend policy, the corporate governance including the composition of the Supervisory Board and the choice of the engagement partner of the external auditor, the amendment of the articles of association of the Company, the risks associated with the Company and the design and implementation of the systems of internal control for financial reporting purposes. For further information relating to this subject, we refer to the relevant paragraph in the report of the Executive Board on page 9.

As explained in the paragraph Administrative organization, risk management systems and financial reporting in the report of the Executive Board on page 17, the application of IFRS 10 requires the Company to consolidate the financial statements of Koninklijke Vopak N.V. ('Vopak') and Safilo Group S.p.A. ('Safilo') in its financial statements, although HAL's ownership in these companies is below 50%. In order to allow the Company to comply with IFRS, it has entered into Memoranda of Understanding with Vopak and Safilo with respect to confidentiality, the process of exchanging financial information and attendance rights to the Audit Committee meetings of Vopak and the Control and Risk Committee meetings of Safilo of an independent financial expert on behalf of the Company. This financial expert (Mr. J.A.M. Stael, former partner of PricewaterhouseCoopers Accountants N.V.) reports to the Executive Board and the Supervisory Board, whether there are any matters relating to Vopak and Safilo that should be brought to the attention of the Company prior to the signing of the financial statements of the Company by the Executive Board and the Supervisory Board. Moreover, the assessment that the Company's financial statements do not contain material errors attributable to the financial statements of Vopak and/or Safilo is based on the external audit. Otherwise the affairs of the publicly traded minority-owned associates were discussed based on publicly available information.

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

The Board has determined the variable compensation of the Executive Board. Further information with respect to the compensation of the Executive Board is included on page 96.

The remuneration per Board member for 2015, as determined by the General Meeting of Shareholders in 2011, amounted to € 80,000 (on an annual basis).

The Board had discussions with the external auditor during three meetings. Subjects for discussion were the audit plan, the financial statements, the report on the first half of 2015, impairment testing and the systems of administrative and internal controls for financial reporting purposes. The financial expert was also present during these meetings.

The Board also met in the absence of the Executive Board to discuss, among other matters, the functioning and composition of the Board as well as the functioning of the Executive Board. Five members of the Board were present during the meeting of Trust Shareholders of HAL Trust on May 18, 2015.

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

The financial statements for 2015 were prepared by the Executive Board and discussed by the Board in the presence of the external auditor and the financial expert during a meeting on March 31, 2016.

After reviewing the unqualified opinion provided by PricewaterhouseCoopers Ltd., the findings of the external auditor as summarized in a Report to the Board and the Executive Board and the report of the financial expert, the financial statements were signed by all members of the Board. The Board approved the amounts reserved as proposed by the Executive Board.

The Board recommends that the Shareholders of HAL Trust instruct the Trustee to vote at the Annual Meeting of HAL Holding N.V., to be held on May 26, 2016, for the approval of the financial statements for 2015 as per the documents submitted and the proposed distribution of profits.

It should be noted that neither the Dutch Corporate Governance Code is applicable to HAL Holding N.V. because HAL Holding N.V. is not a Dutch company, nor are other Corporate Governance Codes applicable to HAL Holding N.V. Pages 143 through 146 of this report provide a description of HAL Holding N.V.'s corporate governance structure.

On behalf of the Supervisory Board,

S.E. Eisma, *Chairman*

March 31, 2016

In accordance with the rotation schedule, the term of the Chairman of the Supervisory Board, Mr. S.E. Eisma, will expire at the end of the next annual general meeting of shareholders. Mr. S.E. Eisma, first appointed to the Supervisory Board in 1993 and Chairman since 2006, has decided not to seek a new term. The Supervisory Board has decided to appoint Mr. M. van der Vorm as Chairman and Mr. L.J. Hijmans van den Bergh as vice Chairman of the Supervisory Board with effect from the date on which Mr. S.E. Eisma resigns. We express our gratitude for the important contributions he has made to the successful development of the Company and for the excellent way he presided over our meetings during these many years. During our deliberations, the Board has greatly benefited from his extensive experience and expertise.

M. van der Vorm, *vice Chairman*
L.J. Hijmans van den Bergh
M.P.M. de Raad
C.O. van der Vorm
G.J. Wijers

March 31, 2016

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

Introduction

Net income of HAL Holding N.V. for 2015 amounted to € 630 million (€ 8.38 per share) compared with € 557 million (€ 7.40 per share) for 2014.

The net asset value based on the market value of the quoted companies and the liquid portfolio and on the book value of the unquoted companies, increased by € 5,525 million in 2015 compared with an increase of € 380 million in 2014. The increase in 2015 is for € 4,217 million due to the listing of GrandVision on Euronext Amsterdam on February 6, 2015.

After taking into account the cash portion of the 2014 dividend (€ 21 million) and the net purchase of treasury shares (€ 2 million), the net asset value on December 31, 2015 amounted to € 13,180 million (€ 172.80 per share) compared to € 7,678 million (€ 103.71 per share) on December 31, 2014.

The net asset value does not include the positive difference between estimated value and book value of the unquoted companies as of December 31, 2015. This difference is calculated annually and, based on the principles and assumptions set out on pages 104 through 106 of this report, amounted to € 159 million (€ 2.08 per share) on December 31, 2015.

Supervisory Board

At the end of the next shareholders' meeting the term of Mr. S.E. Eisma, Chairman of the Supervisory Board will expire. He has decided not to seek a new term. Mr. Eisma has been a member of the Supervisory Board since 1993 and Chairman since 2006. We thank Mr. Eisma for his valuable contributions as well as for his expertise with which he has supported the Executive Board during this long period. His knowledge and experience have been of great importance to the development of the Company.

Dividend

The dividend policy is, barring unforeseen circumstances and provided sufficient liquid assets, to base the dividend on 4% of the volume-weighted average share price of HAL Trust during December of the year prior to the year in which the dividend will be paid. Accordingly, the proposed dividend per share over 2015 amounts to € 6.50 (2014: € 5.05), payable in shares unless a shareholder expressly requests payment in cash.

Prospects

During the period from December 31, 2015, through March 25, 2016, the stock market value of the ownership interests in quoted companies and the liquid portfolio decreased by € 700 million (€ 9.18 per share). In view of the fact that a significant part of the Company’s net income is determined by the results of the quoted associates and potential capital gains and losses, we do not express an expectation as to the net income for 2016.

Strategy

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

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

Risks

There are a number of risks associated with the strategy and with its implementation. Financial risks are further described in the section supplemental information of the financial statements on pages 130 through 132.

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

The risks described below also exclude the risks of Koninklijke Vopak N.V. ('Vopak', 48.15%) and Safilo Group S.p.A. ('Safilo', 41.63%). Although HAL's ownership in these companies is below 50%, these companies are included in the consolidated financial statements of the Company as, in accordance with the provisions of IFRS 10, the Company is deemed to have control over these entities. Reference is also made to the paragraph administrative organization, risk management systems and financial reporting on page 17, for the organizational and control aspects of the consolidation of Vopak and Safilo.

Concentration risk

Concentration risk exists with respect to the optical retail activities as well as the quoted associates, as each represent a significant part of the net asset value of HAL.

Optical retail activities

Revenues of the optical retail and unquoted companies for 2015 amounted to € 5,175 million of which the optical retail activities represented 62%. At the end of 2015 the stock market value of HAL's ownership interest in its optical retail subsidiary GrandVision N.V. was € 5.4 billion, representing 40% of the net asset value of HAL.
A 10% change in the share price of GrandVision N.V. has an effect on HAL's net asset value of 4%. Accordingly, there is a significant concentration risk with respect to the optical retail industry. A decrease in revenues of the optical retail activities, for example due to an economic recession, may have a significant impact on the net asset value and profitability of HAL. A 10% decrease in these revenues could, everything else being equal, negatively affect the profit before tax by more than € 100 million.

Quoted associates

At the end of 2015 the stock market value of HAL's ownership interests in quoted associates amounted to € 4.7 billion (2014: € 5.2 billion). This included Vopak (€ 2,442 million, 2014: € 2,658 million), Koninklijke Boskalis Westminster N.V. (€ 1,654 million, 2014: € 1,929 million), SBM Offshore N.V. (€ 371 million, 2014: € 308 million), and Safilo (€ 279 million, 2014: € 281 million). Changes in stock prices of these companies may have a significant effect on the net asset value of HAL.

Market value risk

In addition to the interests in quoted companies as described above, at the end of 2015 HAL owned equities which are part of the liquid portfolio, for an amount of € 127 million (2014: € 114 million). The value of these assets can be subject to significant fluctuations as a result of the volatility of the stock markets. In 2015, share price developments of the quoted companies (including GrandVision) and the equities in the liquid portfolio, including dividends received, had a positive effect of € 1.1 billion on the net asset value (2014: € 135 million). The change in market value (based on stock exchange prices) of the quoted companies where HAL's ownership interest exceeds 20%, does not have an impact on the valuation in the financial statements as these assets are either consolidated or accounted for using the equity method in the pro forma financial statements.

Interest rate risk

Investments in fixed income instruments are exposed to fluctuations in interest rates. In view of the short duration of the Company's liquid assets, the interest rate risk is limited. In addition, the risk of an increase in interest rates exists with respect to the Company's debt position. At the end of 2015, this debt was exclusively at the level of the subsidiaries. Of the € 1,695 million bank debt outstanding at the end of 2015 (2014: € 1,620 million), 44% (2014: 48%) was at fixed rates for an average period of 3.2 years (2014: 2.1 years).

Currency risk

The most important currency risk relates to currency translation risk as a result of the translation of (net) balance sheet positions from a foreign currency to the Euro. At the end of 2015 the unhedged exposure to currency translation risk, excluding the translation risk of investee companies where the ownership interest does not exceed 50%, was € 1,155 million (2014: € 964 million). The largest currency exposure related to the U.S. dollar and amounted to € 317 million (2014: € 219 million). The potential impact is detailed in the section supplemental information of the financial statements on page 132. Currency risk also exists with respect to the translation of the results of foreign currency operations. Changes in exchange rates compared with 2014 had a positive effect on revenues of € 55 million. The positive effect on operating income was € 13 million.

Credit risk

HAL is subject to credit risk with respect to financial instruments and liquid assets. This is the risk that a counterparty is unable to comply with its contractual obligations. The Company generally only enters into transactions with counterparties that have a strong credit rating (S&P long term credit rating varying from A to AA-). At the end of 2015 the liquid assets (excluding equities) amounted to € 1,968 million (2014: € 904 million) of which € 1,687 million (2014: € 632 million) was part of the 'corporate' liquid portfolio. At the end of 2015, the corporate liquid portfolio mainly consisted of short term deposits held at banks with an average short term S&P credit rating of A-1.

Liquidity risk

Liquidity risk relates to situations where a company is unable to comply with its financial obligations. The financial liabilities mainly relate to the consolidated subsidiaries. The liquidity risk of the consolidated subsidiaries is detailed in the section supplemental information on page 130 of the financial statements. HAL Holding N.V had, at the end of 2015, in addition to its corporate liquid portfolio of € 1.8 billion, committed revolving bank facilities of € 515 million with an average of 1.4 years remaining until maturity. Currently, the liquidity risk is therefore limited.

Acquisition risk

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

Financial reporting risk

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

Other

In addition to the above mentioned risk factors, it should be noted that the profitability and the net asset value of the Company are susceptible to economic downturns. Demand for the products and services of the subsidiaries and minority- owned affiliates and/or their profitability may decline as a direct result of an economic recession, inflation, changes in the prices of raw materials, consumer confidence, interest rates or governmental (including fiscal) policies, legislation as well as geopolitical developments.

Acquisitions and divestitures optical retail and unquoted companies

On December 1, 2015, GrandVision completed the acquisition of 100% of the shares in the U.S.-based optical retail chain For Eyes. For Eyes was founded in 1972, employs approximately 1,000 FTE's and operates a network of 116 own stores. These are located in the metropolitan areas of Chicago, Miami, Washington DC and Philadelphia. Revenues for 2015 amounted to $ 92 million.

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

During the first quarter of 2015 Broadview Holding B.V. acquired stakes in two LNG distribution companies. In January, 100% of the shares in Barents Naturgass (BNG) were acquired. BNG is based in Hammerfest (Norway) and has annual sales of € 15 million. In March, a 43% interest in Molgas was acquired. Molgas is based in Madrid (Spain) and has annual sales of € 60 million.

In June 2015, FD Mediagroep acquired Webservices.nl, a platform that provides digital access to several databases. Revenues of Webservices for 2015 were € 6 million.

On August 4, 2015, HAL's hearing aid retail subsidiary AudioNova International B.V. acquired 24.75% of the shares of the German hearing aid retailer GEERS Hörakustik. AudioNova now owns 100% of GEERS. In the first week of January 2016, AudioNova acquired 72 stores in Italy (annual revenues of € 20 million) and sold 79 stores in Switzerland, Spain and Hungary (aggregate annual revenues of € 20 million).

On September 10, 2015, PontMeyer N.V. (78.1% HAL), a supplier of timber products and building materials in the Netherlands, acquired 100% of the shares of Deli Building Supplies N.V. ('DBS'). DBS is also a supplier of timber products and building materials in the Netherlands and owns Koninklijke Jongeneel, Heuvelman Hout, RET Bouwproducten and Astrimex. The combination of PontMeyer and DBS has annual revenues of over € 600 million and 1,400 employees and now operates under the name Timber and Building Supplies Holland N.V. HAL provided € 10.6 million in equity and a € 12.5 million subordinated loan to partly finance the transaction. The ownership interest of HAL increased from 75.4% to 78.1%.

On August 5, 2015 HAL announced the signing of an agreement to sell its 46.7% ownership interest in N.V. Nationale Borg-Maatschappij to AmTrust Financial Services Inc. (Nasdaq: AFSI). Nationale Borg is a specialist provider of surety and trade credit insurance. The company reported in 2015 gross written premiums of € 93 million (2014: € 90 million). Net income for 2015 amounted to € 17 million (2014: € 16 million). The completion of the transaction is subject to approval of the regulatory authorities.

On August 6, 2015, HAL sold its 25% interest in the ordinary share capital of Navis Capital Partners Ltd. ('Navis'). Navis focuses on private and public equity investments primarily in and around Southeast Asia. HAL has been a shareholder of Navis since 1999. HAL realized a net capital gain on the transaction of € 35 million. HAL remains an investor in five of the private equity partnerships managed by Navis. HAL also retains an economic interest, through preferred shares in Navis, of between 12.5% and 25% of the carried interest generated by the currently existing private equity funds managed by Navis.

Subsidiaries

Optical retail

After the transfer by HAL of the optical retail activities in China and Turkey to GrandVision N.V. in 2014, GrandVision, based at Amsterdam Airport Schiphol, is the only optical retail subsidiary of HAL.

On February 6, 2015, GrandVision commenced trading on Euronext Amsterdam as a result of a secondary offering, by HAL, of 21.9% of the outstanding shares of the company. The offer price of € 20.00 per share corresponded to an equity value for GrandVision of € 5.1 billion and net proceeds for HAL of € 1,086 million. As of December 31, 2014, the book value of HAL's interest in GrandVision amounted to € 799 million. No capital gain has been recognized in the income statement on this transaction as, in accordance with IFRS 10, the result (€ 900 million) is recorded through shareholders' equity. At the end of 2015, the stock market value of HAL's 76.72% ownership interest was € 5,399 million.

At the end of 2015 GrandVision was active in 44 countries and had 6,110 optical stores, including stores from its associates in India and Switzerland (2014: 5,814), of which 1,096 franchise stores (2014: 1,070) and had 27,510 full-time equivalent employees (FTE's). The total 2015 system wide sales (defined as sales including sales of franchise stores) amounted to € 3,541 million.

Revenues as reported in the financial statements amounted to € 3,205 million (2014, including China and Turkey on a full year basis: € 2,862 million), a 12% increase. Excluding the positive effect of acquisitions (€ 169 million) and changes in currency exchange rates (€ 17 million), revenues increased by € 157 million (5.5%). The 2015 same store sales (defined as the sales at constant currency exchange rates of those stores, excluding franchise stores, which were both on January 1, 2014 and on December 31, 2015 part of the store network and including China and Turkey), increased by 4.1% (2014: 4.5%). The 2015 operating income (earnings before interest, exceptional and non-recurring items, taxes and amortization of intangible assets, but including amortization of software), amounted to € 390 million (2014 including China and Turkey on a full year basis: € 342 million). Acquisitions and changes in currency exchange rates had a positive effect on operating income of € 14 million.

HAL has had an ownership interest in GrandVision since 1996.

Unquoted companies

Timber and Building Supplies Holland N.V., formerly PontMeyer N.V., (78.1%) located in Zaandam (the Netherlands), is the country's leading supplier of timber products and building materials used for new construction, renovations and maintenance. The company is the combination of PontMeyer N.V. and Deli Building Supplies N.V. ('DBS') which was acquired in September 2015. The combination has 101 outlets throughout the Netherlands and had 1,400 FTE's at the end of 2015. Revenues for 2015 increased by 48% to € 422 million (2014: € 285 million). Excluding the acquisition of DBS, revenues increased by 9.1%. The operating income amounted to € 24 million (2014: € 8 million). The positive effect of the acquisition of DBS on operating income was € 4.5 million.

HAL has had an ownership interest in Timber and Building Supplies Holland since 1999.

Broadview Holding B.V. (97.4%) is located in 's-Hertogenbosch (the Netherlands). Its main subsidiaries are Trespa International B.V. and Arpa Industriale S.p.A. Trespa is located in Weert (the Netherlands) and produces High-Pressure Laminate (HPL) products, mainly for exterior applications. Arpa also produces HPL-products, mainly for interior applications, and is located in Bra (Italy). Broadview also owns the Intersafe Group, Elacin International B.V. and De Vlamboog B.V. Intersafe is a supplier of a comprehensive range of safety products and safety services in the Netherlands, Belgium and France. Elacin produces and distributes hearing protection equipment. De Vlamboog is a distributor of products for the welding industry.
In 2015, Broadview acquired ownership interests in two LNG distribution companies: Barents Naturgass (100%) and Molgas (43.3%). At the end of 2015 Broadview employed 1,413 FTE's. Revenues for 2015 increased by 7.9% to € 411 million (2014: € 381 million). Excluding the effects of acquisitions and changes in currency exchange rates, revenues increased by 1.4%. The operating income amounted to € 40 million (2014: € 35 million). Acquisitions and changes in currency exchange rates had a positive effect on operating income of € 7 million.

HAL has had an ownership interest in Broadview since 1996.

AudioNova International B.V. (95%) is a Rotterdam (the Netherlands) based retail company that sells hearing aids. At the end of 2015 the company employed 2,701 FTE's and operated 1,361 stores (2014: 1,303) in twelve European countries. Revenues for 2015 increased by 7.6% to € 359 million (2014: € 333 million). The same store sales increased by 5.0% (2014: 7.3%). Operating income for 2015 amounted to € 47 million (2014: € 35 million).
HAL has had an ownership interest in AudioNova since 2001.

Koninklijke Ahrend N.V. (96%) is based in Amsterdam (the Netherlands) and employed 1,744 FTE's at the end of 2015. The company is active in the office furniture industry in the Benelux, Central and Eastern Europe, Germany, the United Kingdom, Russia, China and the United Arab Emirates through its subsidiaries Ahrend Office Furniture, Gispen, Roels Spaces, Presikhaaf Schoolmeubelen and Techo. Ahrend acquired Gispen from its parent company Stonehaven Holding in 2015. Revenues for 2015 increased by 27% to € 293 million (2014, restated for the acquisition of Gispen: € 230 million). Excluding the effect of acquisitions (primarily Gispen which is consolidated by HAL as from May 1, 2014) and changes in currency exchange rates, revenues increased by 10%. The operating income was break even in 2015 (2014, restated for the acquisition of Gispen, also break-even).

HAL has had an ownership interest in Ahrend since 2001.

Orthopedie Investments Europe B.V. (100%) manufactures and sells orthopaedic devices and is located in Haarlem (the Netherlands). The company is active in the Netherlands (Livit B.V., 100% owned) and Germany (Auxilium GmbH, 54% owned). Livit operates a network of 33 specialized care centers and a large number of fitting locations throughout the country. Auxilium GmbH, based in Essen (Germany), is the holding company of a number of German companies (including Luttermann GmbH ,Thies Medicenter GmbH and Reha Aktiv 2000) active in the manufacturing and sale of medical aids. At the end of 2015, the company had 1,429 FTE's. Revenues for 2015 increased by 23% to € 149 million (2014: € 121 million). Excluding the effects of acquisitions, revenues increased by 2.5%. This increase is primarily due to 8% autonomous growth in Germany. In the Netherlands, revenues decreased by 7%. The operating income was at the same level as the year before.

HAL has had an ownership interest in Orthopedie Investments Europe since 2007.

Anthony Veder Group N.V. (62.9%) is a Rotterdam (the Netherlands) based shipping company. At the end of 2015 the company had 738 FTE's and operated 29 gas tankers (2014: 26), of which 22 (2014: 20) were (partially) owned. In addition, at the end of 2015, Anthony Veder had two LNG carriers under construction. Revenues for 2015 amounted to $ 157 million (2014: $ 162 million). Operating income amounted to $ 22 million (2014: $ 18 million).

HAL has had an ownership interest in Anthony Veder since 1991.

FD Mediagroep B.V. (100%) is located in Amsterdam (the Netherlands). The company employed 285 FTE's at the end of 2015. The major brands of FD Mediagroep include the Dutch financial newspaper "Het Financieele Dagblad", the radio station "BNR Nieuwsradio" and Company.info. Company.info provides on-line access to a database with information on Dutch companies. FD Mediagroep also has specialized online and offline publications for professionals under the brands Energeia, Pensioen PRO and ESB. In addition, the company has a 51% interest in Fondsnieuws and a 50% interest in Redactiepartners. Fondsnieuws is a platform that focuses on investment professionals and standardized investment products. Redactiepartners supports companies with their internal and external communications. Revenues of FD Mediagroep for 2015 increased by 11% to € 71 million (2014: € 64 million). Excluding the acquisition of Webservices.nl revenues increased by 5.5%. Operating income amounted to € 8 million (2014: € 8 million).

HAL has had an ownership interest in FD Mediagroep since 1997.

InVesting B.V. (80.6%), located in Hilversum (the Netherlands), is a company with a focus on the purchase of bad debt portfolios for its own account and credit management. At the end of 2015, InVesting employed 446 FTE's. InVesting also owns a 39% interest in Infomedics B.V., a company with a leading position with respect to factoring in the health care sector in the Netherlands. Revenues for 2015, including portfolio income, amounted to € 69 million (2014: € 64 million). The operating income increased compared to the year before. In 2015, HAL's ownership interest decreased from 81.4% to 80.6% due to the issue of shares to management.

HAL has had an ownership interest in InVesting since 2006.

Floramedia Group B.V., formerly Mercurius Groep Holding B.V. (97%) is based in Westzaan (the Netherlands) and employed 207 FTE's at the end of 2015. Floramedia provides horticultural communication products and services to growers, garden centers and retailers. The company uses a horticultural database which contains more than 210,000 pictures, videos, texts and other plant-related content. Revenues for 2015 amounted to € 38 million (2014: € 50 million). On a comparable basis, taking into account divestitures in 2014, revenues decreased by 6%. The operating income increased due to the sale of loss making activities in 2014.

HAL has had an ownership interest in Floramedia since 1999.

Sports Timing Holding B.V. (95%), located in Haarlem (the Netherlands), operates under the MYLAPS brand and is active in the development and production of identification and timing equipment for sports events. The company employed 138 FTE's at the end of 2015. Revenues for 2015 amounted to € 29 million (2014: € 26 million). Operating income for 2015 was at the same level as the year before.

HAL has had an ownership interest in Sports Timing Holding since 1998.

Flight Simulation Company B.V. (70%) is based at Amsterdam Airport Schiphol (the Netherlands) and provides training for pilots using full flight simulators. At the end of 2015 the company owned 11 simulators and employed 46 FTE's. Revenues for 2015 amounted to € 15 million (2014: € 17 million). Operating income also decreased.

HAL has had an ownership interest in Flight Simulation Company since 2006.

Unquoted non-controlling interests

Atlas Services Group Holding B.V. (45%), located in Hoofddorp (the Netherlands), specializes in supplying professional staff to the energy and maritime industries worldwide. In August 2015, Atlas acquired the remaining 75% in SubServPro, a staffing agency specialized in providing pilots for remotely operated underwater vehicles. Revenues for 2015 amounted to € 186 million (2014: € 190 million). On a comparable basis, excluding the effect of acquisitions and at constant exchange rates, revenues decreased by 14%. Operating income for 2015 amounted to € 9 million (2014: € 10 million).

HAL has had an ownership interest in Atlas since 2011 and increased its shareholding to 70% in March 2016.

Publicly traded associates

HAL has ownership interests in the following quoted associates:

Koninklijke Vopak N.V. (48.15%) is the world's leading independent tank storage company for the oil and chemical industry. As per February 26, 2016, Vopak operated 74 terminals in 26 countries with a combined storage capacity of 34.4 million cbm. At the end of 2015 the company had 3,639 employees. The shares of the company are listed on Euronext in Amsterdam. The market value at the end of 2015 amounted to approximately € 5.1 billion. Revenues for 2015 amounted to € 1,386 million (2014: € 1,323 million). Net income for holders of ordinary shares amounted to € 282.2 million (2014: € 247.1 million).

HAL has had an ownership interest in Vopak since 1999.

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

Safilo Group S.p.A. (41.63%) is a Padua (Italy) based manufacturer and distributor of optical frames and sunglasses. The shares of the company are listed on the Milan stock exchange. The market value at the end of 2015 amounted to approximately € 0.7 billion. At the end of 2015 the company had 7,325 employees. Revenues for 2015 amounted to € 1,279 million (2014: € 1,179 million). The net loss amounted to € 52.7 million (2014: net profit of € 39.0 million).

HAL has had an ownership interest in Safilo since 2005.

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

Koninklijke Boskalis Westminster N.V. (34.99%) is a leading global services provider operating in the dredging, maritime infrastructure and maritime services sectors. The company provides creative and innovative all-round solutions to infrastructural challenges in the maritime, coastal and delta regions of the world with services including the construction and maintenance of ports and waterways, land reclamation, coastal defense and riverbank protection. In addition, Boskalis offers a wide variety of marine services and contracting for the offshore energy sector including subsea, heavy transport, lifting and installation (through Boskalis, Dockwise and Fairmount) and towage and salvage (through SMIT). With a versatile fleet of 1,000 units Boskalis operates in around 75 countries across six continents. Excluding its share in partnerships, Boskalis has over 8,200 employees. The shares of the company are listed on Euronext in Amsterdam. The market value at the end of 2015 amounted to approximately € 4.7 billion. Revenues for 2015 amounted to € 3,240 million (2014: € 3,167 million). Net income for 2015 amounted to € 440.2 million (2014: € 490.3 million). At the end of 2015 the order book of the company amounted to € 2,490 million compared to € 3,286 million at the end of 2014. HAL has had an ownership interest in Boskalis since 1989.

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

SBM Offshore N.V. (15.04%) provides floating production solutions to the offshore energy industry. The company's main activities are the design, supply, installation, operation and the life extension of Floating Production, Storage and Offloading (FPSO) vessels. These are either owned and operated by SBM Offshore and leased to its clients or supplied on a turnkey sale basis. The company has approximately 7,000 employees. Its shares are listed on Euronext in Amsterdam and had a market value of approximately € 2.5 billion at the end of 2015. Revenues for 2015 amounted to $ 2,705 million compared with $ 5,482 million for 2014. Net income for 2015 amounted to $ 29 million compared to a net income of $ 575 million for 2014. At the end of 2015 the order backlog of the company amounted to $ 18.9 billion compared to $ 21.8 billion at the end of 2014.

HAL has had an ownership interest in SBM Offshore since 2012.
For additional information on SBM Offshore please refer to the company's annual report and its website www.sbmoffshore.com.

Real estate

At the end of 2015 the real estate portfolio consisted of a 74,000 square feet development parcel and a 46,000 square feet office property in downtown Seattle. This office property is fully leased. In addition, in December 2015, HAL entered into a 50/50 joint venture to develop a 129,389 square foot office building with accessory retail in the Fremont neighborhood of Seattle. Completion of the construction is anticipated by mid-2017.The office portion of the building (113,888 square feet) is fully leased for an initial term of 12 years.

Liquid portfolio

The corporate liquid portfolio increased in 2015 by € 1,068 million to € 1,815 million. This increase was primarily due to the proceeds from the IPO of GrandVision (€ 1,086 million). On December 31, 2015, the liquid portfolio consisted for 93% (2014: 85%) of fixed income instruments and cash balances amounting to € 1,687 million (2014: € 632 million), and for 7% (2014: 15%) of equities, for an amount of € 127 million (2014: € 114 million). The fixed income instruments and cash balances provided a return of 0.1% (2014: 0.1%). The duration of this portfolio at the end of 2015 was less than one month. The equity portfolio provided a negative return of 10.2% (2014: positive 1.2%).

Results

This paragraph refers to the segmentation in the pro forma financial statements on page 113 whereby Vopak and Safilo are accounted for on an unconsolidated basis using the equity method.

Optical retail

Revenues for 2015 amounted to € 3,205 million (2014: € 2,862 million), a 12% increase. Excluding the positive effect of acquisitions (€ 169 million) and changes in currency exchange rates (€ 17 million), revenues increased by € 157 million (5.5%). The 2015 same store sales increased by 4.1% (2014: 4.5%). The 2015 operating income amounted to € 390 million (2014: € 342 million). Acquisitions and changes in currency exchange rates had a positive effect on operating income of € 14 million.

Unquoted companies

Revenues from the unquoted subsidiaries for 2015 amounted to € 1,970 million (2014: € 1,684 million), representing an increase of € 286 million (17%). Excluding the positive effect of acquisitions and divestitures (€ 170 million) and currency exchange differences (€ 38 million), revenues from the unquoted subsidiaries increased by € 78 million (4.6%). This increase is primarily due to higher sales at AudioNova International B.V., Koninklijke Ahrend N.V. and Timber and Building Supplies Holland N.V.
The operating income of the unquoted companies for 2015 amounted to € 165 million (2014: € 136 million). Acquisitions and changes in currency exchange rates had a positive effect on operating income of € 15 million. The autonomous increase in operating income is primarily due to AudioNova International B.V. and Timber and Building Supplies Holland N.V.

Quoted minority interests

Net income from quoted minority interests decreased by € 21 million to € 277 million. This is due to lower earnings from Safilo and Boskalis, partly offset by higher earnings from Vopak.

Real estate

Income from real estate activities decreased by € 8 million to € 2 million as a result of lower capital gains on the sale of real estate assets.

Income from other financial assets

Income from other financial assets increased from € 9 million to € 26 million primarily due to higher portfolio income from InVesting B.V.

Net financial expense

Net financial expense decreased by € 29 million to a positive amount of € 4 million, primarily due to a release of a financial liability relating to the acquisition of a minority share in the German hearing aid retailer GEERS (€ 29 million).

Non-recurring items

The pro forma results for 2015 include net exceptional and non-recurring gains of € 60 million (2014: a loss of € 9 million). These gains primarily relate to a capital gain of € 35 million on the sale of 25% of the ordinary shares in Navis Capital Partners Ltd. and a badwill gain of € 29 million relating to the acquisition of Deli Building Supplies N.V.

Administrative organization, risk management systems and financial reporting

The administrative procedures, the risk management and internal control systems associated with the Company's strategy and its implementation, the financial reporting and compliance are all designed to provide a reasonable degree of assurance that significant risk factors are identified, their development is monitored and, where appropriate, action is taken on a timely basis. (See also the paragraph Risks on page 9.) The Board of Supervisory Directors is regularly informed about these matters.

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

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

HAL's objective is, in the context of the inherent limitations of the decentralized management approach described above, that its internal and external financial reporting is complete, accurate, valid and timely. Financial reporting risk can be defined as any event that impedes HAL to achieve its financial reporting objectives. Although HAL is aware that no risk management and internal control system can provide absolute assurance that its objectives will be achieved or that errors, losses, fraud or the violation of laws and regulations, human errors and mistakes will be prevented, the Company aims to further improve its risk management and internal control systems. In this context the risk management and internal control systems with respect to financial reporting were again reviewed during 2015. For the most important financial processes (financial reporting and consolidation, information technology, treasury, taxation and entity level controls), risks were identified as well as the control measures designed to mitigate these risks. These controls were also tested in order to conclude on their operating effectiveness during the year. Several improvements to the risk management systems were implemented during 2015. These improvements related to information technology, treasury and taxation. The risk management review did not cover the key financial processes of HAL's investee companies for the reasons described above. The risk management and internal control systems, were discussed with the Board of Supervisory Directors.

With respect to taxation, HAL is committed to comply with all tax laws and regulations in all jurisdictions where it is active. A tax strategy was adopted which provides a framework of how to operate the tax function and how risks related to taxation are managed. It also describes the various roles, responsibilities and procedures, including a quarterly reporting of the majority owned investee companies of their tax position and (potential) tax risks. These tax risks are managed by the respective investee companies and not by HAL. The tax risks of the controlled minority interests Vopak and Safilo as well as other minority interests are also not managed by HAL. In the Netherlands, HAL Investments B.V. concluded a compliance agreement with the tax authorities in the context of the "Horizontal Supervision" model. This model is based on mutual trust, understanding and transparency. The compliance agreement ensures that the tax authorities receive current and factual information about the Company's tax strategy and control framework including the tax aspects of business developments. On their part, the tax authorities are prepared to provide swift upfront assurance about certain tax matters.

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

The Chairman of the Executive Board of the Company is a member of the Supervisory Board of Vopak and the Board of Safilo. Mr. J.N. van Wiechen, member of the Executive Board of the Company, is a member of the Supervisory Board of Koninklijke Boskalis Westminster N.V. The information obtained in these capacities cannot be used for the preparation of the consolidated financial statements of the Company in order to preserve confidentiality and to allow these quoted associates to operate independently from the Company. Accordingly, the risk management and internal control systems of HAL with respect to financial reporting risks are not designed and are not able to provide assurance that the information relating to quoted associates in the Company's consolidated financial statements does not contain material errors due to the inherent limitations described above. The assessment that the Company's consolidated financial statements do not contain material errors attributable to the financial statements of Vopak and/or Safilo, is based on the external audit of these companies and the involvement of the independent financial expert referred to above. Vopak and Safilo both have included a description of their risks and risk management system in their respective annual reports. These risks are neither monitored nor managed by HAL.

In view of the fact that consolidating Vopak and Safilo significantly affects the financial statements of the Company, supplemental financial information is provided where, consistent with the period before the effective date of IFRS 10, Vopak and Safilo are accounted for on an unconsolidated basis using the equity method.

Accordingly, based on the above and taking into account the inherent limitations referred to above, we are of the opinion that the risk management and internal control systems with respect to financial reporting of HAL Holding N.V. provide reasonable assurance that the financial reporting does not contain material inaccuracies and that these systems operated properly during 2015 and we declare that, to the best of our knowledge:

1º. the financial statements give a true and fair view of the assets, liabilities, financial position and profit for the year of the consolidated entities taken as a whole;
2º. the report of the Executive Board gives a true and fair view of the situation as of the statement of financial position date and the developments during the year of the entities included in the financial statements taken as a whole, and
3º. this report includes a description of the principal risks HAL Holding N.V. is facing.

Executive Board HAL Holding N.V.
M.F. Groot (*Chairman*)
A.A. van 't Hof
J.N. van Wiechen

March 31, 2016

Financial Statements HAL Trust

Consolidated Statement of Financial Position

As of December 31

In millions of euro	*Notes*	**2015**	2014
Non-current assets			
Property, plant and equipment	4	**4,955.0**	4,943.4
Investment properties		**13.3**	1.4
Intangible assets	5	**2,602.0**	2,448.5
Investments in associates and joint arrangements	7	**2,571.7**	2,267.2
Other financial assets	8	**546.1**	489.4
Derivatives	9	**119.4**	19.4
Pension benefits	19	**74.7**	64.8
Deferred tax assets	18	**174.8**	216.8
Total non-current assets		**11,057.0**	10,450.9
Current assets			
Other financial assets	8	**105.8**	10.7
Inventories	12	**731.5**	636.4
Receivables	11	**777.9**	751.3
Marketable securities and deposits	10	**164.6**	141.1
Derivatives	9	**21.6**	10.6
Other current assets	13	**390.3**	426.1
Cash and cash equivalents	14	**2,126.6**	1,147.4
Total current assets		**4,318.3**	3,123.6
Assets held for sale	15	**242.8**	99.6
Total assets		**15,618.1**	13,674.1
Equity			
Share capital	16	**1.5**	1.5
Other reserves	17	**167.9**	58.6
Retained earnings		**6,555.5**	5,003.3
Equity attributable to owners of parent		**6,724.9**	5,063.4
Non-controlling interest		**1,837.9**	1,439.5
Total equity		**8,562.8**	6,502.9
Non-current liabilities			
Deferred tax liabilities	18	**456.9**	431.4
Pension benefits	19	**231.2**	345.1
Derivatives	9	**95.3**	130.2
Provisions	20	**62.2**	74.2
Debt and other financial liabilities	21	**3,727.4**	3,848.4
Total non-current liabilities		**4,573.0**	4,829.3
Current liabilities			
Provisions	20	**102.1**	56.2
Accrued expenses	22	**863.6**	829.0
Income tax payable		**134.7**	116.9
Accounts payable		**663.5**	676.4
Derivatives	9	**24.8**	30.3
Debt and other financial liabilities	21	**630.4**	633.1
Total current liabilities		**2,419.1**	2,341.9
Liabilities related to assets held for sale	15	**63.2**	-
Total equity and liabilities		**15,618.1**	13,674.1

The notes on pages 31 to 133 form an integral part of the consolidated financial statements.

Consolidated Statement of Income

For the year ended December 31

In millions of euro	*Notes*	**2015**	2014
Revenues	23	**7,868.6**	7,006.6
Income from marketable securities and deposits	24	**6.8**	2.8
Results from associates and joint ventures	25	**259.0**	259.9
Income from other financial assets	26	**33.0**	9.1
Income from real estate activities	27	**2.3**	10.9
Total income		**8,169.7**	7,289.3
Usage of raw materials, consumables and other inventory	12	**2,059.5**	1,791.5
Employee expenses	28	**2,274.4**	2,053.3
Depreciation and impairments of property, plant, equipment and investment properties	4	**475.9**	457.6
Amortization and impairments of intangible assets	5	**113.5**	111.8
Other operating expenses	29	**1,962.3**	1,787.6
Total expenses		**6,885.6**	6,201.8
Operating profit		**1,284.1**	1,087.5
Financial expense	30	**(222.6)**	(198.5)
Other financial income	30	**86.1**	75.1
Profit before income tax		**1,147.6**	964.1
Income tax expense	31	**(257.0)**	(196.7)
Net profit		**890.6**	767.4
Attributable to:			
Owners of parent		**630.0**	556.6
Non-controlling interest		**260.6**	210.8
		890.6	767.4
Average number of Shares outstanding *(in thousands)*	32	**75,195**	72,876
Earnings per Share for profit attributable to owners of parent during the year (in euro)			
- basic and diluted		**8.38**	7.40
Dividend per Share *(in euro)*		**6.50***	5.05

* Proposed

The notes on pages 31 to 133 form an integral part of the consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended December 31

In millions of euro	*Notes*	**2015**	2014
Net profit		**890.6**	767.4
Other comprehensive income (OCI)			
Items that will not be reclassified to statement of income in subsequent periods			
Actuarial results on pension benefits obligations	19	**113.9**	(225.0)
Income tax	31	**(28.3)**	57.1
Associates and joint ventures - share of OCI, net of tax	7	**13.5**	(18.4)
		99.1	(186.3)
Items that may be reclassified to statement of income in subsequent periods			
Change in fair value of available-for-sale financial assets		**43.0**	(138.3)
Effective portion of hedging instruments		**34.0**	(58.7)
Income tax related to hedging instruments	31	**(7.3)**	15.6
Translation of foreign subsidiaries, net of hedges		**23.0**	109.7
Income tax on translation and related hedges	31	**2.5**	-
Associates and joint ventures - share of OCI, net of tax	7	**46.8**	64.3
		142.0	(7.4)
Other comprehensive income for the year, net of tax*		**241.1**	(193.7)
Total comprehensive income for the year, net of tax		**1,131.7**	573.7
Total comprehensive income for the year, attributable to:			
- Owners of parent		**805.5**	399.3
- Non-controlling interest		**326.2**	174.4
		1,131.7	573.7

* Of which € 175.5 attributable to owners of parent (2014: € (157.3) million).

Taxes recognized in other comprehensive income are disclosed in note 31.

The notes on pages 31 to 133 form an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

	Attributable to owners of parent					
In millions of euro	Share capital	Retained earnings	Other reserves	Total	Non-controlling interest	**Total equity**
Balance on January 1, 2014	1.4	4,573.7	91.7	4,666.8	1,406.2	**6,073.0**
Net profit for the year	-	556.6	-	556.6	210.8	**767.4**
Other comprehensive income for the year	-	(124.2)	(33.1)	(157.3)	(36.4)	**(193.7)**
Total comprehensive income for the year	-	432.4	(33.1)	399.3	174.4	**573.7**
Capital increase/(decrease)	-	-	-	-	9.4	**9.4**
Effect purchase of non-controlling interest	-	(3.4)	-	(3.4)	(2.9)	**(6.3)**
IPO expenses (note 3)	-	(3.5)	-	(3.5)	-	**(3.5)**
Share-based payments plans (note 34)	-	31.5	-	31.5	0.6	**32.1**
Treasury shares	-	(9.9)	-	(9.9)	-	**(9.9)**
Dividend paid	0.1	(17.5)	-	(17.4)	(148.2)	**(165.6)**
Transactions with the owners of parent recognized directly in equity	0.1	(2.8)	-	(2.7)	(141.1)	**(143.8)**
Balance on December 31, 2014	1.5	5,003.3	58.6	5,063.4	1,439.5	**6,502.9**
Balance on January 1, 2015	1.5	5,003.3	58.6	5,063.4	1,439.5	**6,502.9**
Net profit for the year	-	630.0	-	630.0	260.6	**890.6**
Other comprehensive income for the year	-	59.6	115.9	175.5	65.6	**241.1**
Total comprehensive income for the year	-	689.6	115.9	805.5	326.2	**1,131.7**
Sale non-controlling interest GrandVision N.V. (note 3)	-	893.5	6.7	900.2	185.9	**1,086.1**
Capital increase/(decrease)	-	-	-	-	12.2	**12.2**
Effect purchase of non-controlling interest*	-	(42.1)	-	(42.1)	(16.9)	**(59.0)**
Dividend paid to minority shareholders	-	-	-	-	(132.3)	**(132.3)**
Share-based payments plans (note 34)	-	22.0	-	22.0	22.7	**44.7**
Treasury shares	-	(2.2)	-	(2.2)	-	**(2.2)**
Dividend paid	-	(20.9)	-	(20.9)	-	**(20.9)**
Reclassification	-	13.3	(13.3)	-	-	**-**
Other movements	-	(1.0)	-	(1.0)	0.6	**(0.4)**
Transactions with the owners of parent recognized directly in equity	-	862.6	(6.6)	856.0	72.2	**928.2**
Balance on December 31, 2015	1.5	6,555.5	167.9	6,724.9	1,837.9	**8,562.8**

* Mainly relates to the purchase of own shares by GrandVision N.V.

The notes on pages 31 to 133 form an integral part of the consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended December 31

In millions of euro	*Notes*	**2015**	2014
Cash flows from operating activities			
Profit before taxes		**1,147.6**	964.1
Depreciation and impairments		**475.9**	457.6
Amortization and impairments	5	**113.5**	111.8
Badwill recognized on acquisitions		**(33.9)**	-
(Profit)/loss on sale of property, plant, equipment and investment properties	4	**(13.6)**	(14.1)
(Profit)/loss on sale of other financial assets and marketable securities		**(4.9)**	(3.1)
(Profit)/loss on sale of associates and joint ventures	7	**(35.9)**	-
(Profit)/loss on sale of assets held for sale	15,23	**(77.4)**	-
Results from associates and joint ventures	7,25	**(223.1)**	(259.9)
Net financial expense	30	**136.5**	123.4
Other movements in provisions and pension benefits		**79.5**	(53.0)
Dividend from associates and joint ventures	7	**97.7**	100.5
Changes in working capital	33	**38.5**	8.3
Cash generated from operating activities		**1,700.4**	1,435.6
Other financial income received		**14.1**	12.2
Finance cost paid, including effect of hedging		**(145.6)**	(147.5)
Income taxes paid		**(219.9)**	(182.0)
Net cash from operating activities		**1,349.0**	1,118.3
Cash flows from investing activities			
Acquisition of associates, joint arrangements and subsidiaries, net of cash acquired	6	**(376.6)**	(335.5)
Proceeds from divestiture of associates, joint arrangements and subsidiaries		**20.0**	10.0
Purchase of other intangibles	5	**(61.8)**	(53.4)
Proceeds from sale of other intangibles	5	**0.5**	-
Purchase of property, plant, equipment and investment properties		**(604.3)**	(741.5)
Proceeds from sale of property, plant, equipment and investment properties	4	**45.2**	56.1
Proceeds from/(acquisition of) other financial assets	8	**(76.1)**	(7.8)
Proceeds from sale of assets and liabilities held for sale	6,15	**297.7**	-
Proceeds from/(acquisition of) marketable securities and deposits, net		**(34.0)**	(31.6)
Settlement of derivatives (net investments hedges)		**(25.9)**	(27.0)
Net cash from/(used in) investing activities		**(815.3)**	(1,130.7)
Cash flows from financing activities			
Borrowing/(repayment) of debt and other financial liabilities		**(413.0)**	562.0
Sale non-controlling interest GrandVision N.V.	3	**1,086.1**	-
Other non-controlling interest transactions (mainly dividend paid)		**(216.7)**	(124.3)
Movement in treasury shares		**(2.2)**	(9.9)
Dividend paid		**(20.9)**	(17.5)
Net cash from/(used in) financing activities		**433.3**	410.3
Increase/(decrease) in cash and cash equivalents		**967.0**	397.9
Cash and cash equivalents at beginning of year		**1,147.4**	736.2
Effect of exchange rate changes and reclassifications		**12.2**	13.3
Cash and cash equivalents retranslated at beginning of year		**1,159.6**	749.5
Net increase/(decrease) in cash and cash equivalents		**967.0**	397.9
Cash and cash equivalents at end of year		**2,126.6**	1,147.4

The notes on pages 31 to 133 form an integral part of the consolidated financial statements.

Basis of preparation

The consolidated financial statements presented are those of HAL Trust ('the Trust'), a Bermuda trust formed in 1977, and its subsidiaries as well as the interests in associates and joint ventures. HAL Trust shares are listed and traded on Euronext in Amsterdam. For the years presented, the Trust's only asset was all outstanding shares of HAL Holding N.V. ('the Company'), a Curaçao corporation.

The consolidated financial statements were authorized for issue on March 31, 2016, by the Executive Board and Supervisory Board and have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). The consolidated financial statements have been prepared under the historical cost convention unless otherwise stated in the accounting policies. The principal accounting policies adopted by the Company in the preparation of its consolidated financial statements are unchanged compared to last year. Certain amounts in prior periods have been reclassified to conform to the current year presentation. These reclassifications had no effect on net income, shareholders' equity or earnings per Share.

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

- Deemed control over quoted minority interests – consolidation section;
- Useful life and residual value of property, plant and equipment – note 4;
- Valuation of intangible assets in acquisitions – note 6;
- Allowance for inventory obsolescence – note 12;
- Classifications of non-current assets as held for sale – note 15;
- Recognition of carry-forward losses and tax provisions – notes 18 and 31;
- Assumptions pension benefits – note 19;
- Estimated impairment of non-current assets – note 35.

Recent accounting developments

Adopted by the Company
The significant accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements as of and for the year ended December 31, 2014.

Not yet adopted by the Company
In 2014, the IASB published IFRS 15, *Revenue from Contracts with Customers*. This standard contains principles that an entity needs to apply to determine the measurement of revenue and timing of when revenue is recognized. The underlying principle is that an entity needs to recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. In July 2015 the IASB

decided to defer the effective date of IFRS 15 by one year to January 1, 2018. The standard is not yet endorsed by the European Union. The Company is in the process of determining the effects of this new standard.

IFRS 9, *Financial Instruments*, is also effective as from January 1, 2018, and sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. The standard replaces IAS 39, *Financial Instruments: Recognition and Measurement*. The standard is not yet endorsed by the European Union. The Company is in the process of determining the effects of this new standard.
One anticipated effect is that fair value results on equity investments that are recorded through other comprehensive income are not recycled through income upon derecognition, as is currently the case under IAS 39. The effect on the Company's financial statements will depend on the unrealized result position, if any, on such equity investments at the date of their derecognition. The replacement of the incurred-loss impairment model by an expected-loss impairment model will likely result in an increase in provisions on the implementation date, as (expected) credit losses are recognized earlier. The extent to which provisions are affected has not yet been assessed by the Company.

In January 2016, IFRS 16, *Leases*, was issued. This standard sets outs the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). IFRS 16 has limited impact on lessors as it carries forward the lessor accounting requirements in IAS 17. The effects for lessees are significant. IFRS 16 eliminates the classification of leases as either operating leases or finance leases as required by IAS 17 and, instead, introduces a single lessee accounting model. Applying that model, a lessee is required to recognize: (a) assets and liabilities for all leases with a term in excess of 12 months, unless the underlying asset is of low value and; (b) depreciation of lease assets separately from interest on lease liabilities in the income statement. The standard, which is not yet endorsed by the EU, is effective from January 1, 2019, and is expected to have a significant impact on the financial statements of the Company in view of the significant lease commitments (reference is made to note 40). As the standard has just recently been published, the Company has just started its impact assessment of this new standard.

There are no other new standards, amendments to existing standards or new IFRIC interpretations that are not yet effective that are expected to have a material impact on the Company.

Supplemental information
As a result of the 2014 implementation of IFRS 10, *Consolidated Financial Statements*, HAL Trust consolidates the financial information of Koninklijke Vopak N.V. ('Vopak') and Safilo Group S.p.A. ('Safilo'). Supplemental information has been included on pages 107 through 133 whereby Vopak and Safilo are accounted for on an unconsolidated basis using the equity method as applied in the years until 2014. The inclusion of this information is considered appropriate and useful as the control model of the Company with respect to Vopak and Safilo is materially different than the model with respect to the other consolidated entities, where the Company's ownership interest exceeds 50%, and the effect of the inclusion of Vopak and Safilo in the consolidation has a significant effect on the financial statements. This information also preserves comparability with consolidated financial statements prior to 2014.

Consolidation

Subsidiaries, which are those entities over which the Company is deemed to have control, are consolidated. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In certain circumstances, significant judgement is required to assess if the Company is deemed to have (de facto) control over entities where the Company's ownership interest does not exceed 50%. Subsidiaries are consolidated from the date on which effective control is obtained and are no longer consolidated as from the date the effective control ceases.

The amounts reported by the subsidiaries are based on the Company's accounting policies. Intercompany transactions, balances and unrealized results on transactions between group companies are eliminated on consolidation. Unrealized results arising from transactions with joint arrangements and associates are eliminated to the extent of the interest of the Company in the equity.

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

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

Critical accounting estimates and judgements
In the preparation of these financial statements, management has applied significant judgement to assess if the Company is deemed to have (de facto) control over entities where the Company's ownership interest does not exceed 50%.

Although the Company's ownership interest in Vopak and Safilo is below 50%, IFRS requires these entities to be consolidated in these financial statements as the company is deemed to have control, as defined in IFRS 10 and more specifically in example 4 of the application guidance in appendix B of this standard, over these two entities. Vopak and Safilo are both publicly traded companies. Whereas HAL has board representation and, accordingly, may be considered to have significant influence over these entities, in the past neither operational nor strategic control was exercised. Moreover, Vopak and Safilo are, for example, not part of the Company's management reporting system which monitors the performance of the consolidated companies on a monthly basis. In addition, in view of its minority interest, the Company has no formal instruction rights with respect to Vopak and Safilo. The Company has set up a process to obtain information from Vopak and Safilo in order to prepare consolidated financial statements in accordance with IFRS. The Company does not, however, have access to the financial books and records, contracts and related information of Vopak and Safilo in order to independently verify that these are complete, valid and accurate.

Management performed an assessment with respect to the other minority-owned entities and asserted that (de facto) control was not deemed present for these entities.

Accounting policies applicable to acquisitions are described in note 6. A list of the Company's principal subsidiaries is set out on page 103.

Foreign currencies

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

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

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

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position;
(ii) the income statement, the cash flow statement and all other movements in assets and liabilities are translated at average rates of exchange as a proxy for the transaction rate, or at the transaction rate itself if more appropriate;
(iii) all resulting exchange differences are recognized as a separate component of other comprehensive income.

On consolidation, exchange differences arising from the translation of net investments in foreign entities and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. Exchange differences on intra-group monetary assets or liabilities which are not part of a net investment in foreign entities are recognized in the consolidated statement of income. When a foreign operation is sold, exchange differences previously recognized through other comprehensive income are reclassified from equity (as a reclassification adjustment) to the consolidated statement of income as part of the gain or loss on sale.

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

Cash flow statement

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

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

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

1. Segmentation

The Company's reportable segments are defined as follows:
- Optical retail
- Unquoted
- Quoted minority interests
- Real estate
- Liquid portfolio

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources between segments and assessing the performance of the operating segments, is identified as the Executive Board. The reportable segments are defined based on differences in products and services as well as differences in the nature of the respective assets and the management thereof.

Optical retail relates to GrandVision, the Company's majority-owned retail company that derives its revenues from the sale of optical retail products to consumers.

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

The Quoted minority interests segment comprises both the Company's consolidated and unconsolidated minority interests in publicly traded entities.

The Real estate segment relates to the development and rental of multi-family properties and office buildings.

The segment Liquid portfolio consists of available-for-sale financial assets and cash-equivalent instruments generating interest, dividend and capital gains.

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

	2015	2014
Optical retail	**390.3**	341.7
Unquoted	**164.8**	135.8
Quoted minority interests	**763.6**	723.2
Real estate	**2.0**	9.9
Liquid portfolio	**6.9**	2.9
Total operating income	**1,327.6**	1,213.5
Reconciling items:		
- Amortization and impairment	**(113.5)**	(111.8)
- Other	**70.0**	(14.2)
Operating result as per the consolidated statement of income	**1,284.1**	1,087.5
Financial expense, net	**(136.5)**	(123.4)
Profit before tax as per the consolidated statement of income	**1,147.6**	964.1

The ‘other’ reconciling items represent mostly corporate overhead and exceptional and non-recurring items (excluding those of Vopak and Safilo).

The composition of depreciation expense by segment is as follows:

	2015	2014
Optical retail	**107.0**	98.3
Unquoted	**82.0**	66.9
Quoted minority interests	**286.6**	291.4
Real estate	**-**	0.7
Reconciling items	**0.3**	0.3
	475.9	457.6

The reconciling items represent the corporate depreciation expense.

The composition of revenues by segment is as follows:

	2015	2014
Optical retail	**3,204.9**	2,862.2
Unquoted	**1,969.8**	1,684.3
Quoted minority interests	**2,693.9**	2,460.1
	7,868.6	7,006.6

The composition of assets by segment is as follows:

	2015	2014
Optical retail	**2,828.6**	2,666.7
Unquoted	**2,424.6**	2,067.8
Quoted minority interests	**8,421.9**	8,084.9
Real estate	**19.6**	9.6
Liquid portfolio	**1,814.5**	746.5
Reconciling items	**108.9**	98.6
	15,618.1	13,674.1

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

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

	2015	2014
Optical retail	**40.5**	35.0
Unquoted	**128.9**	159.8
Quoted minority interests	**2,402.3**	2,072.4
	2,571.7	2,267.2

The composition of capital expenditures by segment is as follows:

	2015	2014
Optical retail	**307.2**	310.8
Unquoted	**109.0**	85.9
Quoted minority interests	**394.8**	572.8
Real estate	**12.7**	1.2
Reconciling items	**0.2**	0.9
	823.9	971.6

Capital expenditures consist of additions of property, plant and equipment, investment properties and intangible assets.

The composition of liabilities by segment is as follows:

	2015	2014
Optical retail	**1,817.3**	1,822.6
Unquoted	**1,253.0**	1,155.6
Quoted minority interests	**3,974.0**	4,172.7
Real estate	**1.8**	1.0
Liquid portfolio	**1.1**	0.9
Reconciling items	**8.1**	18.4
	7,055.3	7,171.2

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

The composition of revenues by geographical area is as follows:

	2015	2014
Europe	**6,113.2**	5,358.9
North-America	**741.2**	773.9
Asia	**546.1**	550.4
Other	**468.1**	323.4
	7,868.6	7,006.6

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

	2015	2014
Europe	**6,551.1**	6,438.4
North-America	**886.2**	670.2
Asia	**1,896.7**	1,687.0
Other	**808.0**	864.9
	10,142.0	9,660.5

2. Exceptional items

To increase transparency, exceptional items are disclosed separately when relevant. These items are exceptional, by nature, from a management perspective. Exceptional items may include impairments, reversal of impairments, additions to and releases from provisions for restructuring, gains on the sale of subsidiaries, joint arrangements and associates, any other significant provisions being formed or released and any significant changes in estimates.

Summary of exceptional items is as follows:

	2015	2014
Gain on assets held for sale Vopak	**77.4**	-
Impairment joint ventures Vopak, net	**(50.3)**	(12.3)
Gain on sale of Navis Capital partners Ltd.	**34.8**	-
Badwill recognized on acquisitions	**33.9**	-
Claim provision Vopak	**(18.9)**	3.3
Release pension provision	**17.7**	39.2
Legal provision Safilo	**(17.1)**	-
Legal and fiscal provisions	**(15.3)**	-
Revaluation of debt portfolio	**14.9**	-
Capital gain on sale of vessels	**11.6**	-
Impairment of goodwill	**(10.1)**	(16.8)
Other impairments Vopak, net	**(7.8)**	(40.4)
Change in share-based compensation plans	**(7.2)**	(23.7)
Other	**(25.8)**	(37.8)
Operating profit	**37.8**	(88.5)
Remeasurement of earn-out liabilities	**29.1**	7.0
Other	**(2.3)**	0.2
Profit before income tax	**64.6**	(81.3)
Income tax	**(39.4)**	4.0
Total effect on net profit	**25.2**	(77.3)

The high effective tax rate on the exceptional items is primarily caused by the tax effect on the divestiture of the U.S. terminals by Vopak (see below) and the non-deductibility of certain impairments.

Gain on assets held for sale Vopak
Vopak divested several subsidiaries classified as held for sale, resulting in capital gains. Reference is made to note 6 acquisitions and divestments for details on these transactions. The gain on assets held for sale is primarily composed of a € 59.9 million gain on the divestment of three wholly-owned terminals and a plot of land in the United States in February 2015.

Impairment joint ventures Vopak, net
Reference is made to note 35 on impairment of non-current assets.

Gains on sale of Navis Capital Partners Ltd.
Reference is made to note 7 on associates and joint arrangements for details on the divestiture of the Company's interest in Navis Capital Partners Ltd.

Badwill recognized on acquisitions
During 2015 subsidiaries of the Company realized badwill on acquisitions. Reference is made to note 6 acquisitions and divestments for details.

Claim provision Vopak
The claim provision relates to the settlement of various legal cases and claim settlements.

Release pension provision
In 2015, GrandVision has amended its pension plan in the Netherlands. This resulted in a change of classification from defined benefit to defined contribution and in a gain of € 17.7 million.

Legal provision Safilo
The French subsidiary of Safilo, together with other major competitors in the French eyewear industry, has been the subject of an investigation conducted by the French Competition Authority (FCA) relating to pricing and sales practices in this industry. In May 2015, Safilo France S.A.R.L. and Safilo S.p.A. in its capacity of parent company received a Statement of Objections from the FCA. Safilo has examined the FCA's preliminary findings reported in the Statement of Objections and has recently elected the no-challenge procedure and entered into a no-challenge agreement with the FCA that has fixed a fine cap equal to € 17 million. This amount has been provided for in the financial statements.

*Legal and fiscal provision*s
This line item mainly relates to legal cases in France and Germany of the Optical retail segment. The legal case in France relates to the investigation by the French Competition Authority (FCA) whether GrandVision has entered into vertical restraints in relation to the distribution of branded sunglasses and branded frames. In May 2015 GrandVision received a statement of objections from the FCA. After examination of the preliminary findings reported in this statement, GrandVision recorded a provision based on an assessment of the probability and amount of potential liability.

Revaluation of debt portfolio
Expected cash flows on the bad debt portfolios, classified as other financial assets, have been revised following a higher than expected realization. This led to a positive revaluation of € 14.9 million.

Capital gain on sale of vessels
The Company sold four vessels in 2015, resulting in capital gains. The disposals are included in note 4 on property, plant and equipment.

Impairment of goodwill
Reference is made to note 35 on impairment of non-current assets.

Other impairments Vopak
Reference is made to note 35 on impairment of non-current assets.

Change in share-based compensation plans
Reference is made to note 34 share-based compensation. The items included in the table above constitute the estimated non-recurring part of the share based compensation expenses.

Remeasurement of earn-out provision
Reference is made to note 21 on other financial liabilities for details on the acquisition of the minority share in GEERS by AudioNova International B.V.

3. GrandVision IPO

On February 6, 2015, GrandVision N.V. commenced trading on Euronext Amsterdam as a result of a secondary offering, by HAL, of 21.9% of the outstanding shares of the company. The offer price of € 20.00 per share corresponded to an equity value for GrandVision of € 5.1 billion and gross proceeds for HAL of € 1,112 million. At the end of 2014 the book value of HAL's 98.6% ownership interest in GrandVision was € 799 million.

Net cash proceeds amounted to € 1,086 million. HAL realized a positive result of € 900 million on this transaction. This is not recognized in the income statement, as, in accordance with IFRS, the result is recorded through shareholders' equity because HAL remains the controlling shareholder of GrandVision. Post IPO, HAL's ownership interest in GrandVision is 76.7%.

4. Property, plant and equipment

Property, plant and equipment are recorded at historical cost less accumulated depreciation and impairments. Historical cost includes expenditure that is directly attributable to the acquisition of the items (such as unrecoverable taxes and transport) and construction costs that can be allocated directly (such as hours of own employees and advisory fees). Interest during construction is capitalized. To the extent that dismantling obligations exist, these are included in the cost of the assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of replaced parts is derecognized. All other repairs and maintenance costs are charged to the consolidated statement of income during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to write off the cost of each asset to their residual values over their estimated useful life as follows: buildings 10-50 years, vessels 25 years, tank storage terminals 10-40 years and equipment and other 2-15 years. Useful lives and residual values are reviewed annually and, if required, amended. Land is not depreciated.

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

Movements for 2014 and 2015 are as follows:

	Land and buildings	Vessels	Tank storage terminals	Equipment	**Total**
Cost value	1,189.0	419.5	4,780.9	2,043.6	**8,433.0**
Accumulated depreciation and impairment	(529.3)	(81.9)	(1,803.9)	(1,495.3)	**(3,910.4)**
Book value on January 1, 2014	659.7	337.6	2,977.0	548.3	**4,522.6**
Investments	98.9	30.6	466.4	144.6	**740.5**
Consolidation	31.7	-	40.8	22.2	**94.7**
Reclassification	(31.0)	-	(66.4)	(8.8)	**(106.2)**
Disposals	(3.7)	(0.1)	(1.9)	(4.8)	**(10.5)**
Depreciation and impairments	(75.3)	(23.5)	(229.2)	(129.0)	**(457.0)**
Exchange differences	22.2	38.2	87.9	11.0	**159.3**
Book value on December 31, 2014	702.5	382.8	3,274.6	583.5	**4,943.4**
Cost value	1,327.2	494.4	5,313.8	2,251.4	**9,386.8**
Accumulated depreciation and impairment	(624.7)	(111.6)	(2,039.2)	(1,667.9)	**(4,443.4)**
Book value on December 31, 2014	702.5	382.8	3,274.6	583.5	**4,943.4**
Investments	84.8	45.7	304.7	156.4	**591.6**
Consolidation	90.9	-	-	19.8	**110.7**
Disposals	(7.6)	(19.6)	(0.7)	(3.7)	**(31.6)**
Depreciation and impairments	(72.5)	(28.1)	(223.7)	(151.6)	**(475.9)**
Reclassification to held for sale	(12.9)	-	(214.4)	(17.1)	**(244.4)**
Exchange differences	10.5	33.9	12.2	4.6	**61.2**
Book value on December 31, 2015	795.7	414.7	3,152.7	591.9	**4,955.0**
Cost value	1,459.5	530.0	5,251.6	2,321.2	**9,562.3**
Accumulated depreciation and impairment	(663.8)	(115.2)	(2,098.9)	(1,729.4)	**(4,607.3)**
Book value on December 31, 2015	795.7	414.8	3,152.7	591.8	**4,955.0**

Note 21 details information on pledges.

The reclassification in 2015 of € 244.4 million primarily relates to the reclassification of tank storage terminals of Vopak to assets held for sale. Reference is made to note 15.

5. Intangible assets

Intangible assets include goodwill, trademarks, rights of use and key money, customer relationships, computer software and other.

Goodwill
Goodwill arises on business combinations and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date fair value amounts of the identifiable assets, liabilities and contingent liabilities.

Goodwill is carried at cost less accumulated impairments. Goodwill is subject to annual impairment testing, as described in note 35. If an impairment is recognized, it is not reversed in subsequent periods. Goodwill relating to a business combination in foreign currency is recorded in the respective currency and converted at the exchange rate at the end of the period.

Trademarks
Trademarks are initially recognized at fair value, using the relief-from-royalty approach. They are subsequently amortized over an estimated useful life, generally a maximum of 15 years, on a straight-line basis with no residual value.

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

Computer software
Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and to bring to use the specific software. Costs that are directly associated with the production of identifiable and unique software products controlled by the Company that are expected to generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Direct costs (such as software development employee costs and an appropriate portion of relevant overheads) are included in the initial measurement. Costs associated with developing and maintaining computer software that do not meet these criteria are recognized as an expense as incurred. Software licenses and products are amortized over an estimated useful life of maximum 5 years.

Customer relationships
The valuation of customer relationships acquired in a business combination is based on the present value of estimated future cash flows. Customer relationships are initially recognized at fair value and subsequently amortized on a straight line basis over an estimated useful life of maximum 15 years.

Movements for goodwill and other intangibles are as follows:

	Goodwill	Rights of use and key money	Trade-marks	Customer relation-ships	Other	**Total**
Cost value	2,058.2	255.8	516.6	120.9	526.2	**3,477.7**
Accumulated amortization and impairments	(606.9)	(41.2)	(156.4)	(14.2)	(402.4)	**(1,221.1)**
Book value on January 1, 2014	1,451.3	214.6	360.2	106.7	123.8	**2,256.6**
Investments	176.7	1.9	-	0.5	51.0	**230.1**
Consolidation	-	2.0	34.8	29.6	9.0	**75.4**
Reclassification	-	(4.5)	0.4	8.9	(7.9)	**(3.1)**
Amortization and impairments	(19.2)	(4.3)	(32.7)	(6.6)	(49.0)	**(111.8)**
Exchange differences and other	(0.5)	-	(1.0)	0.6	2.3	**1.3**
Book value on December 31, 2014	1,608.3	209.7	361.7	139.7	129.1	**2,448.5**
Cost value	2,231.0	255.2	550.8	160.4	578.4	**3,775.8**
Accumulated amortization and impairments	(622.7)	(45.5)	(189.1)	(20.7)	(449.3)	**(1,327.3)**
Book value on December 31, 2014	1,608.3	209.7	361.7	139.7	129.1	**2,448.5**
Investments	157.8	1.5	1.5	1.1	57.7	**219.6**
Consolidation	-	1.3	19.0	13.9	29.3	**63.5**
Purchase price accounting adjustments	(6.6)	-	(4.9)	4.2	2.4	**(4.9)**
Disposals	-	(0.2)	-	-	(0.3)	**(0.5)**
Amortization and impairments	(10.1)	(1.5)	(41.4)	(8.6)	(51.9)	**(113.5)**
Exchange differences and other	(5.7)	(2.1)	2.7	(3.6)	(2.0)	**(10.7)**
Book value on December 31, 2015	1,743.7	208.7	338.6	146.7	164.3	**2,602.0**
Cost value	2,376.5	218.1	569.1	176.7	727.6	**4,068.0**
Accumulated amortization and impairments	(632.8)	(9.4)	(230.5)	(30.0)	(563.3)	**(1,466.0)**
Book value on December 31, 2015	1,743.7	208.7	338.6	146.7	164.3	**2,602.0**

Specification of goodwill is as follows:

	2015	2014
Optical retail	**1,210.2**	1,070.8
Unquoted	**421.8**	423.6
Vopak	**109.8**	112.0
Safilo	**1.9**	1.9
	1,743.7	1,608.3

The other category consists of:

	2015	2014
Software	**128.3**	94.3
Other	**36.0**	34.8
	164.3	129.1

Rights of use and key money primarily relate to optical retail stores in France and Brazil.

Information on impairment testing is included in note 35.

6. Acquisitions & divestments of subsidiaries

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Company. The cost of the acquisition is measured as the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of the business combination and the fair value of any contingent consideration to be transferred. Identifiable assets, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. Non-controlling interest in the acquiree is measured, on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

If the business combination is achieved in stages, the Company's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date and the difference with the book value of the previously held equity interest is recognized in the consolidated statement of income. The excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previously held equity interest in the acquiree over the fair value of the identifiable net assets acquired, is recorded as goodwill. If the total of the consideration transferred, the non-controlling interest recognized and the fair value of the previously held interest is less than the fair value of the net assets of the subsidiary acquired ('badwill'), the difference is directly recognized in the consolidated statement of income. Acquisition-related costs are expensed as incurred.

Subsequent changes to the fair value of the contingent consideration are recognized either in the consolidated statement of income or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Critical accounting estimates and judgements
When a company is acquired, a value is assigned to intangible assets such as trademarks and the customer relationships. The determination of the value at the time of acquisition and the estimated useful life are subject to judgment. Assumptions by management underlying the estimation of fair value include the future cash flows expected from the asset and discount rates. Useful life is estimated using past experience and relevant industry practices.

Acquisitions

For Eyes
On December 1, 2015, GrandVision (76.7% HAL) completed the acquisition of 100% of the shares in the U.S.-based optical retail chain For Eyes. For Eyes employs approximately 1,000 people and operates through a network of 116 own stores. These are located mostly in the

metropolitan areas of Chicago, Miami, Washington DC and Philadelphia. Revenues for 2015 were $ 92 million.

Deli Building Supplies
On September 10, 2015, PontMeyer N.V. (78.1% HAL), a supplier of timber products and building materials in the Netherlands, acquired 100% of the shares of Deli Building Supplies N.V. (‘DBS’). DBS is also a supplier of timber products and building materials in the Netherlands and owns Koninklijke Jongeneel, Heuvelman Hout, RET Bouwproducten and Astrimex. The combination of PontMeyer and DBS has annual revenues of over € 600 million and 1,400 employees and now operates under the name Timber and Building Supplies Holland N.V. HAL provided € 10.6 million in equity and a € 12.5 million subordinated loan to partly finance the transaction. The ownership interest of HAL increased from 75.4% to 78.1%.

There were no other individually significant acquisitions during the year. Details on the acquisitions performed during the year are as follows:

	DBS	For Eyes	Other	**Total**
Cash paid	47.0	129.7	58.8	**235.5**
Future consideration	-	-	5.5	**5.5**
Fair value of net assets acquired	(76.2)	9.5	(50.4)	**(117.1)**
Goodwill	-	139.2	18.6	**157.8**
Badwill (in consolidated statement of income)	(29.2)	-	(4.7)	**(33.9)**

The goodwill is not expected to be deductible for tax purposes.

Details of the net asset value acquired are set out below:

	DBS	For Eyes	Other	**Total**
Property, plant and equipment	93.6	5.2	11.5	**110.3**
Intangible assets	-	25.1	38.4	**63.5**
Deferred tax assets	-	2.1	0.1	**2.2**
Other non-current assets	-	0.3	0.4	**0.7**
Cash	1.8	1.9	5.4	**9.1**
Non-current debt	-	-	(2.6)	**(2.6)**
Non-current provisions	(6.1)	-	0.1	**(6.0)**
Deferred tax liabilities	(21.1)	(9.9)	(10.5)	**(41.5)**
Other non-current liabilities	-	-	(1.6)	**(1.6)**
Current debt	(68.8)	-	(0.2)	**(69.0)**
Net working capital	76.8	(34.2)	9.4	**52.0**
Non-controlling interest	-	-	-	**-**
Fair value of net asset value acquired	76.2	(9.5)	50.4	**117.1**

The goodwill paid on the For Eyes acquisition primarily relates to anticipated synergies and expected growth.
The badwill arising on the DBS acquisition, a result of the acquisition of the net assets of this entity below their fair value, relates mainly to future investments and reorganization expenses, which IFRS does not allow to be recognized upon acquisition but which are required to improve the profitability of the acquired business. The badwill has been recognized as a gain in the consolidated statement of income. The allocation of the purchase price with respect to For Eyes is provisional as the transaction was completed shortly before year-end.

The above acquisitions generated the following results:

	DBS	For Eyes	Other	**Total**
Contribution to 2015 revenues	110.7	6.6	61.1	**178.4**
Contribution to 2015 operating income	4.5	(3.3)	4.6	**5.8**
2015 full-year revenues	320.2	83.1	75.2	**478.5**
2015 full-year operating income	10.0	(21.0)	6.0	**(5.0)**

Acquisition costs charged to the other operating expenses in the consolidated statement of income amounted to € 1.9 million (For Eyes), € 0.9 million (DBS) and € 0.8 million (Other).

Purchase price adjustments for the year can be summarized as follows:

	Total
Cash paid	**0.3**
Future consideration	**(6.2)**
Fair value of net assets acquired	**(0.7)**
Goodwill	**(6.6)**

Reconciliation to the cash flow statement:

Cash paid for the above acquisitions	**235.8**
Cash acquired	**9.1**
Cash outflow due to acquisition of subsidiaries, net of cash acquired	**226.7**
Acquisition of associates and joint arrangements (note 7)	**149.9**
Cash outflow due to acquisition of associates, joint arrangements and subsidiaries, net of cash acquired	**376.6**

Divestments

The table below provides an overview of the divestments completed by Vopak during 2015 and the results realized on these divestments.

	2015
Vopak Terminal Galena Park/Vopak Wilmington Terminals (United States)	**59.9**
Vopak Finland	**17.8**
Vopak Sweden	**1.4**
Other	**0.4**
	79.5

The total net cash proceeds (excluding tax effects) from these divestments amounted to € 297.7 million. The majority of gains on divestment (€ 77.4 million) are recognized as other operating income (note 23).

United States
Vopak completed the divestment of three wholly-owned terminals and a plot of land in the United States on February 27, 2015. This divestment has resulted in a pre-tax exceptional gain of € 59.9

million. This transaction also resulted in a tax charge of € 24.3 million. In total this divestment led to a net exceptional gain of € 35.6 million.

Finland
Vopak completed the divestment of its two terminals in Finland, Vopak Terminal Mussalo and Vopak Terminal Hamina on July 15, 2015. The exceptional gain on the divestment was € 17.8 million.

Sweden
Vopak completed the divestment of the Swedish entity Vopak Sweden AB on June 10, 2015. The divested entity consisted of four terminals: Vopak Terminal Gothenburg, Vopak Terminal Gävle, Vopak Terminal Malmö and Vopak Terminal Södertälje.

Turkey
Vopak completed the divestment of its land position in Turkey on January 22, 2015. The effect of this divestment on the statement of income was negligible.

7. Investments in associates and joint arrangements

Associates are entities over which the Company has significant influence, generally presumed to exist at a shareholding of 20% or more of the voting rights, but no (de facto) control.

Joint arrangements are classified as either joint operations or joint ventures, depending on the contractual rights and obligations of each investor. All joint arrangements of the Company are considered joint ventures.

Associates and joint ventures are accounted for using the equity method. Under the equity method, the interest in the associate or joint venture is recognized at cost, including goodwill identified upon acquisition. The carrying value is subsequently adjusted to recognize the Company's share of the post-acquisition results and movements in other comprehensive income of the associate or joint venture. Accounting policies of the associates and joint ventures have been amended where necessary to ensure consistency with the policies adopted by the Company. When the Company's share of losses exceeds the carrying amount of an equity-accounted investment, including any unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the company in question. Significant unrealized gains on transactions between the Company and its associates and joint ventures are eliminated to the extent of the Company's interest in the specific company. Significant unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Dilution gains and losses arising on associates and joint ventures are recognized in the income statement.

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

The movements of investments accounted for using the equity method are set out on the following page.

	Associates	Joint ventures	**Total**
Share of net assets	1,025.3	737.2	**1,762.5**
Goodwill less accumulated impairments	57.7	63.5	**121.2**
Book value on January 1, 2014	1,083.0	800.7	**1,883.7**
Investments	70.4	40.2	**110.6**
Consolidation	(11.3)	2.3	**(9.0)**
Disposals	(10.0)	-	**(10.0)**
Share of results and capital gains	187.1	85.1	**272.2**
Share of other comprehensive income	69.4	(23.5)	**45.9**
Dividends	(13.8)	(86.7)	**(100.5)**
Impairments	-	(16.1)	**(16.1)**
Impairment reversals	-	3.8	**3.8**
Exchange differences and other	19.5	67.1	**86.6**
Book value on December 31, 2014	1,394.3	872.9	**2,267.2**
Share of net assets	1,325.4	805.5	**2,130.9**
Goodwill less accumulated impairments	68.9	67.4	**136.3**
Book value on December 31, 2014	1,394.3	872.9	**2,267.2**
Investments	40.2	109.7	**149.9**
Disposals	(48.0)	-	**(48.0)**
Share of results and capital gains	205.8	103.5	**309.3**
Share of other comprehensive income	46.2	14.1	**60.3**
Dividends	(5.0)	(92.7)	**(97.7)**
Impairments	-	(64.1)	**(64.1)**
Impairment reversals	-	13.8	**13.8**
Reclassification	(49.9)	(36.9)	**(86.8)**
Exchange differences and other	17.0	50.8	**67.8**
Book value on December 31, 2015	1,600.6	971.1	**2,571.7**
Share of net assets	1,527.3	889.5	**2,416.8**
Goodwill less accumulated impairments	73.3	81.6	**154.9**
Book value on December 31, 2015	1,600.6	971.1	**2,571.7**

The reclassification mainly relates to the transfer of Vopak's investment in the joint venture Thames Oilport N.V. and the Company's 46.7% ownership interest in N.V. Nationale Borg-Maatschappij to assets held for sale. Reference is made to note 15 for details.

Joint ventures mainly relate to Vopak. The amounts recognized in the statement of financial position comprise:

	2015	2014
Publicly traded	**1,334.2**	1,122.7
Other	**1,237.5**	1,144.5
	2,571.7	2,267.2

Vopak acquisitions and divestitures

Saudi Arabia 2015
Vopak's 25% associate Jubail Chemicals Storage and Services Company (JCSSC) entered into two agreements with Sadara Chemical Company ('Sadara') for the provision of liquid product storage and handling services at the King Fahd Industrial Port (KFIP) in Jubail, Kingdom of Saudi Arabia, on November 2, 2015. As part of the Tank Storage Construction Agreement, JCSSC has acquired, as per November 30, 2015, from Sadara for approximately SAR 1.76 billion (€ 431.6 million) a tank farm that has been constructed by Sadara at PCQ-2. This 348,000 cbm tank farm, which has partially been commissioned, supplements the 220,000 cbm port terminal and related port facilities that are under construction. Under the Terminal Services Agreement, JCSSC will provide Sadara with liquid product storage and handling services at KFIP for an initial term of 20 years. The aforementioned transaction is accounted for as an acquisition of assets at the level of the associate and does not directly affect the carrying value of the associate in the consolidated statement of financial position.

The Netherlands 2015
Vopak's interest in the joint venture Gate Terminal B.V. increased to 50% via an acquisition of an additional 2.4% share for € 10.6 million.

United Kingdom 2015
For the details on the reclassification as held for sale of Vopak's investment in the joint venture Thames Oilport reference is made to note 15.

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

The Netherlands 2014
Vopak's interest in Gate Terminal B.V. increased from 47.5% at the end of 2013 to 47.6% due to a capital contribution to which not all shareholders participated. Furthermore, Vopak divested its 50% interest in real estate of its headquarters in Rotterdam. This resulted in a reversal of an impairment of € 3.8 million.

Other divestitures
On August 6, 2015, HAL sold its 25% interest in the ordinary share capital of Navis Capital Partners Ltd. Navis focuses on private and public equity investments, primarily in and around Southeast Asia. HAL had been a shareholder of Navis since 1999. HAL realized a net capital gain on the transaction of € 35 million.

Principal associate
The principal associate of the Company is Koninklijke Boskalis Westminster N.V. (‘Boskalis’) in which the Company has a 34.99% (2014: 34.50%) ownership interest. Boskalis is incorporated in the Netherlands and is listed on Euronext Amsterdam. The company is a leading global service provider operating in the dredging, maritime infrastructure and maritime services sectors.

The difference between the market value of Boskalis and the book value is as follows:

	2015	2014
Market value	**1,654.3**	1,929.0
Book value	**(1,334.2)**	(1,122.7)
	320.1	806.3

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

	2015	2014
Current		
Cash and cash equivalents	**793.7**	396.0
Other current assets	**1,232.0**	1,158.4
Total current assets	**2,025.7**	1,554.4
Financial liabilities (excluding trade payables)	**62.4**	94.1
Other current liabilities (including trade payables)	**1,812.2**	1,697.5
Total current liabilities	**1,874.6**	1,791.6
Non-current		
Assets	**4,579.7**	4,358.2
Financial liabilities	**915.3**	830.5
Other liabilities	**93.6**	130.7
Total non-current liabilities	**1,008.9**	961.2
Non-controlling interest	**7.6**	7.9
Net assets	**3,714.3**	3,151.9

	2015	2014
Revenue	**3,240.3**	3,166.9
Depreciation and amortization	**(293.1)**	(293.5)
Financial income	**1.2**	10.1
Financial expense	**(33.0)**	(46.1)
Profit before tax	**531.0**	616.4
Profit after tax for owners of parent	**440.2**	490.3
Other comprehensive income for owners of parent	**169.8**	201.2
Total comprehensive income for owners of parent	**610.0**	691.5

Reconciliation of the summarized financial information for Boskalis:

	2015	2014
Net assets January 1	**3,151.9**	2,525.2
Profit for the period	**440.2**	490.3
Other comprehensive income	**169.8**	201.2
Transactions with owners	**(47.6)**	(64.8)
Net assets December 31	**3,714.3**	3,151.9
Interest in Boskalis (34.99%, 2014: 34.5%)	**1,299.6**	1,087.4
Elimination part of gain relating to the sale of Dockwise Ltd. (2013)	**(11.3)**	(11.3)
Goodwill	**45.9**	46.6
Book value	**1,334.2**	1,122.7

We refer to note 42 with respect to summarized financial information on joint ventures.

8. Other financial assets

At initial recognition, the Company classifies its non-derivative financial assets as either loans and receivables or available-for-sale. The classification depends on the purpose for which the financial assets were acquired. The Company does not have any financial assets held for trading. Financial assets are first recognized on the trade-date, the date on which the Company commits to purchase the asset. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Loans and receivables
These are assets with an established payment profile and which are not listed on a recognized stock exchange. They are initially recognized at fair value plus any directly related transaction costs. Subsequently, loans and receivables are carried at amortized cost, less any impairment. A provision for impairment of loans and receivables is established when there is objective evidence that the Company may not be able to collect all amounts due according to the original terms. Interest income on loans and receivables is recognized using the effective interest method.

Available-for-sale
Any non-derivative financial assets not classified as loans and receivables are designated as available-for-sale. They are initially recognized at fair value plus any directly related transaction costs. Subsequently, they are measured at fair value with changes being recognized in other comprehensive income. Interest and dividend income are recognized under income from marketable securities and deposits or income from other financial assets, as applicable, in the consolidated statement of income. When the investment is sold or impaired, the accumulated gains and losses are recycled from equity to the income statement. Interest and dividends from these assets are recognized as they are declared payable.

The specification is as follows:

	2015	2014
Investments in quoted securities	**371.4**	307.9
Loans to associates and joint ventures	**87.9**	24.3
Other loans	**119.2**	81.3
Other	**73.4**	86.6
	651.9	500.1
Current	**105.8**	10.7
Non-current	**546.1**	489.4
	651.9	500.1

The category other includes long-term deposits and receivables.

Investments in quoted securities include:

	2015	2014
Equity interest in SBM Offshore N.V. (15.04%, 2014: 15.01%)	**371.4**	307.9
	371.4	307.9

Amounts included in the cash flow statement comprise:

	2015	2014
Purchase of shares in SBM Offshore N.V.	**(3.4)**	(35.9)
Loans provided to associates and joint ventures	**(95.3)**	(11.5)
Repayment of loans by associates and joint ventures	**22.2**	5.3
Other	**0.4**	34.3
Changes in other financial assets in cash flow statement	**(76.1)**	(7.8)

9. Derivatives

Derivatives are measured at fair value with any related transaction costs expensed as incurred. Reference is made to the accounting policies in note 36 on fair value measurement. The treatment of changes in the fair value of derivatives depends on their use as explained below.

Cash flow hedge
Derivatives held to hedge the uncertainty in timing or amount of future forecasted cash flows are classified as being part of cash flow hedge relationships. For effective hedges, gains and losses from changes in the fair value of derivatives are recognized through other comprehensive income. Any ineffective elements of the hedge are recognized in the consolidated statement of income. If the hedged cash flow relates to a non-financial asset, the amount accumulated in equity is subsequently included within the carrying value of that asset. For other cash flow hedges, amounts deferred in equity are recycled in the consolidated statement of income at the same time as the related cash flow. When a derivative no longer qualifies for hedge accounting, any cumulative gain or loss remains in equity until the related cash flow occurs. When the cash flow takes place, or if the hedged cash flow is no longer expected to occur, the cumulative gain or loss is taken to the consolidated statement of income immediately.

Net investment hedge
The Company applies hedge accounting to certain investments in foreign operations. For an effective hedge, gains and losses from changes in the fair value of derivatives are recognized through other comprehensive income. Any ineffective elements of the hedge are recognized in the consolidated statement of income. In the event of disposal or partial disposal of an interest in a foreign operation either through sale or as a result of a repayment of capital, the cumulative exchange difference is recognized in the consolidated statement of income.

Fair value hedge
Certain derivatives are held to hedge the risk of changes in value of a specific bond or other loan. In these situations, the Company designates the liability and related derivative to be part of a fair value hedge relationship. The carrying value of the bond is adjusted by the fair value of the risk being hedged, with changes going to the consolidated statement of income. Gains and losses on the corresponding derivative are also recognized in the consolidated statement of income. The amounts recognized are offset in income to the extent that the hedge is effective. When the relationship no longer meets the criteria for hedge accounting, the fair value hedge adjustment made to the bond is amortized using the effective interest method.

Derivatives for which hedge accounting is not applied
Derivatives not classified as hedges are carried at fair value with changes being recognized in the consolidated statement of income.

Derivatives are classified as follows in the statement of financial position:

	Assets		Liabilities	
	2015	2014	**2015**	2014
Currency derivatives	**18.8**	6.8	**(11.2)**	(11.8)
Interest rate derivatives	**122.2**	23.2	**(108.9)**	(148.7)
	141.0	30.0	**(120.1)**	(160.5)
Current	**21.6**	10.6	**(24.8)**	(30.3)
Non-current	**119.4**	19.4	**(95.3)**	(130.2)
	141.0	30.0	**(120.1)**	(160.5)

Included in the non-current liabilities is an embedded option in Safilo’s equity-linked debt described in note 21. As of December 31, 2015, the fair value of the option amounts to € 3.6 million (2014: € 4.4 million). Fair value changes in 2015 amounted to a gain of € 0.8 million (2014: € 17.7 million gain). Changes in the share price of Safilo may result in significant changes in the fair value of the embedded financial instrument and the related amounts recorded in the consolidated statement of income (level 2 valuation).

Information on fair valuation of derivatives is included in note 36, disclosure on hedge accounting is provided in note 37.

10. Marketable securities and deposits

The accounting policies applied to marketable securities and deposits are the same as those applied to other financial assets (note 8). Marketable securities are classified as available-for-sale financial instruments.

Marketable securities consist of equity securities amounting to € 126.8 million (2014: € 114.2 million) and fixed income securities amounting to € 37.8 million (2014: € 26.9).

11. Receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less a provision for impairment. An allowance is established when there is objective evidence of impairment. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization and default or delinquency in payments are considered indicators that the trade receivable may be impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Additions to and releases from the provision are recognized in the consolidated statement of income.

	2015	2014
Trade receivables	**835.5**	807.8
Allowance for doubtful accounts	**(57.6)**	(56.5)
	777.9	751.3

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

	2015	2014
Up to 3 months	**186.0**	163.1
Between 3 and 6 months	**24.4**	25.6
Between 6 and 9 months	**17.3**	16.3
Over 9 months	**35.0**	19.9
	262.7	224.9

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

	2015	2014
Allowance on January 1	**(56.5)**	(56.1)
Addition to allowance	**(15.8)**	(14.1)
Utilized during the year	**12.0**	12.9
Released	**6.1**	0.8
Other movements	**(3.4)**	-
Allowance on December 31	**(57.6)**	(56.5)

The fair value of the receivables approximates their carrying value.

Information on pledges is included in note 21.

12. Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is generally determined using the weighted-average cost method. Cost comprises direct costs and a proportion of attributable production overheads, but excludes interest expense. Net realizable value is the estimated selling price less the estimated costs necessary to make the sale.

Critical accounting estimates and judgements
Finished goods are regularly subjected to specific assessment tests to identify damaged, slow moving or obsolete inventory, taking into consideration past experience, historic results and the probability of sale under normal market conditions. Based on these analyses, management asserts judgement to determine the write-downs required to reduce the value of the inventory to its net realizable value.

The composition of the inventories is as follows:

	2015	2014
Raw materials	**158.8**	142.6
Work in progress	**31.9**	30.4
Finished goods	**706.7**	615.5
Write-down to net realizable value	**(165.9)**	(152.1)
	731.5	636.4

The cost of inventory recognized as expense amounts to € 1,889.8 million (2014: € 1,662.5 million). The total write-down of inventories recognized as expense amounts to € 80.9 million (2014: € 57.6 million).

Information on pledges is included in note 21.

13. Other current assets

Other current assets generally include prepayments relating to the following year and other receivables to be received within 12 months.

The composition of the other current assets is as follows:

	2015	2014
Prepaid vendors	**93.9**	106.8
VAT	**30.6**	41.1
Debt collection activity	**4.6**	20.9
Income tax receivable	**49.8**	63.0
Other receivables	**211.4**	194.3
	390.3	426.1

14. Cash and cash equivalents

Cash and cash equivalents comprise unrestricted bank balances and liquid investments with a maturity of three months or less. Bank overdrafts are included in short-term debt, except for those relating to a cash-pooling agreement in the Optical retail segment, which is reported as a net amount as there is a legally enforceable right to offset and an intention to settle on a net basis the debit and credit cash positions in different countries and currencies.

	2015	2014
Cash	**1,961.8**	750.4
Cash equivalents	**164.8**	397.0
	2,126.6	1,147.4

The cash and cash equivalents in the Optical retail segment contain the net position for a cash pooling agreement. At December 31, 2015, the gross amounts are € 116.1 million assets and € 100.0 million liabilities (December 31, 2014: € 65.2 million assets and € 63.5 million liabilities).

Cash equivalents mainly include time deposits with a maturity of less than three months.

15. Assets and liabilities held for sale

Assets and liabilities are classified as held for sale if their carrying amount are to be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable at the reporting date. Assets and liabilities that meet the criteria to be classified as held for sale are measured at the lower of carrying amount and fair value less costs of disposal and are not depreciated nor amortized. In addition, if applicable, equity accounting ceases.

When classifying non-current assets as held for sale, an estimate is made of their fair values and expected costs of disposal. Depending on the nature of the non-current assets, the estimated fair value may be associated with uncertainty and potentially adjusted subsequently.

Critical accounting estimates and judgements
Based on the facts and circumstances at the reporting date, management needs to assess if the value of the assets will be recovered principally through a divestment transaction rather than through continuing use. These facts and circumstances may change and could result in a situation where assets are divested, which were not classified as held for sale at period-end. When classifying non-current assets as held for sale, management makes estimates of their value (sales price and expected costs to sell). Depending on the nature of the non-current assets, the estimated fair value may be associated with uncertainty and possibly adjusted subsequently. Measurement of the fair value of non-current assets is categorized as level 3 in the fair value hierarchy as measurement is not based on observable market data.

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

	2015	2014
Property, plant and equipment	**118.3**	98.6
Investments in associates and joint ventures	**87.0**	-
Other non-current assets	**5.4**	0.1
Current assets	**32.1**	0.9
Total assets held for sale	**242.8**	99.6
Provisions	**30.6**	-
Current liabilities	**32.6**	-
Total liabilities related to assets held for sale	**63.2**	-
Total net assets held for sale	**179.6**	99.6

Assets held for sale in amount of € 50 million are included in the Unquoted segment, the remaining assets and liabilities are included in the Quoted minority interests segment.

The movement of the net assets held for sale for the year is as follows:

	2015	2014
Book value opening balance	**99.6**	25.9
Reclassification	**291.7**	77.5
Disposal	**(220.3)**	-
Impairment	**-**	(6.9)
Exchange differences	**8.6**	3.1
	179.6	99.6

On December 19, 2015, Vopak reached agreement on the sale of all of its UK assets (EMEA division) to Macquarie Capital and Greenergy. Macquarie Capital will acquire 100% of the shares of the three wholly-owned terminals: Vopak Terminal London, Vopak Terminal Teesside and Vopak Terminal Windmill. Greenergy will acquire Vopak Holding UK, comprising Vopak's 33.3% investment in the joint venture Thames Oilport (former Coryton refinery).Vopak completed the sale of Vopak Holding UK to Greenergy on 29 January 2016. The second transaction, comprising the sale of the UK terminals, was completed on March 31, 2016. This divestment generated a net cash inflow for Vopak of in excess of GBP 300 million. The total exceptional gain will exceed GBP 200 million and will be recognized in 2016. In relation to this divestment € 5.0 million of transaction expenses have been recognized in the income statement. These expenses have been classified as other operating expenses. Reference is made to note 43 subsequent events for the completion of the transactions.The three terminals and the investment in the joint venture Thames Oilport are classified as held for sale per year-end 2015.

On August 5, 2015, HAL announced it had signed an agreement to sell its 46.7% ownership interest in N.V. Nationale Borg-Maatschappij ('Nationale Borg') to AmTrust Financial Services Inc. (Nasdaq: AFSI). Nationale Borg is a specialist provider of surety and trade credit insurance. The company reported in 2015 gross written premiums of € 93 million. The transaction will result in an expected net capital gain for HAL of approximately € 25 million and will be recognized upon completion of the transaction. As a result of the announced transaction, Nationale Borg has been classified as held for sale in these financial statements (book value of € 50 million). The completion of the transaction is subject to regulatory approvals.

At year-end 2014, the Vopak terminals Wilmington, Galena Park and a plot of land in Perth Amboy (all in the U.S.) were classified as held for sale following the assessment of Vopak's management, in December 2014, to sell these assets. Per year-end 2014, the assets held for sale also contained a plot of land in Yalova (Turkey). These divestments were completed during 2015.

For divestitures in 2015 reference is made to note 6.

16. Share capital

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

The issued share capital at December 31, 2015, consists of 76,399,596 shares of which 127,251 are held as treasury stock by the Company.

Movements in the number of shares were as follows:

x 1,000	Issued shares	Treasury shares
Balance on January 1, 2014	71,619.2	66.3
Sale and transfer of treasury shares	-	(49.9)
Purchase of treasury shares	-	90.9
Dividend paid in stock	2,522.1	2.5
Balance on December 31, 2014	74,141.3	109.8
Balance on January 1, 2015	74,141.3	109.8
Sale and transfer of treasury shares	-	(7.8)
Purchase of treasury shares	-	21.7
Dividend paid in stock	2,258.3	3.6
Balance on December 31, 2015	76,399.6	127.3

Outstanding shares	76,272.3
Par value (HAL Holding N.V.) *(in euro)*	0.02
Share capital *(in millions of euro)*	1.5

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

A 2014-related dividend of € 374.4 million (excluding dividend on treasury shares) or € 5.05 per Share was paid on June 18, 2015 (2014: € 293.6 million or € 4.10 per Share), of which € 20.9 million in cash and € 353.5 million in shares. Shareholders representing 94.4% of the issued Shares had their dividend distributed in stock. These shareholders received one new Share for 31 existing Shares held. The calculation of the 2014 earnings per Share has been adjusted to take account of this stock dividend (in accordance with IAS 33.64).

The conversion ratio was determined based on the volume-weighted average share price of HAL Trust Shares traded on Euronext in Amsterdam during the period May 22, 2015, through June 11, 2015. Accordingly, 2,258,283 Shares were issued on June 18, 2015.

17. Other reserves

Other reserves include the cumulative valuation reserve, the cash flow hedge reserve and the cumulative translation reserve.

The cumulative valuation reserve includes the unrealized results on available-for-sale financial assets.

The cash flow hedge reserve contains the effective part of the accumulated change in the fair value of cash flow hedges, net of tax, in respect of which the hedged future transaction has not yet taken place.

The cumulative translation reserve includes all exchange differences resulting from the translation of the financial statements of foreign entities. It also includes the exchange differences on liabilities and the effective currency component of fair value changes of derivative financial instruments, net of tax, to the extent that they are part of an effective net investment hedge relationship.

In millions of euro	Cumulative valuation reserve	Cash flow hedge reserve	Cumulative currency translation reserve	**Total other reserves**
Balance on January 1, 2014	156.9	(60.7)	(4.5)	**91.7**
Change in fair value of available-for-sale financial assets	(121.5)	-	-	**(121.5)**
Translation of foreign subsidiaries, including share of associates and joint arrangements	-	-	118.2	**118.2**
Effective portion of hedging instruments, including share of associates and joint arrangements	-	(29.8)	-	**(29.8)**
Balance on December 31, 2014	35.4	(90.5)	113.7	**58.6**
Balance on January 1, 2015	35.4	(90.5)	113.7	**58.6**
Change in fair value of available-for-sale financial assets	14.4	-	-	**14.4**
Translation of foreign subsidiaries, including share of associates and joint arrangements	-	-	81.9	**81.9**
Effective portion of hedging instruments, including share of associates and joint arrangements	-	19.6	-	**19.6**
Sale non-controlling interest GrandVision N.V. (note 3)	-	-	6.7	**6.7**
Reclassification	(13.3)	-	-	**(13.3)**
Balance on December 31, 2015	36.5	(70.9)	202.3	**167.9**

18. Deferred taxes

Deferred tax is recognized using the liability method on taxable temporary differences between the tax base and the accounting base of items included in the consolidated financial statements. Temporary differences are not provided if they relate to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit or differences relating to investments in subsidiaries, associates and joint ventures to the extent that the reversal of the temporary differences are controlled by the Company and it is probable that they will not reverse in the foreseeable future. Withholding tax and any other tax due for unremitted earnings of subsidiaries are not recognized as deferred tax liability unless there is an intention to distribute these earnings in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, at the year end. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax is recognized in the consolidated statement of income unless it relates to items recognized through other comprehensive income.

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

Critical accounting estimates and judgements
Deferred tax assets, including those arising from carry-forward losses, are recognized if it is likely that taxable profits will be available against which losses can be set off. Management exercises judgment to establish the extent to which expected future profits substantiate the recognition of a deferred tax asset.

The movement in deferred tax assets and liabilities during the period is set out on the next page:

	Carry-forward losses	PP&E	Intangibles	Inventories	Employee benefits	Other	Offset assets and liabilities	**Total**
Assets	128.0	32.8	9.6	41.0	29.1	67.4	(133.6)	**174.3**
Liabilities	-	(291.7)	(200.5)	(3.7)	(13.5)	(49.6)	133.6	**(425.4)**
Net book value on January 1, 2014	128.0	(258.9)	(190.9)	37.3	15.6	17.8	-	**(251.1)**
Credited/(charged) to net income	(11.7)	(1.9)	5.2	10.5	(4.1)	-	-	**(2.0)**
Credited/(charged) to other comprehensive income	-	-	-	-	57.1	15.6	-	**72.7**
Acquisition/divestiture	1.5	(6.6)	(17.4)	0.9	0.3	-	-	**(21.3)**
Other movements	(1.0)	0.6	(1.0)	-	(0.1)	-	-	**(1.5)**
Reclassifications	0.5	0.2	4.9	0.3	(0.8)	(5.0)	-	**0.1**
Exchange differences	(0.4)	(23.1)	0.6	3.2	1.1	7.1	-	**(11.5)**
Net book value on December 31, 2014	116.9	(289.7)	(198.6)	52.2	69.1	35.5	-	**(214.6)**
Assets	116.9	32.9	11.6	53.4	79.8	89.8	(167.6)	**216.8**
Liabilities	-	(322.6)	(210.2)	(1.2)	(10.7)	(54.3)	167.6	**(431.4)**
Net book value on January 1, 2015	116.9	(289.7)	(198.6)	52.2	69.1	35.5	-	**(214.6)**
Credited/(charged) to net income	(10.2)	(8.1)	15.4	(3.7)	0.6	(11.9)	-	**(17.9)**
Credited/(charged) to other comprehensive income	-	-	-	-	(28.3)	(4.8)	-	**(33.1)**
Acquisition/divestiture	0.5	1.3	(19.4)	(3.5)	(2.3)	2.0	-	**(21.4)**
Reclassifications	0.7	(2.3)	(9.3)	(0.1)	-	22.1	-	**11.1**
Exchange differences	(1.3)	(12.3)	2.7	2.9	1.3	0.5	-	**(6.2)**
Net book value on December 31, 2015	106.6	(311.1)	(209.2)	47.8	40.4	43.4	-	**(282.1)**
Assets	106.6	31.7	11.1	52.7	52.5	81.1	(160.9)	**174.8**
Liabilities	-	(342.8)	(220.3)	(4.9)	(12.1)	(37.7)	160.9	**(456.9)**
Net book value on December 31, 2015	106.6	(311.1)	(209.2)	47.8	40.4	43.4	-	**(282.1)**

Withholding tax and any other tax due for unremitted earnings of subsidiaries are not recognized as these earnings are assumed to be permanently invested.

Reclassifications primarily relate to reclassification to assets and liabilities held for sale at Vopak and adjustments of prior year offsetting within fiscal unities.

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

Expiration	**2015**	2014
2015	**-**	13.2
2016	**6.6**	16.7
2017	**19.7**	13.3
2018	**19.2**	14.4
2019	**13.6**	12.7
2020 and further years	**154.5**	136.7
No expiration date	**412.2**	398.5
	625.8	605.5

Deferred tax assets for which the utilization is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences amount to € 174.8 million (2014: € 216.8 million).

Deferred tax assets of € 100.3 million (2014: € 60.5 million) relate to entities which suffered a loss in either the current or the preceding period. Their recognition is supported by projections of future taxable income.

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

19. Pension benefits

The Company has both defined benefit and defined contribution plans.

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

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

Significant accounting estimates and judgements

The defined benefit obligation is determined on the basis of assumptions for future developments in variables such as salary increase, price index increase, life expectancy and discount rate. All assumptions are assessed at the reporting date. Changes in the assumptions may significantly affect the liabilities and pension costs under the defined benefit plans. The weighted average of these assumptions as well as sensitivities of key assumptions are disclosed in this note.

The net amounts recognized in the statement of financial position for pension benefits are as follows:

	2015	2014
Pension benefit assets	**74.7**	64.8
Pension benefit liabilities	**(231.2)**	(345.1)
	(156.5)	(280.3)

The net pension benefit liability consists of:

	2015	2014
Present value of funded obligations	**(1,251.2)**	(1,787.9)
Fair value of plan assets	**1,221.1**	1,613.4
Surplus/(deficit) of funded obligations	**(30.1)**	(174.5)
Present value of unfunded obligations	**(120.1)**	(98.6)
Total defined benefit plans	**(150.2)**	(273.1)
Defined contribution plans	**(6.3)**	(7.2)
Net asset/(liability) in the statement of financial position	**(156.5)**	(280.3)

Pension benefit liabilities
The Dutch pension fund Stichting Pensioenfonds Vopak represents 76.6% of the total defined benefit obligation. Plan participants are insured against the consequences of old age, disability and death. The employer and employees (partly) pay contributions to the pension plan.

The pension fund has the legal structure of a foundation. The (actuarial) risks related to the pension plan consist of demographic risks (primarily life expectancy) and financial risks (primarily discount rate, future increases in salaries, and return on plan assets) and are regularly reviewed by the board of trustees. The board of trustees is the most senior governing body of the pension fund and is composed of equal numbers of employer and employee representatives (including pensioners). Pension plans in the Netherlands are subject to the Financial Assessment Framework, which is part of the Pensions Act and sets out the minimum requirements for the financial position of a pension fund, such as the statutory minimum funded status. A pension fund's financial position is reflected mainly in the funding level. This expresses the relationship between the fund's assets and the present value of the pensions to be paid in the future (pension liabilities). The minimum required funding level is 105%. In addition, a pension fund must hold sufficient buffers (equity) to be able to cope with financial setbacks. The greater the investment risks in the pension fund, the higher the buffer requirements. Taking into account these factors Stichting Pensioenfonds Vopak had a funded level of 121.4% at year-end 2014. The funding level at December 31, 2015, was preliminary calculated at 116.5%. The fund's assets are valued at market value, the pension liabilities of the pension fund are calculated according to the requirements of the Financial Assessment Framework.

Pension benefit assets
The pension benefit assets of € 74.7 million relates for € 27.3 million to the surplus of a pension plan which currently has no participants and for € 47.4 million to a surplus of a pension fund in the Netherlands ('the pension fund') that insures its participants against the consequences of old age, death and disability. The Company and its employees currently do not pay contributions to these pension plans.

The pension fund, which represents 5.5% of the total defined benefit obligation, has the legal structure of a foundation. The (actuarial) risks related to the pension plan consist of demographic risks (primarily life expectancy) and financial risks (primarily discount rate, future increases in salaries, and return on plan assets) and are regularly reviewed by the board of the pension fund. The board of the pension fund is the most senior governing body of the pension fund and is composed of equal numbers of employer and employee representatives (including pensioners). Modification of the pension plan requires the approval of the Company. The minimum required funding level is 104.2%. The pension fund had a funded level of 183.6% at year-end 2014. The funding level at December 31, 2015, was preliminary calculated at 187.3%. The pension asset is calculated, in accordance with IFRIC 14, as the lower of the surplus and the present value of the future service cost using assumptions (including the discount rate) consistent with those used to determine the defined benefit obligation, taking into account minimum funding requirements.

Pension supervision in the Netherlands
Pension funds in the Netherlands are overseen by the Authority for the Financial Markets (AFM) and the Dutch Central Bank (DNB). An annual report including an actuarial review on the plan is prepared in accordance with legal requirements. Additional reports are prepared periodically in accordance with IFRS requirements. If there is a funding shortfall or if the pension fund holds insufficient buffers (119% threshold for the Vopak pension fund), the fund must submit a recovery plan to the DNB. At year-ends 2015 the Vopak pension fund holds insufficient buffers and has prepared a recovery plan. The recovery plan does not include additional contributions by the employer.

Multi-employer plans
Multi-employer pension plans are classified as defined contribution as the information received from the plans is not sufficiently detailed. In case of a deficit in the multi-employer plans, future pension premiums may increase. The proportionate share of the premiums paid by the consolidated subsidiaries, as part of total premiums paid to the plans by all participating employers in the plans, is insignificant.

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

	2015	2014
Balance on January 1	**(273.1)**	(89.2)
Pension charge defined benefit plans	**(45.2)**	2.6
Impact of change from defined benefit to defined contribution	**17.8**	(0.6)
Consolidation	**0.1**	(4.0)
Contributions	**25.7**	46.3
Remeasurement effects	**113.9**	(225.0)
Exchange differences and other	**10.6**	(3.2)
Balance on December 31	**(150.2)**	(273.1)

In 2015 the remeasurement effects of € 113.9 million are primarily the result of higher discount rates.

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

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

	2015	2014
Current service costs	**37.9**	37.3
Interest expense/(income)	**5.9**	1.8
Plan amendments, settlements and curtailments	**(17.8)**	(43.9)
Administrative costs	**1.4**	2.2
Total defined benefit costs	**27.4**	(2.6)
Other costs	**38.0**	26.1
Total, included in employee expenses	**65.4**	23.5

Plan amendments in 2015 mainly relate to the amendment of the pension plan of GrandVision N.V. in the Netherlands. This amendment resulted in a change in classification from defined benefit to defined contribution and resulted in a gain of € 17.7 million. In the segment reporting this is included in the non-recurring items.

Plan amendments, settlements and curtailments in 2014 related for € 25.1 million to an amendment of a pension plan in the Netherlands whereby, due to changes in the pension law, vesting of pension benefits was significantly reduced, amongst others due to an introduction of a maximum salary over which pension benefits can be accrued. The remainder of plan amendments, settlements and curtailments principally related to amendments to pension plans whereby the plans were changed from a defined benefit to a defined contribution plan.

Other costs mainly include costs related to multi-employer plans classified as defined contribution plans, as referred to above.

Movements in the defined benefit obligation, for both funded and unfunded plans, and plan assets are as follows:

	Plan assets		Obligation	
	2015	2014	**2015**	2014
Balance on January 1	**1,613.4**	1,478.5	**1,886.5**	1,567.7
Consolidation	**0.4**	(14.6)	**0.3**	(10.6)
Service cost	**-**	-	**37.9**	37.3
Interest income	**30.9**	52.2	**-**	-
Interest expense	**-**	-	**36.8**	54.0
Employer contributions	**25.7**	46.3	**-**	-
Employee contributions	**2.3**	7.0	**2.3**	7.0
Return on plan assets (excluding amounts included in interest income)	**19.2**	217.9	**-**	-
Experience adjustments	**-**	-	**(12.1)**	1.6
Change in financial assumptions	**-**	-	**(88.0)**	425.5
Change in demographic assumptions	**-**	-	**5.4**	15.8
Plan amendments, settlements and curtailments	**(335.8)**	(118.5)	**(353.6)**	(162.4)
Benefits paid	**(53.3)**	(68.0)	**(54.8)**	(68.0)
Reclassification to held for sale	**(95.3)**	-	**(106.4)**	0.6
Exchange differences and other	**13.6**	12.6	**17.0**	18.0
Balance on December 31	**1,221.1**	1,613.4	**1,371.3**	1,886.5

Benefits paid for unfunded plans amounted to € 6.2 million (2014: € 2.7 million). This amount is included in employer contributions.

The Company expects to contribute € 20.9 million to defined benefit plans in 2016.

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

	2015	2014
Less than 1 year	**51.0**	57.1
1-2 years	**54.2**	57.6
2-5 years	**159.5**	167.9
> 5 years	**1,957.1**	3,284.3
	2,221.8	3,566.9

The principal weighted-average assumptions used were:

	2015	2014
Discount rate/return on assets	**2.41%**	2.29%
Future inflation rate	**1.87%**	2.18%
Future salary increases	**3.10%**	3.15%

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

Plan assets include as of December 31, 2015:

	Level 1	Level 2	Level 3	**Total**	**Total (%)**
Equity instruments	420.8	-	-	**420.8**	**34.5%**
Debt instruments	428.0	258.3	-	**686.3**	**56.2%**
Cash and cash equivalents	53.1	-	-	**53.1**	**4.3%**
Other	57.1	3.8	-	**60.9**	**5.0%**
	959.0	262.1	-	**1,221.1**	**100.0%**

Plan assets include as of December 31, 2014:

	Level 1	Level 2	Level 3	Total	Total (%)
Equity instruments	456.0	31.3	0.1	487.4	30.3%
Debt instruments	352.3	499.8	4.8	856.9	53.1%
Cash and cash equivalents	37.4	-	-	37.4	2.3%
Other	56.2	26.9	148.6	231.7	14.3%
	901.9	558.0	153.5	1,613.4	100.0%

Other assets mainly represent assets at insurance companies with respect to vested benefits, real estate and derivatives.

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

		Impact on obligation	
	Change	Increase	Decrease
Discount rate/return on assets	1.00%	(210.5)	277.1
Future inflation rate	1.00%	248.7	(192.2)
Future salary increases	0.25%	3.2	(3.0)
Life expectancy	1 year	49.0	N/A

The plan liabilities are calculated using a discount rate set with reference to high quality corporate bond yields. If plan assets underperform this yield, this will create a deficit. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings. The majority of the plans' obligations are to provide benefits for the lifetime of the members, therefore increases in life expectancy will result in an increase in the plans' liabilities.

20. Provisions

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

Provisions are presented in the statement of financial position as follows:

	2015	2014
Current	**102.1**	56.2
Non-current	**62.2**	74.2
	164.3	130.4

The breakdown and movement in provisions is as follows:

	2015	2014
Balance on January 1	**130.4**	145.1
Consolidation	**6.5**	-
Addition to provision	**108.3**	54.0
Utilized during the year	**(66.7)**	(70.2)
Reversed	**(3.1)**	-
Reclassification to held for sale	**(10.2)**	-
Exchange differences and other	**(0.9)**	1.5
Balance on December 31	**164.3**	130.4

The additions mainly relate to legal and regulatory cases of GrandVision in France and Germany (€ 15 million), expected claims relating to Vopak (€ 28.6 million) and legal provisions at Safilo (€ 17 million). Reference is made to note 2 for details.

Provisions consist of:

	2015	2014
Restructuring and legal	**4.1**	7.3
Employee related	**20.6**	20.0
Warranties	**21.4**	25.4
Regulatory	**39.3**	18.6
Other	**78.9**	59.1
	164.3	130.4

21. Debt and other financial liabilities

Debt and other financial liabilities are initially recognized at fair value, less any directly related transaction costs. Certain debt is designated as being part of a fair value hedge relationship. In these cases, the debt is carried at amortized cost, adjusted for the fair value of the risk being hedged, with changes in value shown in the consolidated statement of income. Other debt and financial liabilities are subsequently carried at amortized cost, using the effective interest method. Convertible (equity-linked) borrowings which include a cash-settlement option are carried at amortized cost using an effective interest rate deemed appropriate for the risk profile of an equivalent financial instrument without the conversion component.

Debt is classified as current unless the Company has an unconditional right to defer settlement until at least twelve months after statement of financial position date.

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

Other financial liabilities include contingent considerations related to acquisitions and obligations to acquire non-controlling interests from management of certain subsidiaries. Both are initially recognized and subsequently measured at fair value. Contingent considerations are fair valued based on the expected cash outflows, taking into account the effects of discounting, with remeasurements differences recorded as financial income or expense in the consolidated statement of income. Obligations to acquire non-controlling interests from management are fair valued, generally, based on a multiple of EBITA less net debt, with measurement differences recorded as employee expense in the consolidated statement of income in accordance with IAS19. Multiples applied are either contractually determined or, generally, in accordance with those applied in the section on estimated value of the subsidiaries and associates. In certain circumstances, in the event of a listing of the respective subsidiary, the requirement for the Company to settle the liability in cash is eliminated. In such circumstances, if a listing becomes probable, the participation plan will be treated as an equity-settled share-based compensation plan in accordance with the provisions of IFRS 2 and the original fair value of the liability is reclassified into equity.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership. Assets held under finance leases are initially recognized at the lower of fair value at the date of commencement of the lease and the present value of the minimum lease payments. Subsequent to initial recognition, these assets are accounted for in accordance with the accounting policy relating to that specific asset. The corresponding liability is included in other financial liabilities. Lease payments are apportioned between finance costs in the income statement and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Debt and other financial liabilities is comprised of:

	2015	2014
Debt	**4,282.0**	4,317.5
Other financial liabilities	**75.8**	164.0
	4,357.8	4,481.5

	2015	2014
Non-current debt and other financial liabilities		
Mortgage loans	**390.4**	254.8
Private placements	**2,111.5**	2,181.4
Other loans	**1,166.2**	1,280.9
Total non-current debt	**3,668.1**	3,717.1
Non-current other financial liabilities	**59.3**	131.3
Total non-current debt and other financial liabilities	**3,727.4**	3,848.4
Current debt and other financial liabilities		
Bank overdrafts	**293.6**	247.0
Bank loans	**195.8**	291.4
Current portion of long-term debt	**63.5**	62.0
Other current loans	**61.0**	-
Total current debt	**613.9**	600.4
Current other financial liabilities	**16.5**	32.7
Total current debt and other financial liabilities	**630.4**	633.1
Total debt and other financial liabilities	**4,357.8**	4,481.5

The summary of debt per currency is as follows:

	2015	2014
Euro	**1,835.9**	2,052.8
U.S. dollar	**1,986.2**	1,823.4
Singapore dollar	**227.5**	227.7
Other currencies	**232.4**	213.6
	4,282.0	4,317.5

Mortgage loans are secured by mortgages and pledges on vessels, real estate, inventory and receivables with a corresponding carrying value of € 569.6 million (2014: € 607.4 million). These are non-possessory pledges which means that only in case of default under the mortgage loan agreements, the lender will have the right to sell the vessels, real estate or inventory and receive the cash flows from the receivables. The other loans are secured to an amount of € 418.8 million (2014: € 182.0 million) by non-possessory pledges on machinery and equipment, receivables, inventories and other current assets.

Interest-bearing loans relate for € 2,406 million (56.2%) to Vopak (2014: € 2,448 million, 56.7%). These interest-bearing loans mainly consist of unsecured Private placements in the U.S. and Asian markets. The average remaining maturity at the end of 2015 was 7.8 years (2014: 8.0 years).

Debt includes a € 150 million unsecured, unsubordinated equity-linked bond issued by Safilo (‘the Bond’), maturing on May 22, 2019, with a coupon of 1.25% per annum. The Bond is convertible into ordinary shares of Safilo Group S.p.A. at a conversion price of € 21.8623 per share. At final maturity, the Bond will be redeemed at its principal amount unless previously redeemed, converted or purchased and cancelled. Safilo will have the option to redeem any outstanding Bonds at their principal amount (plus accrued but unpaid interest) on or after June 6, 2017, if the volume-weighted average price of a share for a specified period is at least 130% of the conversion price in effect on each relevant dealing day. Safilo may also redeem the Bonds at any time at their principal amount (plus accrued but unpaid interest) if less than 15% of the Bonds originally issued remain outstanding. The conversion component represents an embedded derivative financial instrument, disclosed in note 9.

For 100% of the bank debt, the applicable covenants were complied with during 2014 and 2015. The table below provides details on certain company-specific covenants that applied in 2015.

	Debt	Required	Actual
GrandVision syndicated facility	777.0		
Maximum net debt:EBITDA ratio		3.25	1.84
Minimum interest cover ratio		5.00	26.70
Vopak	2,306.9		
Maximum senior net debt:EBITDA ratio		3.75	2.73
Minimum interest cover ratio		3.50	7.70
Other	1,198.1		
Total debt	4,282.0		

Included in other financial liabilities is the obligation to acquire equity instruments in certain subsidiaries from the management of these subsidiaries and liabilities related to share-based payment plans for an aggregate amount of € 24.3 million (2014: € 50.6 million), of which € 18.2 million (2014: € 27.7 million) is included as a non-current liabilities. Reference is made to note 34 on share-based compensation. Also included are earn-out and deferred/contingent payments with respect to acquisitions for € 12.0 million (2014: € 113.4 million). The liabilities expire during the period 2016 through 2019.
Non-current other financial liabilities also include a € 30 million compensation payment Safilo received from the Kering Group in connection with the termination of a Gucci license agreement at the end of December 2016. A second and third payment of each € 30 million is to be received in December 2016 and September 2018. The first compensation payment of € 30 million has been considered as a deposit and it is therefore not recognized in the consolidated income statement in 2015.

In March 2010, HAL's hearing aid retail subsidiary AudioNova International B.V. acquired a 75.25% stake in the German hearing aid retailer GEERS Hörakustik with the obligation to acquire the remaining 24.75% during the period 2014 through 2016. This obligation was recorded as a liability in the financial statements. On August 4, 2015, AudioNova acquired the remaining 24.75% which resulted in a release of a part of this financial liability to the income statement (€ 29 million). This release was recorded under other financial income.

The fair value of debt and other financial liabilities is disclosed in note 36.

22. Accrued expenses

Accrued expenses consist of:

	2015	2014
Employee-related accruals	**190.3**	230.0
Customer prepayments	**94.6**	89.0
VAT and other tax liabilities	**117.4**	61.8
Deferred revenue	**86.9**	113.1
Other	**374.4**	335.1
Total accrued expenses	**863.6**	829.0

23. Revenues

Revenue is recognized at the fair value of consideration received or receivable for the sale of products or rendering of services in the period in which they occur. Revenue is shown net of sales tax, returns, rebates and discounts and after eliminating intercompany revenues.

Sale of goods
Revenue is recognized when the amount of revenue can be reliably measured, the risks and rewards of the underlying products have been substantially transferred to the customer and it is probable that the economic benefits associated with the transaction will flow to the Company. Depending on individual customer terms, this can be at the time of dispatch, delivery or upon formal customer acceptance. If sold with a right of return, accumulated experience is used to estimate and provide for such returns at the time of sale.

Retail sales are recorded at the amount of the sale, including (credit card) fees payable for the transaction, when the sales process is complete. As a result, any prepayments by customers are not considered as revenue but are accounted for as liabilities.

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

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

The Company's revenue can be divided as follows:

	2015	2014
Sale of goods	**6,035.8**	5,322.2
Services	**1,658.8**	1,592.3
Franchise fees	**67.9**	65.7
Other operating income	**106.1**	26.4
	7,868.6	7,006.6

Other operating income relates mainly to gains on assets held for sale of € 77.4 million. Reference is made to note 6 for details.

24. Income from marketable securities and deposits

Income from marketable securities and deposits includes realized capital gains and losses, impairment losses, interest, dividends and management fees.

Realized capital gains and losses are calculated on an average-cost basis. Interest income on financial instruments recorded at amortized cost is recognized on an accrual basis, using the effective interest rate method. Dividends and interest on available-for-sale financial instruments are recognized when the right to receive payment is established.

	2015	2014
Capital gains/(losses)	**4.9**	3.1
Interest income	**2.0**	0.4
Dividends	**1.0**	0.9
Management fees	**(1.1)**	(1.6)
	6.8	2.8

25. Results from associates and joint ventures

Associates and joint ventures are accounted for using the equity method, which involves recognition in the consolidated statement of income the Company's share of the net result of the associate or joint venture. When the Company's share of losses exceeds the carrying amount of an equity-accounted investment, including any unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the company in question. Significant unrealized gains on transactions between the Company and its associates and joint ventures are eliminated to the extent of the Company's interest in the specific company. Significant unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Dilution gains and losses arising on associates and joint ventures are recognized in the income statement.

	2015	2014
Share of results	**273.4**	272.2
Capital gains	**35.9**	-
Impairments	**(64.1)**	(16.1)
Reversal of impairments	**13.8**	3.8
	259.0	259.9

The capital gains primarily relate to the sale of the Company's 25% interest in the ordinary share capital of NAVIS Capital Partners Ltd. Refer to note 7 for details. For details on impairments, reference is made to note 35.

26. Income from other financial assets

Interest income on loans granted is recognized on an accrual basis, using the effective interest method. Interest and dividend income on available-for-sale instruments is recognized when the right to receive payment is established.

	2015	2014
Interest income on loans and debt portfolio	**18.1**	9.1
Revaluation debt portfolio	**14.9**	-
	33.0	9.1

27. Income from real estate activities

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

	2015	2014
Capital gains	**1.7**	10.0
Rental and residential income	**0.6**	1.7
Operating expenses	**-**	(0.8)
	2.3	10.9

The capital gain in 2015 resulted from the sale of a plot of land. The capital gain in 2014 resulted from the sale of an office building.

28. Employee expenses

Short-term employee benefits
Wages, salaries, social security contributions, annual leave, sickness absenteeism, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognized as an expense as the related service is provided by the employee of the Company. A liability is recognized for the amount expected to be paid under short-term cash bonus plans if there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Termination benefits
Termination benefits are recognized as an expense when the Company and its subsidiaries are committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Termination benefits for voluntary redundancies are recognized as an expense if an offer has been made of voluntary redundancy, it is probable that the offer will be accepted and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period they are discounted to their present value.

Share-based compensation
The compensation cost for share-based payment plans is recognized as an expense on a straight-line basis over the vesting period. The amounts expensed are adjusted over the vesting period for changes in the estimate of number of shares and the equivalent in cash that will eventually vest. Adjustments are made at the end of each reporting period to reflect expected and actual forfeitures during the vesting period due to the failure to satisfy service conditions or non-market performance conditions (e.g. profitability growth targets or continued employment over a specified time period). Refer to note 34 for more details on share-based payment plans.

Participation by management of unquoted subsidiaries
Management of certain subsidiaries own non-controlling interests in the capital of these subsidiaries. With respect to certain subsidiaries, the Company has the conditional obligation to acquire these equity instruments for cash. Obligations to acquire non-controlling interest are fair valued, generally, based on a multiple of EBITA less net debt, with measurement differences recorded as employee expense in the consolidated statement of income in accordance with IAS19. Multiples applied are either contractually determined or, generally, in accordance with those applied in the section on the estimated value of the subsidiaries and associates.

	2015	2014
Wages and salaries	**1,581.4**	1,472.2
Social security costs	**311.9**	285.7
Pension costs	**65.4**	23.5
Other	**315.7**	271.9
	2,274.4	2,053.3

The average number of persons employed by the Company and its subsidiaries during 2015 was 49,005 (2014: 46,921) on a full-time equivalent basis.

29. Other operating expenses

Operating expenses, including rent and marketing, are recognized in the consolidated statement of income when incurred.

Other operating expenses include the following:

	2015	2014
Rent	**651.8**	601.2
Marketing and publicity expenses	**374.8**	346.9
Royalty expenses	**110.6**	99.1
Other	**825.1**	740.4
	1,962.3	1,787.6

Research and development costs expensed, included in other, amounted to € 15.2 million (2014: € 16.8 million).

30. Financial income and expenses

Financial income includes income on cash and cash equivalents and income on financial assets not included in marketable securities and deposits or in other financial assets. Financial expenses include net finance costs in relation to financial liabilities. Measurement differences on (embedded) derivatives not included in a hedge relationship, measurement differences on contingent consideration related to acquisitions ('earn-out' liabilities) and results from foreign currency translation of monetary items can be either financial income or expense.

Interest income and expense on financial instruments recorded at amortized cost is recognized on an accrual basis, using the effective interest method.

Financial income and expense include:

	2015	2014
Financial expense	**222.6**	198.5
Other financial income	**86.1**	75.1
Net finance costs	**136.5**	123.4

Financial expense includes:

	2015	2014
Interest expense	**157.5**	166.6
Exchange differences, net of hedges	**49.5**	27.0
Other	**15.6**	4.9
	222.6	198.5

Other financial income includes:

	2015	2014
Interest income	**9.5**	21.0
Exchange differences	**46.6**	29.4
Fair value gain on embedded option in Safilo equity-linked bond	**0.8**	17.7
Revaluation of earn-out liabilities	**29.1**	7.0
	86.1	75.1

Refer to note 36 for details on the valuation of earn-out liabilities.

31. Income tax expense

The current income tax charge is calculated on the basis of the tax law enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries have operations, taking into account tax-exempt income and tax losses carried forward. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretations. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Income tax is recognized in the consolidated statement of income unless it relates to items recognized in the consolidated statement of comprehensive income or in the consolidated statement of changes in equity. Where the final outcome of tax-related provisions is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Critical accounting estimates and judgements
Significant judgement is required in determining the worldwide provision for income tax, as subsidiaries are subject to income taxes in numerous jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain. Provisions for anticipated tax audit issues are recognized based on management's estimates of whether additional taxes will be due.

	2015	2014
Current income taxes	**239.1**	194.7
Deferred income taxes	**17.9**	2.0
	257.0	196.7

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

	2015	2014
Profit before income tax	**1,147.6**	964.1
Less: after-tax share of results from associates and joint ventures	**(259.0)**	(259.9)
Adjusted profit before income tax	**888.6**	704.2
Income tax expense	**257.0**	196.7
Effective tax rate (%)	**28.9**	27.9

	2015		2014	
Composition	**Amount**	**%**	Amount	%
Weighted-average statutory tax rate	**238.8**	**26.9**	190.2	27.0
Goodwill impairment	**2.6**	**0.3**	5.3	0.8
Recognition of tax losses	**34.7**	**3.9**	15.0	2.1
Non-taxable income	**(61.8)**	**(7.0)**	(49.7)	(7.1)
Non-deductible expenses	**42.6**	**4.8**	30.6	4.3
Prior year movements	**(3.1)**	**(0.4)**	3.9	0.6
Other effects including rate changes	**3.2**	**0.4**	1.4	0.2
Effective tax (rate)	**257.0**	**28.9**	196.7	27.9

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

Taxes recognized in other comprehensive income:

	2015	2014
On changes in the fair value of cash flow hedges	**(7.3)**	15.6
On translation and related hedges	**2.5**	-
On changes in defined benefit obligations	**(28.3)**	57.1
	(33.1)	72.7

32. Earnings per Share

Earnings per Share for profit attributable to the owners of parent are calculated by dividing the profit attributable to the owners of parent by the time-weighted average number of outstanding Shares. The calculation of the previous year earnings per Share is adjusted to take into account the stock dividend paid in the current year, in respect of the previous year, in accordance with IAS 33.64.

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

x 1,000	**2015**	2014
Issued and outstanding Shares at January 1	**73,993**	71,553
Sale and transfer of treasury shares	**4**	7
Purchase of treasury shares	**(13)**	(30)
Dividend paid in stock	**1,211**	1,346
Average number of outstanding Shares	**75,195**	72,876

There was no dilutive effect on earnings per Share in the years presented.

33. Changes in working capital

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

	2015	2014
Accounts receivable	**10.2**	(35.0)
Inventories	**(21.8)**	(44.8)
Other current assets	**55.1**	18.5
Accounts payable	**(54.8)**	(19.5)
Accrued expenses	**49.8**	89.1
	38.5	8.3

34. Share-based compensation

The Company and its subsidiaries operate a number of equity-settled and cash-settled share-based compensation plans. Under the plans these entities receive services from employees as consideration for respectively ordinary shares of the respective entity or for the cash equivalent to the value of the underlying ordinary shares of the respective entity.
For equity-settled share-based compensation plans, the fair value is determined at the date of grant and expensed in the consolidated statement of income with a corresponding adjustment directly in equity. For cash-settled share-based compensation plans, the fair value is determined at the date of the grant and is re-measured at each reporting date until the liability is settled.

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

Expenses related to share-based compensation consist of:

	2015	2014
HAL Holding N.V.		
Share Plan*	**1.8**	1.0
GrandVision		
Real Share Plan*	**3.4**	2.7
Phantom Plan**	**14.3**	31.6
Cash Plans***	**-**	0.4
Vopak		
Long-Term Share Plan 2014/2015*	**2.3**	0.9
Long-Term Share Plan 2014/2015***	**2.3**	0.9
Share-Matching Plan***	**-**	0.1
Long-Term Cash Plan***	**3.1**	1.0
Safilo		
Stock Option Plan 2014*	**0.6**	0.5
Unquoted subsidiaries		
Cash Plans***	**4.8**	3.3
Total	**32.6**	42.4

* Equity-settled

** Cash-settled in 2014, converted to equity-settled in 2015

*** Cash-settled

Increases in equity for share-based compensation plans amounted to:

	2015	2014
HAL Holding N.V.		
Share Plan	**1.8**	1.0
GrandVision		
Real Share Plan	**1.7**	29.7
Phantom Plan	**38.3**	-
Vopak		
Long-Term Share Plan 2014/2015	**2.3**	0.9
Safilo		
Stock Option Plan 2014	**0.6**	0.5
	44.7	32.1

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

	2015	2014
GrandVision		
Phantom Plan	**0.9**	36.5
Cash Plans	**-**	0.8
Vopak		
Long-Term Share Plan 2014/2015	**3.2**	1.0
Long-Term Cash Plan	**4.1**	1.0
Unquoted subsidiaries		
Cash Plans	**16.1**	11.3
	24.3	50.6

The current part of this liability of € 6.1 million (2014: € 22.9 million) is included under current debt and the non-current part of € 18.2 million (2014: € 27.7 million) under non-current debt.

HAL Holding N.V.
The HAL Supervisory Board has the power to grant Executive Board members shares HAL Trust.

The granted shares can be summarized as follows:

x 1,000	**2015**	2014
Outstanding shares on January 1	**89**	50
Granted	**-**	39
Outstanding shares on December 31	**89**	89

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

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

GrandVision

Real Share Plan
The Real Share Plan provides for the purchase of GrandVision shares to eligible participants which is subject to a vesting term and holding conditions. Vesting of awards made under the real share plan is subject to a vesting condition that can vary from 3 to 5 years. The plan has been classified as an equity-settled share-based payment arrangement with expenses recognized over the vesting period. The real share plan is no longer granted since February 6, 2015, when the company’s shares were listed on Euronext Amsterdam.

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

x 1,000	**2015**	2014
Outstanding shares on January 1	**181**	169
Issued (IPO-related)	**3,449**	-
Granted	**-**	19
Settled	**(658)**	(7)
Outstanding shares on December 31	**2,972**	181

Out of the shares outstanding under the Real Share Plan at December 31, 2015, 1,235,086 were vested.

The IPO related issue increased the number of shares held by the participants with no effect on the value of the holdings.

Phantom Plan

Until the listing of GrandVision's shares in February 2015, the phantom plan provided the participants with the right to receive cash based on the appreciation in the GrandVision share price between the date of grant and the vesting date. Participants were granted a combination of phantom shares and phantom options under the Phantom Plan. Phantom shares and phantom options were to be settled in cash and contained a service condition of 3 to 5 years in addition to performance conditions based on certain GrandVision targets.

Upon the moment of listing, the majority of these plans were converted in a value-neutral way to equity-settled plans, replacing the right to receive cash by the right to receive GrandVision shares. These shares were issued on January 20, 2015. The fair value at grant used in this conversion was the initial share price of GrandVision's shares of 20 euro. The increase of the probability of listing to 100% incurred incremental expense of € 2.3 million, recognized in income. A minority of the plans remained cash-settled and were almost all fully settled during 2015, in accordance with their vesting conditions. The impact of the reclassification is as follows:

	Liability	Equity
January 1, 2015	36.5	-
Expense	4.2	10.0
Settlement	(9.8)	(8.4)
Effect reclassification to equity-settled	(28.3)	28.3
Exchange differences and other	(1.7)	(2.7)
December 31, 2015	0.9	27.2

Options granted under the Phantom Plan have an exercise price between € 5.98 and € 24.59 with a remaining lifetime between 0.4 and 5.0 years. The fair value of these options was estimated using the Black-Scholes model. The main market inputs used in the model were annual risk-free rates between (0.38)% and 0.15%, expected volatilities between 22.1% and 25.9%, a dividend yield between 0.6% and 1.4% and a share price of € 20 to € 26. The expected volatility applied is based on the weighted-average historical, annualized volatilities of a group of comparable, listed companies.

The outstanding phantom shares and phantom options can be summarized as follows:

x 1,000	Phantom shares	Phantom options	Average exercise price
Outstanding on January 1	75	118	142.87
Issued (IPO-related)	1,422	2,241	-
Adjustment for performance conditions	78	192	5.98
Granted	246	54	24.59
Forfeited	(163)	(94)	6.45
Settled	(296)	(932)	8.32
Outstanding on December 31	1,362	1,579	6.94

Out of the phantom shares outstanding at December 31, 2015, 9,640 were vested. For the phantom options outstanding at December 31, 2015, exercise prices range from € 5.98 to € 24.59 with an average remaining contract life of 2.8 years. Out of the phantom options outstanding at the year-end 126,200 were exercisable.

The IPO related issue increased the number of phantom shares and options held by the participants with no effect on the value of the holdings.

Vopak

Long-Term Share Plan (LTSP)
The LTSP 2014 and LTSP 2015 reward participants for the increase in Vopak's earnings per share (Vopak's EPS) performance during the three-year performance period, respectively from 2014 to 2016 and 2015 to 2017 at a pre-set Vopak EPS target. If a considerable, ambitious improvement in Vopak's EPS has been achieved during the three-year performance period, a long-term remuneration will be awarded that ranges from 0% to 120% per annum of Vopak's Chairman's average annual salary and from 0% to 90% (LTSP 2015: 0% to 97.5%) for other Board members. For key managers these annual percentages are 0% to 60% and 0% to 45% of the average annual salary.

The granted shares granted under the LTSP 2014 can be summarized as follows:

x 1,000	**2015**	2014
Outstanding shares on January 1	**206**	-
Granted	**-**	206
Outstanding shares on December 31	**206**	206

The granted shares granted under the LTSP 2015 can be summarized as follows:

x 1,000	**2015**	2014
Outstanding shares on January 1	**-**	-
Granted	**81**	-
Outstanding shares on December 31	**81**	-

The fair values of the equity-settled LTSP awards granted in 2015 have been determined based on Vopak's share price at the grant date, reduced with the expected discounted future dividends payable during the respective vesting periods since the participants are not entitled to receive dividends during the vesting period.

Long-Term Cash Plan (LTCP)
For Vopak senior managers who are not eligible to participate under the LTSP but who contribute significantly to Vopak's shareholder value, three-year cash plans have been granted. The LTCP 2014-2016 and the LTCP 2015-2017 provides for additional pay in the form of deferred compensation under the terms and conditions of the plan after a three year vesting period. The financial performance is measured by Vopak's EPS growth during the three year period, the incentive can rise from 0% to a maximum of 30% or 22.5% per annum of the average salary over the vesting period.

Safilo

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

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

During 2015, 575,000 options were granted with an exercise price of 13.29, an eight-year maturity and a fair value of € 2.20. The fair value of these options was estimated using the Black-Scholes model. The main market inputs used in the model were an annual risk-free rate of 0.35%, expected volatility of 30.00% and the share price at grant date of € 13.71. The expected volatility applied is based on the weighted-average historical normalized, annualized volatilities of a group of comparable, listed companies.

The granted options can be summarized as follows:

x 1,000	**2015**	**Average exercise price**	2014
Outstanding options on January 1	**295**	**15.05**	-
Granted	**575**	**13.29**	305
Forfeited	**(25)**	**13.99**	-
Expired	**-**	**-**	(10)
Outstanding options on December 31	**845**	**13.88**	295

Exercise prices for options outstanding at the year-end range from € 13.29 to € 15.05 with a remaining contract life of 7.5 years.

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

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

x 1,000	**2015**	**Average exercise price**	2014
Outstanding options on January 1	**710**	**8.10**	1,105
Forfeited	**(15)**	**8.47**	(40)
Exercised	**(95)**	**6.65**	(335)
Expired	**-**	**-**	(20)
Outstanding options on December 31	**600**	**8.32**	710

Exercise prices for options outstanding at the year-end range from € 8.05 to € 14.54, similar to previous year, with an average remaining contract life of 2.5 years (2014: 3.1 years). Among the options outstanding at the end of the period, 100,000 options are exercisable until May 31, 2016, 35,000 options are exercisable until May 31, 2017, and 200,000 options are exercisable until May 31, 2018. A total of 265,000 options became exercisable from the date of approval of the 2015 Safilo financial statements until the expiry of the exercise period on May 31, 2019.

35. Impairment of non-current assets

Assets that have an indefinite useful life are tested for impairment annually, while all non-current assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Non-financial assets
An impairment loss on non-financial assets is recognized in the consolidated statement of income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and an asset's value in use. Goodwill is allocated to groups of cash-generating units (CGU's) for the purpose of impairment testing. A CGU is in no event larger than the operating segment it belongs to.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Available-for-sale financial assets
In the case of equity securities or fixed income securities, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists, the cumulative loss – measured as the difference between the acquisition cost and the current fair value – is recycled from equity and recognized in the consolidated statement of income. Impairment losses previously recognized in the consolidated statement of income on equity instruments are not reversed through the consolidated statement of income in subsequent reporting periods.

Loans and receivables
A provision for impairment is recognized when there is objective evidence that the Company may not be able to collect all amounts due according to the original terms. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial

reorganization and default or delinquency in payments are considered indicators that the loan or receivable may be impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Additions to and releases from the provision are recognized in the consolidated statement of income.

Significant accounting estimates and judgements
The recoverable amounts in impairment testing are determined based on the value in use and fair value less costs of disposal of the asset or cash-generating unit. The calculation of these values require the use of estimates.

Calculation of the value in use requires management to apply judgements around future cash flows, discount rates and growth rates. In calculating fair value less cost of disposal the selection of relevant market multiples is the primary judgement made by management. Where preliminary or indicative non-binding offers are used as inputs, management needs to assess that these offers are a good reflection of fair value.

The primary impairment test for the Company relates to annual goodwill impairment testing and the annual impairment test on indefinite-lived key money. Property, plant and equipment (i.e. terminals) as well as joint ventures are reviewed and, when required, tested. This primarily occurs at the level of Vopak whereby judgement is exercised by Vopak's management. In performing the impairment test, Vopak management makes an assessment of whether the cash-generating unit will be able to generate positive net cash flows that are sufficient to support the value of the intangible assets, property, plant and equipment, and financial assets. For value in use, the assessment is based on estimates of future expected cash flows (value in use) made on the basis of the budget for the coming year and two subsequent plan years. In addition to these, the other key assumptions used are discount rates and expected growth rates. Fair value less cost of disposal is primarily based either on market-multiples or (indicative non-)binding bids. When the fair value less cost of disposal of a terminal is based on (preliminary) offers received from interested parties, management has applied the assumption that these offers are a good reflection of the fair value of the terminals concerned and the assumption that it is probable that these terminals will be sold in the near future resulting in a situation where the carrying amount will be recovered principally through a sale instead of by continuing use. A change in one of these assumptions could potentially lead to a future impairment.

Vopak Terminal Haiteng (China)
The consequences of an incident that occurred in April 2015 at the production facility of the customer of Vopak's associate Vopak Terminal Haiteng, as disclosed earlier in 2015 by Vopak, are still under investigation. However based on the current facts and circumstances available, including the estimated long-term demand for the product manufactured at the facility and the technological state of the facility, management has assessed that it is most likely that the facility will be taken into operation again. The date on which the facility will be taken into production again is currently still unknown, but not expected before 2017. If due to any reason the production facility will not be taken into operation again, this may result in a significant impairment on the investment in the associate Vopak Terminal Haiteng, which is an industrial terminal. The maximum risk exposure amounts to the group's equity investment in the company of € 61.6 million per year-end 2015. Furthermore, changes in the facts and circumstances applicable to this situation going forward, could potentially lead to one-off and/or exceptional losses in the coming year within the aforementioned range of the maximum exposure.

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

	2015	2014
Property, plant and equipment	**7.3**	29.5
Goodwill	**10.1**	19.2
Other intangibles	**11.1**	7.6
Investments in associates and joint arrangements	**50.3**	12.3
Assets held for sale	**-**	6.9
	78.8	75.5

Impairment losses by segment are as follows:

	2015	2014
Optical retail	**5.6**	8.8
Unquoted	**19.2**	14.0
Quoted minority interests	**54.0**	52.7
	78.8	75.5

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

	2015	2014
Amortization and impairment of intangible assets	**21.2**	26.8
Depreciation and impairment of property, plant, equipment and investment properties	**7.3**	29.5
Share of results of associates and joint arrangements	**50.3**	12.3
Other operating expenses	**-**	6.9
	78.8	75.5

Impairments of property, plant and equipment, associates and joint arrangements primarily relate to Vopak and can be detailed as follows.

Property, plant and equipment

Cancelled projects
In 2015, the cancellation of a terminal automation project (Netherlands) and the cancellation of business development projects (EMEA) led to a total impairment of € 5.7 million.

Vopak conducted a business review of the expansion projects under consideration in 2014. This resulted in an aggregated impairment for cancelled projects in 2014 in the amount of € 22.4 million, of which € 4.0 million related to Intangible assets.

Terminals in operation
For a very limited number of terminals in operation, Vopak management has determined in 2015 that the value-in-use is lower than the carrying amount. For these individual terminals, the fair value less cost of disposal has been calculated in order to assess whether this value exceeds the value in use and the carrying amount of the assets. For terminals or assets which are actively being marketed by Vopak, the fair value less cost of disposal is based primarily on offers received from interested parties (level 2 fair value). For the other terminals the fair value less cost of disposal is primarily based on the estimated normalized EBITDA and on transaction multiples observable in the M&A markets for comparable terminals (level 2 fair value).The above-mentioned approach did not result in any impairment on the terminals in operation in 2015. The

impairment of € 2.7 million in the division Netherlands and the impairment of € 3.0 million in division EMEA relate to obsolete property, plant and equipment components.

In 2014, an impairment was recognized for the amount of € 10.3 million for the operations in Sweden (EMEA division) based on preliminary offers received from third parties. The completion of the divestment in 2015 resulted in a partial reversal of impairment for the amount of € 2.1 million. This amount is included in the total amount for impairments on Property, plant and equipment.

Joint ventures and associates

2015

Vopak Terminal Jakarta (Indonesia)
Vopak partially impaired its 49% equity share in the joint venture Vopak Terminal Jakarta (Asia division) in 2012 because the progress of deregulation of the subsidized fuel distribution was progressing much slower than originally assumed. A reversal of an impairment of € 9.7 million was recognized for this terminal in 2015. This reversal of an impairment results from the structural performance improvements of the terminal, aided among others by favorable market conditions and the economic reforms in Indonesia.

Vopak Terminal Dongguan (China)
In 2014, this project in Dongguan (Asia division) was already impaired by € 16.1 million to the estimated recoverable value of nil based on a fair value less cost of disposal calculation (level 2 fair value). This project is faced with a longer-term negative timing effect in the industrial developments in the region, compared to initial expectations. As at year-end 2015, the net-investment in the joint venture amounted to nil and Vopak has no receivables on the joint venture. On the reporting date, Vopak has not incurred any legal obligations with regard to this joint venture, except for a financial guarantee of € 33.2 million. This guarantee exposes Vopak in the event of a default by the joint venture. As management of Vopak has assessed that it is not likely that such a default will occur, no liabilities were recognized per year-end 2015 in relation to this financial guarantee. Additional funding which could be provided by Vopak going forward, may result in relatively small additional impairments in 2016, depending on the facts and circumstances applicable at that date.

Thames Oilport (United Kingdom)
Vopak, Greenergy and Shell UK Limited acquired the former Coryton refinery (UK) in June 2012. The objective of the partners was to demolish the refinery, develop and invest in an import and distribution terminal called Thames Oilport (part of the EMEA division) to be managed by Vopak, and sell surplus land available. Vopak and its partners conducted a thorough assessment of this project, including the analyses of the economic circumstances, the key market developments in the South East of the UK, the European refinery sector developments and the total development costs of the project. The partners concluded that under all scenarios 403 acres of land will not be required and accordingly decided to offer this land for sale. Vopak conducted its own in-depth analysis of the financial consequences of the decision to offer the land for sale and recognized an impairment on the book value of its equity participation in the joint venture of € 40.6 million during the first half of 2015. A substantial part of this impairment related to the planned demolition of the assets on the land for sale. The other part related to the value in use of the entity, which is below the remaining carrying value of the assets. Vopak's interest in the joint venture Thames Oilport will be divested together with the other UK assets. The consideration agreed with the acquiring party exceeds the carrying value of Vopak's equity share after impairment, resulting in a partial reversal of impairment for the amount of € 4.0 million in the second half of 2015. In total an impairment of € 36.6 million was recognized on the joint venture in 2015.

Vopak SDIC Yangpu Terminal (China)
During 2015, an impairment was recognized on the joint venture Vopak SDIC Yangpu Terminal for € 15.0 million because the carrying amount exceeded the estimated recoverable value. The recoverable value was based on the value in use, using a pre-tax discount rate of approximately 11% and management's best estimate of the future cash flows of the terminal, for which the budget for the coming year and two subsequent plan years were the basis.

Nippon Vopak (Japan)
During 2015, it became apparent that the recoverable value of Vopak's equity participation in the joint venture Nippon Vopak (part of Asia division) is below the carrying value of the joint venture. Consequently, an impairment was recognized for the amount of € 8.5 million.

2014

An impairment on the joint venture Vopak Terminal Dongguan was recognized for the amount of € 16.1 million in 2014.

Goodwill

Vopak and Safilo are both listed entities. The impairment test with respect to the goodwill relating to these two entities primarily consists of comparing the carrying value of the Company's ownership interest to the stock market value. At the end of 2015 the stock market value of the ownership interest in Vopak exceeded the carrying value by € 1,399 million and the stock market value of the ownership interest in Safilo exceeded the carrying value by € 72 million. No impairment was recognized. These stock market values qualify as level 1 in the fair value hierarchy.

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

The recoverable amount of cash-generating units is generally determined based on the calculation of their value in use. These calculations use cash flow projections covering a five-year period. Cash flows beyond this five-year period were extrapolated using an estimated growth rate of nil. With respect to certain cash-generating units, representing 8.6% of the goodwill (2014: 9.6%), if the economic reality of a specific cash-generating unit justified it and led to more realistic estimates, the recoverable amount was based on the cash-generating unit's fair value less costs of disposal. These calculations are mainly based on observable market multiples of revenues less appropriate discounts (4.5%) or on a discounted cash flow model that includes expansion capital expenditure (4.1%). Fair value calculations based on multiples were performed for certain optical retail operations in emerging markets and for the sunglass business, using a weighted-average multiple of revenue of 1.1. This multiple is determined by management taking into account sales multiples for comparable quoted companies. Using a weighted-average revenue multiple of 1.0 would potentially result in an impairment of € 1.3 million. These fair value calculations qualify as level 3 calculations.

With respect to certain cash-generating units (representing 1.0% of the goodwill) the fair value was calculated based on observable market multiples of earnings before interest, tax and amortization less an appropriate discount. These fair value calculations qualify as level 3 calculations.

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

	2015	2014
Optical retail Europe		
Weighted-average increase in revenues	**5.2%**	3.7%
Weighted-average gross margin	**73.5%**	74.2%
Weighted-average pre-tax discount rate	**13.6%**	13.6%
Optical retail Latin America		
Weighted-average increase in revenues	**12.5%**	9.5%
Weighted-average gross margin	**68.4%**	69.2%
Weighted-average pre-tax discount rate	**16.7%**	14.5%
AudioNova		
Weighted-average increase in revenues	**3.9%**	2.5%
Weighted-average gross margin	**84.0%**	79.7%
Weighted-average pre-tax discount rate	**13.4%**	12.6%
Other unquoted investments		
Weighted-average increase in revenues	**3.5%**	3.9%
Weighted-average gross margin	**57.9%**	58.9%
Weighted-average pre-tax discount rate	**13.4%**	12.6%

Goodwill, excluding amounts related to Vopak and Safilo, is comprised of the following:

	2015	2014
Optical retail Europe	**1,005.3**	991.8
Optical retail Americas	**204.9**	79.0
AudioNova	**274.4**	274.1
Other unquoted investments	**147.4**	149.5
Total	**1,632.0**	1,494.4

The result of this process was that the carrying value of goodwill relating to one cash-generating unit was impaired for € 10.1 million, which is recorded under amortization and impairments of intangible assets in the consolidated statement of income. This impairment charge is further detailed below.

The impairment charges and recoverable amounts in the segments Optical and Unquoted can be detailed as follows per cash-generating unit:

	Impairment		Recoverable amount	
	2015	2014	**2015**	2014
Optical retail - Mexico	**-**	3.5	**-**	7.1
Orthopedie Investments Europe B.V. - Livit	**10.1**	12.8	**10.4**	26.7
	10.1	16.3	**10.4**	33.8

The impairment with respect to Livit is a result of lower margins, mainly due to fierce competition, and lower than anticipated cost savings. The recoverable amount with respect to

Livit was calculated based on a value-in-use calculation. The impairment represented all of the remaining goodwill. Additionally, a trademark was impaired for € 3 million.

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

	2015	2014
AudioNova	**11.9**	0.6
Other unquoted investments	**6.9**	4.4
	18.8	5.0

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

	2015	2014
AudioNova	**0.6**	2.4
Other unquoted investments	**-**	8.9
	0.6	11.3

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

	2015	2014
AudioNova	**13.9**	4.0
Other unquoted investments	**13.4**	13.0
	27.3	17.0

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

	2015	2014
AudioNova	**0.5**	2.2
Other unquoted investments	**-**	10.7
	0.5	12.9

Other intangibles

Indefinite-life rights of use and key money primarily relate to optical retail stores in France and Brazil. These assets are subject to an annual impairment test using cash-flow projections covering a five-year period, using pre-tax discount rates of 10% and 15% and revenue growth rates of 2% and 13%.

The result of this process was that the rights of use and key money relating to optical retail stores were impaired for € 1.5 million (2014: € 4.3 million). This amount is included in the consolidated statement of income under amortization and impairments of intangible assets.

If the revenue growth rate had been set at 0%, an additional impairment could have been required for an amount of € 3.8 million (2014: € 4.1 million).

Trademark valuations are most sensitive to the royalty rate, revenue growth and the discount rate used. Primary inputs for the valuation of customer relationships are the churn rate, EBITA growth and the discount rate.

The total amount of impairments recognized on other intangibles was € 11.1 million (2014: € 7.6 million).

36. Financial instruments

The classification of financial assets is detailed in the notes on other financial assets and derivatives. The classification of financial liabilities is detailed in the notes on debt and other financial liabilities and derivatives.

A number of the accounting policies and disclosures requires the determination of fair value for financial instruments. The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair values calculated are classified into three categories depending on the inputs used in the valuation technique. Where available, fair values are derived from quoted prices for identical instruments (level 1). In the absence of such information, other observable inputs, either directly or indirectly, are used to estimate fair values (level 2). Where insufficient observable market data is available, the best applicable unobservable inputs are used to perform the valuation (level 3). The valuation techniques used per type of financial instrument are described in more detail below.

Equity securities
The Company holds direct investments in equity securities and indirect investments in equity securities through managed portfolios. When available, the Company uses quoted market (bid) prices in active markets to determine the fair value of its investments in equity securities (level 1). Fair values for unquoted shares are estimated using valuation techniques such as discounted cash flow analysis, using expected future cash flows and a market-related discount rate, or a market-multiples approach (level 2 or 3).

Investments funds
Investment funds include private equity funds. The fair values of investments held in unquoted investment funds are determined by the Company after taking into consideration information provided by the fund managers and the liquidity of the investments. The Company reviews the valuations and performs analytical procedures to ensure the fair values are appropriate (level 2 or 3).

Debt securities and own debt
When available, the Company uses quoted market (bid) prices in active markets to determine the fair value of its debt investments (level 1). When the Company cannot make use of quoted market prices, market prices from indices, corroborating broker quotes or discounted cash flow analysis, using expected future cash flows and a market-related discount rate, are used (level 2).

Other liabilities
Obligations to acquire non-controlling interests are fair valued, generally, based on a multiple of EBITA less net debt. Multiples applied are either contractually determined or in accordance with

those applied in calculating estimated value of the subsidiaries and associates (level 3). Contingent considerations are fair valued based on the expected cash outflows, taking into account the effects of discounting (level 3). Finance lease contracts are fair valued by reference to similar lease agreements (level 3).

Derivatives
Where quoted market prices (level 1) are not available, other valuation techniques and corroborating broker quotes are used that maximize the use of observable inputs. These valuation techniques include option pricing or discounted cash flow analysis, using expected future cash flows and a market-related discount rate. The models used incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, expected volatility and interest rate curves (generally level 2).

Embedded derivatives
A bifurcated cash-settlement option of a convertible equity-linked bond issued by Safilo is carried at fair value. The fair value of the embedded derivative is calculated using the Black & Scholes option pricing model. Inputs in the model include risk-free rates and share price, expected volatility and dividend yield data for Safilo (level 2).

Financial instruments for which carrying value approximates fair value
Certain financial instruments that are not carried at fair value are carried at amounts that approximate fair value, due to their short-term nature and generally negligible credit risk. These instruments include cash and cash equivalents, short-term receivables and accrued interest receivable, short-term liabilities and accrued liabilities.

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

The following tables provide an analysis of the Company's financial instruments per line item, stating the classification of the instruments, their fair value and their level within the fair value hierarchy:

December 31, 2015	Fair value level	Available-for-sale	Loans and receivables	Derivatives	**Total book value**	**Total fair value**
Assets						
Other financial assets						
- Quoted equity securities	1	371.4	-	-	**371.4**	**371.4**
- Unquoted debt securities	2	-	280.5	-	**280.5**	**280.8**
Marketable securities						
- Quoted equity securities	1	82.7	-	-	**82.7**	**82.7**
- Quoted debt securities	1	37.8	-	-	**37.8**	**37.8**
- Unquoted equity securities	2	44.1	-	-	**44.1**	**44.1**
Derivatives	2	-	-	141.0	**141.0**	**141.0**
Other current assets		-	216.0	-	**216.0**	**216.0**
Receivables		-	777.9	-	**777.9**	**777.9**
Cash		-	2,126.6	-	**2,126.6**	**2,126.6**
Total financial assets		536.0	3,401.0	141.0	**4,078.0**	**4,078.3**

December 31, 2015	Fair value level	Liabilities at amortized cost	Derivatives	**Total book value**	**Total fair value**
Liabilities					
Debt and other financial liabilities					
- Non-current debt	2	3,668.1	-	**3,668.1**	**3,820.2**
- Current debt	2	613.9	-	**613.9**	**613.9**
- Other financial liabilities	2	39.5	-	**39.5**	**39.5**
- Other financial liabilities	3	36.3	-	**36.3**	**36.3**
Derivatives	2	-	120.1	**120.1**	**120.1**
Accounts payable		663.5	-	**663.5**	**663.5**
Total financial liabilities		5,021.3	120.1	**5,141.4**	**5,293.5**

December 31, 2014	Fair value level	Available-for-sale	Loans and receivables	Derivatives	Total book value	Total fair value
Assets						
Other financial assets						
- Quoted equity securities	1	307.9	-	-	307.9	307.9
- Unquoted debt securities	2	-	192.2	-	192.2	193.0
Marketable securities						
- Quoted equity securities	1	70.1	-	-	70.1	70.1
- Quoted debt securities	1	26.9	-	-	26.9	26.9
- Unquoted equity securities	2	44.1	-	-	44.1	44.1
Derivatives	2	-	-	30.0	30.0	30.0
Other current assets		-	215.2	-	215.2	215.2
Receivables		-	751.3	-	751.3	751.3
Cash		-	1,147.4	-	1,147.4	1,147.4
Total financial assets		449.0	2,306.1	30.0	2,785.1	2,785.9

December 31, 2014	Fair value level	Liabilities at amortized cost	Derivatives	Total book value	Total fair value
Liabilities					
Debt and other financial liabilities					
- Non-current debt	2	3,717.1	-	3,717.1	3,919.8
- Current debt	2	600.4	-	600.4	600.4
- Other financial liabilities	2	49.1	-	49.1	49.1
- Other financial liabilities	3	114.9	-	114.9	114.9
Derivatives	2	-	160.5	160.5	160.5
Accounts payable		676.4	-	676.4	676.4
Total financial liabilities		5,157.9	160.5	5,318.4	5,521.1

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

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

	2015	2014
Balance on January 1	**114.9**	149.0
Additions	**20.8**	4.5
Disposals	**(72.2)**	(38.8)
Gains/(losses) through income	**(27.0)**	0.2
Exchange differences	**(0.2)**	-
Balance on December 31	**36.3**	114.9

37. Financial risk management

The Company is exposed to credit risk, liquidity risk and market risk. Market risk primarily relates to movements in exchange rates, interest rates and the market value of investments in equity securities.

Financial risk management activities are carried out both on a central level and on the level of individual subsidiaries and controlled minority interests. For managing these risks, both derivative and non-derivative financial instruments are used.

Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations, including committed credit facilities extended to the Company. Credit risk on trade receivables is generally monitored and managed on the level of each subsidiary and on the level of the controlled minority interests (Vopak and Safilo). Credit risk with respect to loans, other financial instruments, cash and cash equivalents and credit facilities is managed by the Company for the Real estate and Liquid portfolio segments. The aim is to mitigate this risk by only concluding transactions with counterparties that have a strong credit rating. The credit risk on these financial instruments with respect to the other segments is managed by the respective subsidiary or controlled minority interest.

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

	2015	2014
Optical retail	**378.1**	348.4
Unquoted	**579.8**	504.3
Quoted minority interests	**934.3**	877.7
Real estate	**0.8**	0.2
Liquid portfolio	**1,686.8**	632.4
	3,579.8	2,363.0

These financial assets can be further specified as follows:

	2015	2014
Loans	**207.1**	105.6
Trade and other receivables	**777.9**	751.3
Marketable securities and deposits	**37.8**	26.9
Derivative financial instruments	**141.0**	30.0
Other financial assets	**73.4**	86.6
Other current assets	**216.0**	215.2
Cash and cash equivalents	**2,126.6**	1,147.4
	3,579.8	2,363.0

Cash and cash equivalents can be specified by segment as follows:

	2015	2014
Optical retail	**98.7**	134.1
Unquoted	**181.4**	137.0
Quoted minority interests	**196.5**	270.6
Real estate	**0.9**	0.2
Liquid portfolio	**1,649.1**	605.5
	2,126.6	1,147.4

For the Liquid portfolio and Real estate segments, cash and cash equivalents were held by counterparties with the following short-term Standard & Poor ratings:

	2015	2014
A-1+	**173.2**	159.2
A-1	**1,468.9**	437.0
A-2	**1.0**	-
A-3	**2.5**	-
Not rated	**4.4**	9.5
	1,650.0	605.7

The Company is not exposed to any significant concentration of credit risk.

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

The risks with respect to the individual entities belonging to the Optical retail, Unquoted and Quoted minority interests segments are managed by these entities. The Company has no ability to transfer cash (or other assets) from the entities belonging to the segment Quoted minority interests which may be consolidated in these financial statements (i.e. Vopak and Safilo).

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

The following tables categorize the consolidated, undiscounted cash flows of non-derivative financial liabilities and derivative financial liabilities into relevant maturity groupings based on the remaining lifetime of the contract at the end of the reporting periods. The financial guarantee contracts are contingent liabilities.

	December 31, 2015			
	< 1 year	1-2 years	3-5 years	> 5 years
Non-derivative liabilities				
Redemption of interest-bearing debt	614.4	240.7	1,844.0	1,582.9
Redemption of other financial liabilities	46.5	15.0	6.8	7.5
Interest payments	125.7	117.2	284.9	344.9
Accounts payable	656.3	7.2	-	-
Financial guarantee contracts	202.2	7.4	7.4	1.8
Total undiscounted non-derivative financial liabilities	1,645.1	387.5	2,143.1	1,937.1
Derivative liabilities				
Gross-settled derivative liabilities outflow	803.6	-	-	-
Gross-settled derivative liabilities inflow	(792.4)	-	-	-
Total gross-settled derivative liabilities	11.2	-	-	-
Net-settled derivative liabilities	0.6	1.3	25.0	82.4
Total undiscounted derivative liabilities	11.8	1.3	25.0	82.4
Total undiscounted financial liabilities	1,656.9	388.8	2,168.1	2,019.5

	December 31, 2014			
	< 1 year	1-2 years	3-5 years	> 5 years
Non-derivative liabilities				
Redemption of interest-bearing debt	600.4	94.0	2,008.2	1,614.9
Redemption of other financial liabilities	32.7	115.8	15.5	-
Interest payments	124.0	120.0	317.5	359.8
Accounts payable	676.4	-	-	-
Financial guarantee contracts	156.5	3.2	5.7	3.2
Total undiscounted non-derivative financial liabilities	1,590.0	333.0	2,346.9	1,977.9
Derivative liabilities				
Gross-settled derivative liabilities outflow	283.4	-	388.7	529.8
Gross-settled derivative liabilities inflow	(286.4)	-	(413.3)	(523.8)
Total gross-settled derivative liabilities	(3.0)	-	(24.6)	6.0
Net-settled derivative liabilities	5.1	(1.3)	0.8	94.7
Total undiscounted derivative liabilities	2.1	(1.3)	(23.8)	100.7
Total undiscounted financial liabilities	1,592.1	331.7	2,323.1	2,078.6

The total bank debt as of December 31, 2015, amounted to € 4,282.0 million (2014: € 4,317.5 million). For 100% of the bank debt, the applicable covenants were complied with during 2014 and 2015. Refer to note 21 for details on applicable covenants.

At the end of 2015, the net debt position, consisting of current and non-current bank debt less cash and cash equivalents and marketable securities and deposits, amounted to € 1,991 million (2014: € 3,029 million). This net debt position represents a ratio of 1.2 (2014: 2.2) when compared to the operating result before depreciation, amortization and impairments, less income from marketable securities and share of profit of associates and joint ventures.

At the end of 2015, unused committed credit facilities were available to an amount of € 1,873.6 million (2014: € 1,950.1 million).

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

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

	2015	2014
U.S. dollar	**569.2**	488.6
Chinese yuan renminbi	**470.8**	397.5
U.K. pound sterling	**179.8**	160.8
Brazilian real	**123.1**	153.3
Australian dollar	**96.7**	94.9
Hong-Kong dollar	**86.0**	76.2
Swedish krona	**76.8**	102.0
Mexican peso	**63.7**	60.2
Singapore dollar	**62.5**	43.2
Swiss franc	**61.6**	44.0
Canadian dollar	**59.9**	59.7
Chilean peso	**52.1**	53.5
Norwegian krone	**51.4**	29.6
Other	**425.2**	387.7
	2,378.8	2,151.2

An average change in value of these currencies by 10% would have an effect on equity of € 237.9 million.

The market value of the currency derivative financial instruments per the consolidated financial statements is shown below.

		December 31, 2015			December 31, 2014		
	Maturity	**Assets**	**Liabilities**	**Notional amount**	Assets	Liabilities	Notional amount
Fair value hedge	< 1 year	**15.1**	**(6.6)**	**1,098.1**	5.6	(7.7)	717.3
		15.1	**(6.6)**	**1,098.1**	5.6	(7.7)	717.3
Cash flow hedge	< 1 year	**1.2**	**(0.6)**	**99.6**	0.8	(0.1)	43.3
Cash flow hedge	1-5 years	**-**	**(0.2)**	**1.5**	-	-	-
		1.2	**(0.8)**	**101.1**	0.8	(0.1)	43.3
Net investment hedge	< 1 year	**2.5**	**(2.4)**	**250.1**	0.4	(4.0)	301.7
		2.5	**(2.4)**	**250.1**	0.4	(4.0)	301.7
No hedge accounting	< 1 year	**-**	**(1.4)**	**136.3**	-	-	-
		-	**(1.4)**	**136.3**	-	-	-
Total currency derivative financial instruments		**18.8**	**(11.2)**	**1,585.6**	6.8	(11.8)	1,062.3

In addition, one of the Company's consolidated minority interests holds cross-currency interest rate swaps to hedge fixed rate debt denominated in U.S. dollar. These interest rate swaps, with a notional amount of € 919 million (2014: € 977 million), are included under interest rate derivatives.

Sensitivity of profit and equity to financial instruments, with respect to exchange rate changes
The value of debt and hedging instruments denominated in currencies other than the functional currency of the entities holding them are subject to exchange rate movements. This primarily relates to instruments denominated in Chinese yuan renminbi, U.S. dollar and Singapore dollar. The aggregate effect on net profit of a 10% depreciation in exchange rates is € (13.5) million (2014: insignificant), with an equal but opposite effect of a 10% appreciation in exchange rates. The aggregate effect on equity of a 10% depreciation of the foreign currencies against the euro is € (72.4) million (2014: € (61.5) million). The aggregate effect on equity of a 10% appreciation of the foreign currencies against the euro is € 86.1 million (2014: € 75.6 million).

Sensitivity of revenues and profit to the translation of the revenues and results of foreign operations, with respect to exchange rate changes
The result is impacted by translating the result of foreign currency operations. The translation risk of converting the net result of foreign entities into euro mainly concerns the British pound, the Singapore dollar and the U.S. dollar. The sensitivity to these currencies is as follows:

	EUR/USD Δ $10ct		EUR/GBP Δ £10ct		EUR/SGD Δ $10ct	
	2015	2014	**2015**	2014	**2015**	2014
Impact on revenues	**79.9**	66.0	**65.1**	47.0	**17.6**	15.4
Impact on net profit	**10.0**	8.0	**5.7**	1.8	**5.6**	5.3

Market risk – interest rate risk
The risks with respect to the individual entities belonging to the Optical retail, Unquoted and Quoted minority interests segments are managed by these entities. There is no debt at other segments.

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

As of December 31, 2015, taking into account interest rate swaps, 72% (2014:67%) of the total interest-bearing loans of € 4,282.0 million (2014: € 4,317.5 million) was at fixed rates for an average period of 6.4 years.

The market value of the interest rate derivative financial instruments per the consolidated financial statements is shown below.

		December 31, 2015			December 31, 2014		
	Maturity	**Assets**	**Liabilities**	**Notional amount**	Assets	Liabilities	Notional amount
Fair value hedge	< 1 year	**-**	**-**	**-**	-	(0.8)	41.8
		-	**-**	**-**	-	(0.8)	41.8
Cash flow hedge	< 1 year	**2.8**	**(13.2)**	**409.8**	3.8	(16.0)	793.8
Cash flow hedge	1-5 years	**109.6**	**(18.8)**	**698.0**	19.4	(13.5)	388.7
Cash flow hedge	> 5 years	**9.6**	**(72.8)**	**620.4**	-	(112.3)	529.8
		122.0	**(104.8)**	**1,728.2**	23.2	(141.8)	1,712.3
No hedge accounting	< 1 year	**-**	**(0.4)**	**27.3**	-	(1.7)	61.0
No hedge accounting	1-5 years	**0.2**	**(3.6)**	**241.9**	-	(4.4)	150.0
No hedge accounting	> 5 years	**-**	**(0.1)**	**1.0**	-	-	-
		0.2	**(4.1)**	**270.2**	-	(6.1)	211.0
Total currency derivative financial instruments		**122.2**	**(108.9)**	**1,998.4**	23.2	(148.7)	1,965.1

The weighted-average interest rate on total debt was 3.1% (2014: 3.1%).

If variable interest rates in 2015 or 2014 had decreased/increased by 25%, the impact on the consolidated statement of income for the year would have been insignificant.

A decrease/increase of 25% in interest rates underlying the calculation of the valuation of interest rate swaps would have had a pre-tax positive/negative impact on equity of € 7.7 million (2014: € 10.8 million).

Market risk – price risk
At the end of 2015, the Company had investments in equity securities (included in marketable securities and deposits and other financial assets) amounting to € 498.2 million (2014: € 422.1 million), based on quoted market prices at the statement of financial position date. These investments are classified as available-for-sale. If at December 31, 2015, equity markets had fallen 10% overall, the portfolio value could have decreased by 10%, which would have resulted in a negative impact of € 49.8 million (2014: € 42.2 million) in other reserves. A 10% increase would have had the equal but opposite effect. Potentially the whole or a part of the negative

impact would have required recognition through the consolidated statement of income as an impairment charge.

38. Capital risk management

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

The capital structure at the end of the reporting periods is summarized in the table below:

	2015	2014
Equity	**6,724.9**	5,063.4
Non-current debt	**3,668.1**	3,717.1
Current debt	**613.9**	600.4
Cash and cash equivalents	**(2,126.6)**	(1,147.4)
Total capital employed	**8,880.3**	8,233.5

39. Related-party transactions

A related party is a person or entity that is related to the Company. These include both people and entities that have, or are subject to, the influence or control of the Company.

Employment benefits for the Executive Board charged to the income statement are as follows:

	2015	2014
Former member of the Executive Board		
Short-term employee benefits	**-**	1.0
Post-employment benefits	**-**	0.1
	-	1.1
Current members of the Executive Board		
Short-term employee benefits	**3.6**	2.8
Post-employment benefits	**0.4**	1.4
Share-based compensation	**1.8**	1.0
	5.8	5.2
	5.8	6.3

For details on share-based compensation plans refer to note 34.

The fixed 2015 remuneration for the Supervisory Directors of HAL Holding N.V. was € 0.4 million (2014: € 0.4 million) in total.

40. Capital and financial commitments, contingent liabilities

Contingent liabilities are either possible obligations that will probably not require a transfer of economic benefits, or present obligations that may, but probably will not, require a transfer of economic benefits. It is not appropriate to make provisions for contingent liabilities, but there is a chance that they will result in an obligation in the future.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership. All other leases are classified as operating leases. Lease payments under operating leases are charged to the income statement on a straight-line basis over the term of the lease. For finance leases refer to note 21

Capital commitments
On December 31, 2015, capital commitments in respect of property, plant and equipment amounted to € 262.9 million (2014: € 225.6 million).

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

	2015	2014
No later than 1 year	**527.2**	384.3
Later than 1 year and no later than 5 years	**1,021.3**	907.5
Later than 5 years	**761.9**	775.3
	2,310.4	2,067.1

Operating leases recognized in income amounted to € 546.9 million (2014: € 482.1 million).

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

	2015	2014
No later than 1 year	**164.8**	160.5
Later than 1 year and no later than 5 years	**298.8**	536.6
Later than 5 years	**80.0**	85.8
	543.6	782.9

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

	2015	2014
Commitments to provide debt or equity funding	**82.5**	295.4
Guarantees and securities provided	**177.4**	133.6
	259.9	429.0

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

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

Legal proceedings Vopak
As a result of its day-to-day activities, Vopak is involved in a number of other legal proceedings. Vopak management is of the opinion that for the legal cases for which no provision has been recognized, it is not probable that the final outcome will result in a cash outflow, therefore no provisions have been recognized. In addition, Vopak can be held liable for any non-compliance with laws and regulations, including for potential compliance shortfalls. The finding of reviews conducted in 2015 are limited and accordingly Vopak has not recognized a provision.

Other
As part of divestments of terminals and assets Vopak has provided, in the relevant sales purchase agreements, certain customary representations and warranties including, but not limited to, completeness of books and records, title to assets, schedule of material contracts and arrangements, litigation, permits, labor matters, and employee benefits and taxes. These representations and warranties will generally terminate, depending on their specific features, a number of years after the date of the relevant transaction completion date. Based on the current facts and circumstances Vopak management has determined that for the items for which no provision is currently recognized, the likelihood of a cash outflow relating to these items is considered to be remote.

GrandVision
GrandVision is currently in dispute with a lens manufacturer, Zeiss, who participated in, but did not win, the lens tender organized by GrandVision in 2012. Consequently, Zeiss' existing lens-supply contract expired on the contractual expiration date of October 13, 2013. Zeiss subsequently claimed that GrandVision's termination of the agreement was unlawful. GrandVision intends to vigorously oppose these actions taken by Zeiss. Zeiss formally sued GrandVision France before the Paris Commercial Court on April 10, 2014, claiming damages of approximately € 57 million on the ground of unlawful termination of the lens purchase agreement. As GrandVision is confident in their legal position in this dispute, no provision is recognized by GrandVision. A number of hearings took place in 2015 and the procedure is continuing. Pursuant to Zeiss' complaint, the French competition-law body Direction générale de la concurrence, de la consommation et de la répression des fraudes ('DGCCRF') visited the Company's offices in France in November 2013 and requested documentation regarding GrandVision's corporate structure and previous lens tenders. Following an interview with GrandVision management in May 2014, the DGCCRF issued a report that is favorable to GrandVision.

In November 2015, GrandVision received a report from the German tax authorities following their audit covering a German subsidiary for the years 2008-2012. This report includes findings relating to German VAT. GrandVision is contesting the views of the German tax authorities and will defend its position vigorously. As GrandVision is sufficiently confident to sustain its position on this matter, no provision has been recognized in the consolidated financial statements. If GrandVision would be unsuccessful in contesting the findings of the tax authorities, the adverse financial effect is estimated at € 15 million.

41. Non-controlling interests

Non-controlling interests with respect to Vopak, Safilo and GrandVision are significant to the Company and can be detailed as follows:

	Vopak 2015	Vopak 2014	**Safilo 2015**	Safilo 2014	**GrandVision 2015**	GrandVision 2014	**Total 2015**	Total 2014
Profit / (loss) allocated to the non-controlling interest during the reporting period	**190.4**	175.7	**(14.7)**	15.4	**65.5**	13.1	**241.2**	204.2
Accumulated non-controlling interest at the end of the reporting period	**1,189.7**	1,054.6	**301.6**	296.1	**276.2**	45.3	**1,767.5**	1,396.0

Set out below is the summarized financial information for Vopak, Safilo and GrandVision. These are the financial statements as reported by these companies and exclude purchase price accounting adjustments made by the Company.

	Vopak		**Safilo**		**GrandVision**	
	2015	2014	**2015**	2014	**2015**	2014
Summarized balance sheet						
Current						
Assets	**641.3**	593.5	**640.4**	653.7	**636.5**	639.7
Liabilities	**(575.2)**	(730.3)	**(361.9)**	(377.1)	**(856.6)**	(645.9)
	66.1	(136.8)	**278.5**	276.6	**(220.1)**	(6.2)
Non-current						
Assets	**4,855.9**	4,814.9	**950.4**	944.2	**2,063.2**	1,908.2
Liabilities	**(2,761.6)**	(2,775.3)	**(230.3)**	(246.6)	**(1,011.4)**	(1,233.8)
	2,094.3	2,039.6	**720.1**	697.6	**1,051.8**	674.4
Net assets	**2,160.4**	1,902.8	**998.6**	974.2	**831.7**	668.2
Summarized income statement						
Revenue	**1,386.0**	1,322.5	**1,279.0**	1,178.7	**3,204.9**	2,817.0
Profit before tax	**444.0**	378.7	**(25.6)**	64.9	**334.0**	254.2
Income tax expense	**(117.3)**	(83.1)	**(26.8)**	(25.4)	**(103.0)**	(79.7)
Profit after income tax	**326.7**	295.6	**(52.4)**	39.5	**231.0**	174.5
Other comprehensive income	**92.8**	(128.5)	**78.5**	86.1	**(8.2)**	(16.7)
Total comprehensive income (CI)	**419.5**	167.1	**26.1**	125.6	**222.8**	157.8
CI allocated to non-controlling interest	**49.6**	57.5	**0.3**	0.6	**17.6**	11.9
Dividend paid to non-controlling interest	**52.0**	36.0	**-**	-	**10.9**	9.9
Summarized cash flow statement						
Cash from operating activities	**867.2**	786.6	**152.7**	61.2	**462.0**	477.3
Interest paid net	**(101.4)**	(83.1)	**(3.3)**	(5.9)	**(17.0)**	(28.2)
Income tax paid	**(104.6)**	(51.8)	**(34.7)**	(28.4)	**(80.1)**	(97.0)
Net cash from operating activities	**661.2**	651.7	**114.7**	26.9	**364.9**	352.1
Net cash from investing activities	**(276.5)**	(694.0)	**(40.0)**	(39.3)	**(277.4)**	(373.7)
Net cash from financing activities	**(456.6)**	2.0	**(70.6)**	(22.7)	**(219.7)**	57.3
Increase/(decrease) in cash and cash equivalents	**(71.9)**	(40.3)	**4.1**	(35.1)	**(132.2)**	35.7
Cash and cash equivalents at beginning of year, net of bank overdrafts	**138.6**	171.3	**39.5**	69.7	**54.4**	22.2
Effect of exchange rate changes and reclassifications	**0.6**	7.6	**4.0**	4.9	**(4.1)**	(3.5)
Increase/(decrease) in net cash and cash equivalents	**(71.9)**	(40.3)	**4.1**	(35.1)	**(132.2)**	35.7
Cash and cash equivalents at end of year, net of bank overdrafts	**67.3**	138.6	**47.6**	39.5	**(81.9)**	54.4

42. Summarized financial information on joint ventures

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

Summarized statements of financial position on a 100% basis:

	Europe, Middle East and Africa		Asia		LNG		Other		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
Non-current assets	**750.6**	1,010.7	**2,061.7**	1,728.3	**1,163.4**	1,133.9	**98.1**	104.0	**4,073.8**	3,976.9
Cash and cash equivalents	**29.4**	94.9	**143.2**	150.9	**158.1**	70.2	**15.8**	42.1	**346.5**	358.1
Other current assets	**27.5**	66.8	**84.9**	64.0	**21.3**	25.0	**13.1**	10.9	**146.8**	166.7
Total assets	**807.5**	1,172.4	**2,289.8**	1,943.2	**1,342.8**	1,229.1	**127.0**	157.0	**4,567.1**	4,501.7
Financial non-current liabilities	**49.5**	184.7	**797.6**	767.1	**736.2**	763.9	**80.9**	85.7	**1,664.2**	1,801.4
Other non-current liabilities	**69.2**	121.1	**34.8**	37.5	**246.0**	252.9	**19.8**	22.1	**369.8**	433.6
Financial current liabilities	**72.2**	76.7	**52.3**	24.4	**60.9**	62.1	**5.0**	4.8	**190.4**	168.0
Other current liabilities	**61.4**	74.1	**139.2**	163.6	**107.4**	28.3	**15.4**	18.8	**323.4**	284.8
Total liabilities	**252.3**	456.6	**1,023.9**	992.6	**1,150.5**	1,107.2	**121.1**	131.4	**2,547.8**	2,687.8
Net assets	**555.2**	715.8	**1,265.9**	950.6	**192.3**	121.9	**5.9**	25.6	**2,019.3**	1,813.9
Vopak's share of net assets	**230.1**	283.1	**549.8**	442.1	**107.6**	68.6	**2.0**	11.7	**889.5**	805.5
Goodwill on acquisition	**17.1**	16.5	**2.6**	2.4	**61.9**	48.5	**-**	-	**81.6**	67.4
Vopak's carrying amount of net assets	**247.2**	299.6	**552.4**	444.5	**169.5**	117.1	**2.0**	11.7	**971.1**	872.9

Summarized statements of total comprehensive income on a 100% basis:

	Europe, Middle East and Africa		Asia		LNG		Other		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
Revenues	**225.0**	206.9	**349.0**	268.2	**214.2**	226.5	**32.3**	32.6	**820.5**	734.2
Operating expenses	**(103.4)**	(100.8)	**(116.9)**	(98.3)	**(33.5)**	(60.4)	**(13.6)**	(11.4)	**(267.4)**	(270.9)
Depreciation, amortization and impairment	**(164.7)**	(49.9)	**(104.8)**	(77.7)	**(44.4)**	(41.2)	**(5.5)**	0.2	**(319.4)**	(168.6)
Operating profit (EBIT)	**(43.1)**	56.2	**127.3**	92.2	**136.3**	124.9	**13.2**	21.4	**233.7**	294.7
Net finance costs	**(4.8)**	(6.0)	**(30.6)**	(10.0)	**(44.6)**	(46.1)	**(4.6)**	(6.3)	**(84.6)**	(68.4)
Income tax	**(4.7)**	(4.4)	**(26.2)**	(28.4)	**(28.6)**	(23.8)	**(1.4)**	(1.3)	**(60.9)**	(57.9)
Net profit	**(52.6)**	45.8	**70.5**	53.8	**63.1**	55.0	**7.2**	13.8	**88.2**	168.4
Other comprehensive income	**0.3**	0.3	**8.4**	(4.6)	**17.3**	(38.4)	**2.2**	(5.6)	**28.2**	(48.3)
Total comprehensive income	**(52.3)**	46.1	**78.9**	49.2	**80.4**	16.6	**9.4**	8.2	**116.4**	120.1
Vopak's share of net profit	**(15.1)**	17.9	**31.9**	20.5	**33.4**	28.1	**3.0**	6.3	**53.2**	72.8
Vopak's share of OCI	**0.1**	0.1	**4.0**	(2.3)	**8.8**	(18.5)	**1.2**	(2.8)	**14.1**	(23.5)
Vopak's share of total comprehensive income	**(15.0)**	18.0	**35.9**	18.2	**42.2**	9.6	**4.2**	3.5	**67.3**	49.3

43. Subsequent events

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of these events is adjusted within the financial statements. Otherwise, events after the balance sheet date of a material size or nature are disclosed below.

On January 29, 2016, Vopak completed its announced sale of Vopak Holding UK, comprising Vopak's 33% investments in the joint venture Thames Oilport (former Coryton refinery) to Greenergy. These divested assets were classified as held for sale as of December 31, 2015. Reference is made to note 15.

On February 22, 2016, Vopak's associate Jubail Chemical Storage and Services Company entered into a non-recourse project financing. As a consequence, the initial proportionate shareholder loan from Vopak of approximately € 86 million has been repaid.

On March 30, 2016, the ownership interest in Atlas Services Group Holding B.V. was increased from 45% to 70%.

On March 31, 2016, HAL entered into an agreement to acquire 20% of the shares of Coolblue Beheer B.V. ('Coolblue'). Coolblue is one of the leading online retailers in the Benelux and is growing rapidly. Through its many webshops and seven physical stores, the company sells a diversified portfolio of products, mainly consumer electronics and domestic appliances. The company reported revenues of € 555 million in 2015. The completion of the transaction is subject to the approval of the competition authorities. It is expected that the transaction will be completed in the coming months.

On March 31 2016, HAL entered into an agreement to sell its ownership interest in InVesting B.V. to Arrow Global Group Plc. The completion of the transaction is subject to the approval of the regulatory authorities as well as the finalization of the procedures under the Works Councils Act. The transaction is expected to close during the second quarter of 2016, and will result in an expected net capital gain for HAL of approximately € 35 million.

On March 31, 2016, Vopak completed the sale of three wholly-owned terminals in the United Kingdom. These divested assets were classified as held for sale as of December 31, 2015. Reference is made to note 15.

List of Principal subsidiaries and minority interests

as of December 31, 2015

Name	Country of incorporation	Nature of business	Interest in common shares	Interest in preferred shares	Non-controlling interest
Subsidiaries					
HAL Holding N.V.	Curaçao	Holding company	100.0%	0.0%	0.0%
HAL International N.V.	Curaçao	Holding company	100.0%	0.0%	0.0%
HAL International Investments N.V.	Curaçao	Holding company	100.0%	0.0%	0.0%
HAL Investments N.V.	Curaçao	Holding company	100.0%	0.0%	0.0%
HAL Real Estate Inc.	U.S.A.	Real estate	100.0%	0.0%	0.0%
HAL Investments B.V.	The Netherlands	Holding company	100.0%	0.0%	0.0%
FD Mediagroep B.V.	The Netherlands	Media	100.0%	100.0%	0.0%
Orthopedie Investments Europe B.V.	The Netherlands	Orthopedic devices	100.0%	100.0%	0.0%
Broadview Holding B.V.	The Netherlands	Industrial	97.4%	0.0%	2.6%
Floramedia Group B.V.	The Netherlands	Communication	97.0%	100.0%	3.0%
Koninklijke Ahrend N.V.	The Netherlands	Office furniture	96.0%	100.0%	4.0%
AudioNova International B.V.	The Netherlands	Hearing aids	95.0%	0.0%	5.0%
Sports Timing Holding B.V.	The Netherlands	Timing equipment	95.0%	100.0%	5.0%
InVesting B.V.	The Netherlands	Debt collection	80.6%	0.0%	19.4%
Timber and Building Supplies Holland N.V.	The Netherlands	Building materials	78.1%	0.0%	21.9%
GrandVision N.V.	The Netherlands	Optical retail	76.7%	0.0%	23.3%
Flight Simulation Company B.V.	The Netherlands	Flight simulators	70.0%	100.0%	30.0%
Anthony Veder Group N.V.	Curaçao	Shipping	62.9%	0.0%	37.1%
Controlled minority interests					
Koninklijke Vopak N.V.	The Netherlands	Tank terminals	48.15%	0.00%	51.85%
Safilo Group S.p.A.	Italy	Optical products	41.63%	0.00%	58.37%

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

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

Non-controlled minority interests	
Publicly traded	
Koninklijke Boskalis Westminster N.V.	34.99%
SBM Offshore N.V.	15.04%
Other	
N.V. Nationale Borg-Maatschappij	46.68%
Atlas Services Group Holding B.V.	45.00%

Information relating to estimated value of the subsidiaries and minority interests of HAL Holding N.V.

As of December 31, 2015

General

This section provides additional information about the investment portfolio of HAL Holding N.V. ('the Company').

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

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

Portfolio valuation methodology

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

Quoted investments

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

Unquoted common equity investments

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

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

Cost

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

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

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

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

Recent transactions in the investee company

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

Earnings multiple

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

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

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

Unquoted other investments

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

Valuation investments

	Estimated value	Book value	**Difference**
Quoted investments	10,145.9	3,691.0	**6,454.9**
Unquoted investments	1,262.0	1,103.5	**158.5**
	11,407.9	4,794.5	**6,613.4**
Unquoted investments			
Value based on a multiple of EBITA	938.4	786.5	**151.9**
Valued using other methods	323.6	317.0	**6.6**
	1,262.0	1,103.5	**158.5**

Estimated value less book value of the unquoted investments amounted to € 159 million at the end of 2015 (2014: € 4,311 million) respectively € 2.08 and € 58.23 per Share. Estimated value less book value at the end of 2014 included € 4,217 for GrandVision N.V. (€ 56.97 per Share). GrandVision N.V. is now included in quoted investments. The restated amount per Share as of December 31, 2014 is € 1.26.

The EBITA multiples applied vary from 7 to 8. Realized multiples may be materially different. With respect to Broadview Holding B.V. and AudioNova International B.V. multiples of respectively 7 and 8 were applied, consistent with previous years.

Quoted investments

	December 31, 2015		
	Interest in common shares	Share price in euro	Market value
GrandVision N.V.	76.72%	27.66	5,399.3
Koninklijke Vopak N.V.	48.15%	39.67	2,441.6
Koninklijke Boskalis Westminster N.V.	34.99%	37.63	1,654.3
Safilo Group S.p.A.	41.63%	10.71	279.3
SBM Offshore N.V.	15.04%	11.66	371.4
			10,145.9

No discount was applied to the above market prices.

Supplemental information

General

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

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

- Statement of Financial Position
- Statement of Income
- Statement of Comprehensive Income
- Statement of Changes in Equity
- Statement of Cash Flows

The pro forma consolidated statement of financial position and income as well as the statement of changes in equity, include a bridge from the consolidated financial statements (including consolidation of Vopak and Safilo) to these pro forma statements.

A number of notes have been added to the above statements in order to provide additional information on the effect of the inclusion of Vopak and Safilo in the consolidated financial statements. These notes are based on the notes to the consolidated financial statements on pages 31 through 102. Certain notes are summarized for practical purposes.

Pro forma Consolidated Statement of Financial Position

As of December 31

In millions of euro	*Notes*	**Consolidated 2015**	Effect exclusion Vopak/Safilo	**Pro forma consolidated 2015**	Pro forma consolidated 2014
Non-current assets					
Property, plant and equipment	2	**4,955.0**	(3,725.1)	**1,229.9**	1,084.7
Investment properties		**13.3**	-	**13.3**	1.4
Intangible assets	3	**2,602.0**	(370.2)	**2,231.8**	2,065.7
Investments in associates	5	**2,571.7**	155.3	**2,727.0**	2,419.6
Other financial assets	6	**546.1**	(72.0)	**474.1**	399.7
Derivatives		**119.4**	(119.4)	**-**	-
Pension benefits	10	**74.7**	-	**74.7**	64.8
Deferred tax assets	9	**174.8**	(107.4)	**67.4**	71.6
Total non-current assets		**11,057.0**	(4,238.8)	**6,818.2**	6,107.5
Current assets					
Other financial assets	6	**105.8**	(85.9)	**19.9**	-
Inventories	8	**731.5**	(230.7)	**500.8**	410.0
Receivables	7	**777.9**	(331.8)	**446.1**	382.1
Marketable securities and deposits		**164.6**	-	**164.6**	141.1
Derivatives		**21.6**	(18.2)	**3.4**	0.9
Other current assets		**390.3**	(198.3)	**192.0**	203.5
Cash and cash equivalents		**2,126.6**	(196.5)	**1,930.1**	876.8
Total current assets		**4,318.3**	(1,061.4)	**3,256.9**	2,014.4
Assets held for sale		**242.8**	(192.8)	**50.0**	-
Total assets		**15,618.1**	(5,493.0)	**10,125.1**	8,121.9
Equity					
Share capital		**1.5**	-	**1.5**	1.5
Other reserves		**167.9**	-	**167.9**	58.6
Retained earnings		**6,555.5**	(26.9)	**6,528.6**	4,974.4
Equity attributable to owners of parent		**6,724.9**	(26.9)	**6,698.0**	5,034.5
Non-controlling interest		**1,837.9**	(1,492.1)	**345.8**	88.9
Total equity		**8,562.8**	(1,519.0)	**7,043.8**	5,123.4
Non-current liabilities					
Deferred tax liabilities	9	**456.9**	(276.3)	**180.6**	133.0
Pension benefits	10	**231.2**	(158.7)	**72.5**	94.4
Derivatives		**95.3**	(95.3)	**-**	-
Provisions	11	**62.2**	(35.2)	**27.0**	24.8
Debt and other financial liabilities	12	**3,727.4**	(2,483.3)	**1,244.1**	1,488.4
Total non-current liabilities		**4,573.0**	(3,048.8)	**1,524.2**	1,740.6
Current liabilities					
Provisions	11	**102.1**	(52.2)	**49.9**	28.6
Accrued expenses	13	**863.6**	(198.3)	**665.3**	599.5
Income tax payable		**134.7**	(89.4)	**45.3**	27.2
Accounts payable		**663.5**	(362.5)	**301.0**	289.6
Derivatives		**24.8**	(9.0)	**15.8**	20.0
Debt and other financial liabilities	12	**630.4**	(150.6)	**479.8**	293.0
Total current liabilities		**2,419.1**	(862.0)	**1,557.1**	1,257.9
Liabilities related to assets held for sale		**63.2**	(63.2)	**-**	-
Total equity and liabilities		**15,618.1**	(5,493.0)	**10,125.1**	8,121.9

Pro forma Consolidated Statement of Income

For the year ended December 31

In millions of euro	*Notes*	**Consolidated 2015**	Effect exclusion Vopak/Safilo	**Pro forma consolidated 2015**	Pro forma consolidated 2014
Revenues	14	**7,868.6**	(2,693.9)	**5,174.7**	4,546.5
Income from marketable securities and deposits		**6.8**	-	**6.8**	2.8
Results from associates	15	**259.0**	69.4	**328.4**	316.6
Income from other financial assets		**33.0**	(7.5)	**25.5**	9.1
Income from real estate activities		**2.3**	-	**2.3**	10.9
Total income		**8,169.7**	(2,632.0)	**5,537.7**	4,885.9
Usage of raw materials, consumables and other inventory		**2,059.5**	(356.9)	**1,702.6**	1,426.4
Employee expenses	16	**2,274.4**	(671.6)	**1,602.8**	1,416.0
Depreciation and impairments of property, plant, equipment and investment properties	2	**475.9**	(286.6)	**189.3**	166.2
Amortization and impairments of intangible assets	3	**113.5**	(34.0)	**79.5**	75.2
Other operating expenses	17	**1,962.3**	(830.4)	**1,131.9**	1,103.1
Total expenses		**6,885.6**	(2,179.5)	**4,706.1**	4,186.9
Operating profit		**1,284.1**	(452.5)	**831.6**	699.0
Financial expense		**(222.6)**	171.5	**(51.1)**	(59.3)
Other financial income		**86.1**	(31.5)	**54.6**	34.2
Profit before income tax		**1,147.6**	(312.5)	**835.1**	673.9
Income tax expense	18	**(257.0)**	136.5	**(120.5)**	(97.8)
Net profit		**890.6**	(176.0)	**714.6**	576.1
Attributable to:					
Owners of parent		**630.0**	(0.4)	**629.6**	556.4
Non-controlling interest		**260.6**	(175.6)	**85.0**	19.7
		890.6	(176.0)	**714.6**	576.1
Average number of Shares outstanding *(in thousands)*		**75,195**	-	**75,195**	72,876
Earnings per Share for profit attributable to owners of parent during the year (in euro)					
- basic and diluted		**8.38**	(0.01)	**8.37**	7.40
Dividend per Share *(in euro)*		**6.50***	-	**6.50***	5.05

* Proposed

Pro forma Consolidated Statement of Comprehensive Income

For the year ended December 31

In millions of euro	*Notes*	**2015**	2014
Net profit		**714.6**	576.1
Other comprehensive income (OCI)			
Items that will not be reclassified to statement of income in subsequent periods			
Actuarial results on post-employment benefit obligations	10	**16.1**	(67.6)
Income tax		**(4.5)**	17.1
Associates - share of OCI, net of tax	5	**48.8**	(74.7)
		60.4	(125.2)
Items that may be reclassified to statement of income in subsequent periods			
Change in fair value of available-for-sale financial assets		**43.0**	(138.3)
Effective portion of cash flow hedges		**5.3**	1.2
Income tax on cash flow hedges		**(0.3)**	-
Translation of foreign subsidiaries, net of hedges		**4.4**	13.7
Associates - share of OCI, net of tax	5	**55.7**	92.7
		108.1	(30.7)
Other comprehensive income for the year, net of tax		**168.5**	(155.9)
Total comprehensive income for the year, net of tax		**883.1**	420.2
Total comprehensive income for the year, attributable to:			
- Owners of parent		**805.1**	399.1
- Non-controlling interest		**78.0**	21.1
		883.1	420.2

Pro forma Consolidated Statement of Changes in Equity

In millions of euro	Share capital	Retained earnings	Other reserves	Total	Non-controlling interest	**Total equity**
	Attributable to owners of parent					
Balance on January 1, 2014	1.4	4,547.7	91.7	4,640.8	79.6	**4,720.4**
Net profit for the year	-	556.4	-	556.4	19.7	**576.1**
Other comprehensive income for the year	-	(124.2)	(33.1)	(157.3)	1.4	**(155.9)**
Total comprehensive income for the year	-	432.2	(33.1)	399.1	21.1	**420.2**
Effect purchase of non-controlling interest	-	(5.3)	-	(5.3)	(1.9)	**(7.2)**
IPO expenses	-	(3.5)	-	(3.5)	-	**(3.5)**
Share-based payment plans	-	30.7	-	30.7	-	**30.7**
Treasury shares	-	(9.9)	-	(9.9)	-	**(9.9)**
Dividend paid	0.1	(17.5)	-	(17.4)	(9.9)	**(27.3)**
Transactions with the owners of parent recognized directly in equity	0.1	(5.5)	-	(5.4)	(11.8)	**(17.2)**
Balance on December 31, 2014	1.5	4,974.4	58.6	5,034.5	88.9	**5,123.4**
Balance on January 1, 2015	1.5	4,974.4	58.6	5,034.5	88.9	**5,123.4**
Net profit for the year	-	629.6	-	629.6	85.0	**714.6**
Other comprehensive income for the year	-	59.6	115.9	175.5	(7.0)	**168.5**
Total comprehensive income for the year	-	689.2	115.9	805.1	78.0	**883.1**
Sale non-controlling interest GrandVision N.V.	-	893.5	6.7	900.2	185.9	**1,086.1**
Capital increase/(decrease)	-	-	-	-	3.4	**3.4**
Effect purchase of non-controlling interest*	-	(40.3)	-	(40.3)	(11.4)	**(51.7)**
Dividend paid to minority shareholders	-	-	-	-	(19.7)	**(19.7)**
Share-based payment plans	-	20.7	-	20.7	20.6	**41.3**
Treasury shares	-	(2.2)	-	(2.2)	-	**(2.2)**
Dividend paid	-	(20.9)	-	(20.9)	-	**(20.9)**
Reclassification	-	13.3	(13.3)	-	-	**-**
Other movements	-	0.9	-	0.9	0.1	**1.0**
Transactions with the owners of parent recognized directly in equity	-	865.0	(6.6)	858.4	178.9	**1,037.3**
Balance on December 31, 2015	1.5	6,528.6	167.9	6,698.0	345.8	**7,043.8**

* Mainly relates to the purchase of own shares by GrandVision N.V.

Equity reconciliation	
Equity attributable to owners of parent per consolidated statement of financial position	6,724.9
Equity attributable to owners of parent per pro forma consolidated statement of financial position	6,698.0
Difference	26.9

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

Pro forma Consolidated Statement of Cash Flows

For the year ended December 31

In millions of euro	*Notes*	**2015**	2014
Cash flows from operating activities			
Profit before taxes		**835.1**	673.9
Depreciation and impairments		**189.3**	166.2
Amortization and impairments	3	**79.5**	75.2
Badwill recognized on acquisitions		**(33.9)**	-
(Profit)/loss on sale of property, plant, equipment and investment properties	2	**(13.3)**	(10.0)
(Profit)/loss on sale of other financial assets and marketable securities		**(4.9)**	(3.1)
(Profit)/loss on sale of associates	5	**(34.8)**	-
Results from associates	5	**(293.6)**	(316.6)
Net financial expense		**(3.5)**	25.1
Other movements in provisions and pension benefits		**1.0**	(51.7)
Dividend from associates	5	**60.8**	64.9
Changes in working capital		**(44.3)**	18.9
Cash generated from operating activities		**737.4**	642.8
Other financial income received		**8.7**	8.2
Finance cost paid, including effect of hedging		**(44.5)**	(54.5)
Income taxes paid		**(80.6)**	(101.7)
Net cash from operating activities		**621.0**	494.8
Cash flows from investing activities			
Acquisition of associates and subsidiaries, net of cash acquired	4	**(244.5)**	(158.3)
Proceeds from divestiture of associates and subsidiaries		**16.4**	14.5
Purchase of other intangibles	3	**(36.6)**	(29.4)
Proceeds from sale of other intangibles	3	**0.5**	-
Purchase of property, plant, equipment and investment properties	2	**(234.6)**	(207.7)
Proceeds from sale of property, plant, equipment and investment properties		**42.1**	48.0
Proceeds from/(acquisition of) other financial assets	6	**2.6**	(24.8)
Proceeds from/(acquisition of) marketable securities and deposits, net		**(34.0)**	(31.6)
Net cash from/(used in) investing activities		**(488.1)**	(389.3)
Cash flows from financing activities			
Borrowing/(repayment) of debt and other financial liabilities		**(82.2)**	332.9
Sale non-controlling interest GrandVision N.V.		**1,086.1**	-
Other non-controlling interest transactions		**(68.0)**	(9.9)
Movement in treasury shares		**(2.2)**	(9.9)
Dividend paid		**(20.9)**	(17.5)
Net cash from/(used in) financing activities		**912.8**	295.6
Increase/(decrease) in cash and cash equivalents		**1,045.7**	401.1
Cash and cash equivalents at beginning of year		**876.8**	474.9
Effect of exchange rate changes and reclassifications		**7.6**	0.8
Cash and cash equivalents retranslated at beginning of year		**884.4**	475.7
Net increase/(decrease) in cash and cash equivalents		**1,045.7**	401.1
Cash and cash equivalents at end of year		**1,930.1**	876.8

All amounts in millions of euro, unless otherwise stated

1. Segmentation

The consolidated financial statements are significantly affected by the consolidation of Vopak and Safilo. Accordingly, the segmented information on a basis whereby Vopak and Safilo are not consolidated is materially different.

This section provides segmented information excluding the effect of the consolidation of Vopak and Safilo.

Operating income by segment

	2015	2014
Optical retail	**390.3**	341.7
Unquoted	**164.8**	135.8
Quoted minority interests	**277.1**	298.2
Real estate	**2.0**	9.9
Liquid portfolio	**6.9**	2.9
Total operating income	**841.1**	788.5
Reconciling items:		
- Amortization and impairment	**(79.5)**	(75.2)
- Other	**70.0**	(14.3)
Operating result as per the pro forma consolidated statement of income	**831.6**	699.0
Financial expense, net	**3.5**	(25.1)
Profit before tax as per the pro forma consolidated statement of income	**835.1**	673.9

The other reconciling items include corporate general and administrative expenses as well as non-recurring gains and losses.

The composition of revenues by segment is as follows:

	2015	2014
Optical retail	**3,204.9**	2,862.2
Unquoted	**1,969.8**	1,684.3
	5,174.7	4,546.5

The composition of assets by segment is as follows:

	2015	2014
Optical retail	**2,828.6**	2,666.7
Unquoted	**2,424.6**	2,067.8
Quoted minority interests	**2,928.9**	2,532.7
Real estate	**19.6**	9.6
Liquid portfolio	**1,814.5**	746.5
Reconciling items	**108.9**	98.6
	10,125.1	8,121.9

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

	2015	2014
Optical retail	**40.5**	35.0
Unquoted	**128.9**	159.8
Quoted minority interests	**2,557.6**	2,224.8
	2,727.0	2,419.6

The composition of capital expenditures by segment is as follows:

	2015	2014
Optical retail	**307.2**	310.8
Unquoted	**109.0**	85.9
Real estate	**12.7**	1.2
Reconciling items	**0.2**	0.9
	429.1	398.8

Capital expenditure consists of additions of property, plant and equipment, investment properties and intangible assets. The reconciling items represent corporate capital expenditure.

The composition of liabilities by segment is as follows:

	2015	2014
Optical retail	**1,817.3**	1,822.6
Unquoted	**1,253.0**	1,155.6
Real estate	**1.8**	1.0
Liquid portfolio	**1.1**	0.9
Reconciling items	**8.1**	18.4
	3,081.3	2,998.5

The composition of revenues by geographical area is as follows:

	2015	2014
Europe	**4,836.3**	4,209.1
North-America	**41.1**	30.2
Asia	**23.5**	16.4
Other	**273.8**	290.8
	5,174.7	4,546.5

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

	2015	2014
Europe	**5,808.1**	5,290.0
North-America	**179.2**	2.3
Asia	**40.6**	36.4
Other	**174.1**	242.7
	6,202.0	5,571.4

2. Property, plant and equipment

The amount of property, plant and equipment as per the consolidated financial statements (€ 4,955.0 million) is significantly affected by the consolidation of Vopak and Safilo and in particular the tank storage terminals of Vopak (€ 3,152.7 million at the end of 2015).

The table below provides information on property, plant and equipment excluding the assets of Vopak and Safilo.

	Land and buildings	Vessels	Equipment	**Total**
Cost value	660.5	419.5	1,404.7	**2,484.7**
Accumulated depreciation	(370.3)	(81.8)	(1,049.5)	**(1,501.6)**
Book value on January 1, 2014	290.2	337.7	355.2	**983.1**
Investments	69.3	30.6	106.8	**206.7**
Consolidation	13.7	-	14.5	**28.2**
Disposals	(2.9)	(0.1)	(3.6)	**(6.6)**
Depreciation and impairments	(53.0)	(23.5)	(89.1)	**(165.6)**
Exchange differences	(0.5)	38.2	1.2	**38.9**
Book value on December 31, 2014	316.8	382.9	385.0	**1,084.7**
Cost value	760.7	494.5	1,566.4	**2,821.6**
Accumulated depreciation	(443.9)	(111.6)	(1,181.4)	**(1,736.9)**
Book value on December 31, 2014	316.8	382.9	385.0	**1,084.7**
Investments	62.9	45.7	113.4	**222.0**
Consolidation	90.9	-	19.8	**110.7**
Disposals	(5.0)	(19.6)	(3.3)	**(27.9)**
Depreciation and impairments	(55.7)	(28.1)	(105.5)	**(189.3)**
Exchange differences	6.2	33.9	(10.4)	**29.7**
Book value on December 31, 2015	416.1	414.8	399.0	**1,229.9**
Cost value	899.2	530.0	1,637.2	**3,066.4**
Accumulated depreciation	(483.1)	(115.2)	(1,238.2)	**(1,836.5)**
Book value on December 31, 2015	416.1	414.8	399.0	**1,229.9**

3. Intangible assets

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

Movements for goodwill and other intangibles are as follows:

	Goodwill	Rights of use and key money	Trade-marks	Software	Other	**Total**
Cost value	1,941.3	255.8	340.3	91.6	187.2	**2,816.2**
Accumulated amortization and impairments	(588.5)	(41.2)	(118.8)	(44.8)	(137.6)	**(930.9)**
Book value on January 1, 2014	1,352.8	214.6	221.5	46.8	49.6	**1,885.3**
Investments	161.7	1.9	(0.4)	25.6	2.3	**191.1**
Consolidation	-	2.0	34.8	0.7	33.2	**70.7**
Reclassification	-	(4.5)	0.4	0.4	0.7	**(3.0)**
Amortization and impairments	(16.3)	(4.3)	(22.0)	(18.3)	(14.3)	**(75.2)**
Exchange differences and other	(3.8)	-	(1.0)	(0.2)	1.8	**(3.2)**
Book value on December 31, 2014	1,494.4	209.7	233.3	55.0	73.3	**2,065.7**
Cost value	2,095.8	255.2	374.1	118.1	224.2	**3,067.4**
Accumulated amortization and impairments	(601.4)	(45.5)	(140.8)	(63.1)	(150.9)	**(1,001.7)**
Book value on December 31, 2014	1,494.4	209.7	233.3	55.0	73.3	**2,065.7**
Investments	157.8	1.5	0.9	29.8	4.4	**194.4**
Consolidation	-	1.3	19.0	0.4	42.8	**63.5**
Purchase price accounting adjustments	(6.6)	-	(4.9)	0.9	5.7	**(4.9)**
Disposals	-	(0.2)	-	(0.3)	-	**(0.5)**
Amortization and impairments	(10.1)	(1.5)	(30.6)	(19.5)	(17.8)	**(79.5)**
Exchange differences and other	(3.5)	(2.1)	2.7	2.2	(6.2)	**(6.9)**
Book value on December 31, 2015	1,632.0	208.7	220.4	68.5	102.2	**2,231.8**
Cost value	2,243.5	218.1	391.8	213.3	271.5	**3,338.2**
Accumulated amortization and impairments	(611.5)	(9.4)	(171.4)	(144.8)	(169.3)	**(1,106.4)**
Book value on December 31, 2015	1,632.0	208.7	220.4	68.5	102.2	**2,231.8**

The Other category consists of:

	2015	2014
Customer relationships	**59.3**	52.4
Franchise contracts	**6.0**	6.9
Other	**36.9**	14.0
	102.2	73.3

4. Acquisitions

Below a summary is included of the acquisitions during 2015, excluding the acquisitions made by Vopak and Safilo.

Cash paid	235.5
Future consideration	5.5
Fair value of net assets acquired	(117.1)
Goodwill	157.8
Badwill (in consolidated statement of income)	(33.9)

Reconciliation to cash flow statement:

Cash paid for the above acquisitions	235.8
Cash acquired	9.1
Cash outflow due to acquisition of subsidiaries, net of cash acquired	226.7
Acquisition of associates (note 5)	17.8
Cash outflow due to acquisition of associates and subsidiaries, net of cash acquired	244.5

5. Investments in associates

The amount of investments in associates and joint ventures in the consolidated financial statements is significantly affected by the consolidation of Vopak. Vopak has a significant amount of associates and joint ventures on its balance sheet (€ 1,068.1 million at the end of 2015).

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

The movement of investments accounted for using the equity method, which only include associates, is as follows:

	Total
Share of net assets	**2,038.4**
Goodwill less accumulated impairments	**110.4**
Book value on January 1, 2014	**2,148.8**
Investments	**11.8**
Consolidation	**(9.0)**
Disposals	**(14.5)**
Share of results and capital gains	**316.6**
Share of other comprehensive income	**18.0**
Dividends	**(64.9)**
Exchange differences and other	**12.8**
Book value on December 31, 2014	**2,419.6**
Share of net assets	**2,304.1**
Goodwill less accumulated impairments	**115.5**
Book value on December 31, 2014	**2,419.6**
Investments	**17.8**
Disposals	**(44.8)**
Share of results and capital gains	**328.4**
Share of other comprehensive income	**104.5**
Dividends	**(60.8)**
Reclassification	**(49.9)**
Exchange differences and other	**12.2**
Book value on December 31, 2015	**2,727.0**
Share of net assets	**2,607.5**
Goodwill less accumulated impairments	**119.5**
Book value on December 31, 2015	**2,727.0**

The amounts recognized in the statement of financial position consist of:

	2015	2014
Publicly traded	**2,557.6**	2,224.8
Other	**169.4**	194.8
	2,727.0	2,419.6

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

	2015	2014
Market value	**4,375.2**	4,868.3
Book value	**(2,557.6)**	(2,224.8)
	1,817.6	2,643.5

6. Other financial assets

The amount of other financial assets as per the consolidated financial statements (€ 651.9 million at the end of 2015) is significantly affected by the consolidation of Vopak and Safilo.

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

	2015	2014
Investments in quoted securities	**371.4**	307.9
Loans to associates and joint ventures	**-**	2.7
Purchased debt portfolios	**25.4**	11.7
Other loans	**56.7**	33.4
Other	**40.5**	44.0
	494.0	399.7
Current	**19.9**	-
Non-current	**474.1**	399.7
	494.0	399.7

Investments in quoted securities include:

	2015	2014
Equity interest in SBM Offshore N.V. (15.04%, 2014: 15.01%)	**371.4**	307.9
	371.4	307.9

Amounts included in the cash flow statement comprise:

	2015	2014
Purchase of shares in SBM Offshore N.V.	**(3.4)**	(35.9)
Repayment of loans by associates	**2.7**	-
Other	**3.3**	11.1
Changes in other financial assets in cash flow statement	**2.6**	(24.8)

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

The category Other includes non-current deposits and receivables.

7. Receivables

The amount of receivables in the consolidated financial statements (€ 777.9 million at the end of 2015) is significantly affected by the consolidation of Vopak and Safilo.

This section provides information on the receivables, excluding those of Vopak and Safilo.

	2015	2014
Trade receivables	**464.8**	401.5
Allowance for doubtful accounts	**(18.7)**	(19.4)
	446.1	382.1

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

	2015	2014
Up to 3 months	**123.3**	93.2
Between 3 and 6 months	**11.3**	15.6
Between 6 and 9 months	**7.0**	5.1
Over 9 months	**12.0**	16.2
	153.6	130.1

8. Inventories

The amount of inventories in the consolidated financial statements (€ 731.5 million at the end of 2015) is significantly affected by the consolidation of Vopak and Safilo. This section provides information on the inventories, excluding those of Vopak and Safilo.

The composition of the inventories is as follows:

	2015	2014
Raw materials	**49.2**	38.4
Work in progress	**22.9**	21.8
Finished goods	**477.7**	392.2
Write-down to net realizable value	**(49.0)**	(42.4)
	500.8	410.0

9. Deferred taxes

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

	Carry-forward losses	PP&E	Intangibles	Inventories	Employee benefits	Other	Offset assets and liabilities	**Total**
Assets	113.9	4.4	7.0	5.3	14.3	18.6	(86.6)	**76.9**
Liabilities	-	(47.1)	(131.8)	(8.8)	(12.5)	(24.7)	86.6	**(138.3)**
Net book value on January 1, 2014	113.9	(42.7)	(124.8)	(3.5)	1.8	(6.1)	-	**(61.4)**
Credited/(charged) to net income	(7.3)	6.8	(0.5)	0.1	(7.9)	10.0	-	**1.2**
Credited/(charged) to other comprehensive income	-	-	-	-	17.1	-	-	**17.1**
Acquisition/divestiture	1.5	(1.2)	(17.4)	0.9	0.3	0.1	-	**(15.8)**
Other movements	(0.9)	0.6	-	-	-	(0.2)	-	**(0.5)**
Reclassifications	0.5	0.2	6.3	0.3	(0.9)	(6.3)	-	**0.1**
Exchange differences	(0.5)	(2.0)	0.8	-	-	(0.4)	-	**(2.1)**
Net book value on December 31, 2014	107.2	(38.3)	(135.6)	(2.2)	10.4	(2.9)	-	**(61.4)**
Assets	107.2	7.1	8.0	6.9	19.9	28.8	(106.3)	**71.6**
Liabilities	-	(45.4)	(143.6)	(9.1)	(9.5)	(31.7)	106.3	**(133.0)**
Net book value on January 1, 2015	107.2	(38.3)	(135.6)	(2.2)	10.4	(2.9)	-	**(61.4)**
Credited/(charged) to net income	(12.6)	4.8	9.1	0.1	(2.9)	(3.6)	-	**(5.1)**
Credited/(charged) to other comprehensive income	-	-	-	-	(4.5)	(0.3)	-	**(4.8)**
Acquisition/divestiture	0.5	(17.4)	(19.7)	(3.5)	0.1	0.7	-	**(39.3)**
Other movements	-	-	-	-	-	(0.3)	-	**(0.3)**
Reclassifications	0.7	(2.3)	(8.1)	(0.1)	-	8.6	-	**(1.2)**
Exchange differences	(1.4)	(2.1)	2.9	(0.1)	-	(0.4)	-	**(1.1)**
Net book value on December 31, 2015	94.4	(55.3)	(151.4)	(5.8)	3.1	1.8	-	**(113.2)**
Assets	94.4	9.4	7.9	7.3	15.2	26.2	(93.0)	**67.4**
Liabilities	-	(64.7)	(159.3)	(13.1)	(12.1)	(24.4)	93.0	**(180.6)**
Net book value on December 31, 2015	94.4	(55.3)	(151.4)	(5.8)	3.1	1.8	-	**(113.2)**

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

Expiration	**2015**	2014
2015	**-**	11.7
2016	**0.1**	12.7
2017	**14.7**	6.3
2018	**6.8**	11.4
2019	**10.0**	12.7
2020 and further years	**120.6**	78.5
No expiration date	**255.8**	273.8
	408.0	407.1
Amounts including Vopak and Safilo	**625.8**	605.5

10. Pension benefits

The pension obligations are significantly affected by the consolidation of Vopak. The present value of the funded obligations and the fair value of the plan assets as per the consolidated financial statements are € (1,251.2) million, respectively € 1,221.1 million whereas excluding Vopak these amounts are significantly lower.

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

The amounts recognized on the pro forma statement of financial position comprise:

	2015	2014
Pension benefit assets	**74.7**	64.8
Pension benefit liabilities	**(72.5)**	(94.4)
	2.2	(29.6)

The net pension benefits consist of:

	2015	2014
Present value of funded obligations	**(90.5)**	(427.9)
Fair value of plan assets	**163.0**	476.5
Surplus/(deficit) of funded obligations	**72.5**	48.6
Present value of unfunded obligations	**(70.3)**	(78.2)
Net asset/(liability) in the statement of financial position	**2.2**	(29.6)

The movement in the net benefits is as follows:

	2015	2014
Balance on January 1	**(29.6)**	3.1
Pension charge defined benefit plans	**(6.4)**	(13.8)
Impact of change from defined benefit to defined contribution	**17.8**	43.9
Consolidation	**0.1**	(4.0)
Contributions	**4.9**	9.0
Remeasurement effects	**16.1**	(67.6)
Exchange differences and other	**(0.7)**	(0.2)
Balance on December 31	**2.2**	(29.6)

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

	2015	2014
Current service costs	**5.4**	12.2
Interest expense/(income)	**0.8**	0.4
Plan amendments, settlements and curtailments	**(17.8)**	(43.9)
Administrative costs	**0.2**	1.2
Total defined benefit costs	**(11.4)**	(30.1)
Other costs	**20.8**	16.2
Total, included in employee expenses	**9.4**	(13.9)

Other costs mainly relate to multi-employer pension plans classified as defined contribution plans. These plans are classified as defined contribution as the information received from the plans is not sufficiently detailed. In case of a deficit in the multi-employer plans, future pension premiums may increase. The proportionate share of the premiums paid by the consolidated subsidiaries as part of total premiums paid to the plans is insignificant.

The principal, weighted-average assumptions used were:

	2015	2014
Discount rate/return on assets	**2.42%**	2.17%
Future inflation rate	**1.89%**	2.15%
Future salary increases	**4.11%**	3.04%

The latest available mortality tables were used.

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

As of December 31, 2015, the plan assets consist of:

	Level 1	Level 2	Level 3	Total	Total (%)
Equity instruments	78.3	-	-	**78.3**	**47.9%**
Debt instruments	30.5	0.7	-	**31.2**	**19.4%**
Cash and cash equivalents	53.1	-	-	**53.1**	**32.5%**
Other	0.4	-	-	**0.4**	**0.2%**
	162.3	0.7	-	**163.0**	**100.0%**

As of December 31, 2014, the plan assets consisted of:

	Level 1	Level 2	Level 3	Total	Total (%)
Equity instruments	84.2	31.3	0.1	115.6	24.3%
Debt instruments	33.9	105.2	4.8	143.9	30.2%
Cash and cash equivalents	37.4	-	-	37.4	7.8%
Other	18.1	12.9	148.6	179.6	37.7%
	173.6	149.4	153.5	476.5	100.0%

Other assets represent assets at insurance companies with respect to vested benefits.

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

		Impact on obligation	
	Change	Increase	Decrease
Discount rate/return on assets	1.00%	(26.1)	35.0
Future inflation rate	1.00%	27.8	(21.3)
Future salary increases	0.25%	1.0	(0.9)
Life expectancy	1 year	5.0	N/A

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

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

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

11. Provisions

The provisions (current and non-current) as per the consolidated financial statements amount to € 164.3 million. This amount is significantly affected by the consolidation of Vopak and Safilo.

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

The composition and movement of the provisions is as follows:

	2015	2014
Current	**49.9**	28.6
Non-current	**27.0**	24.8
	76.9	53.4

	2015	2014
Balance on January 1	**53.4**	63.9
Consolidation	**6.5**	-
Addition to provision	**53.9**	21.9
Utilized during the year	**(34.9)**	(32.3)
Reversed	**(3.1)**	-
Exchange differences	**(0.2)**	(0.1)
Other	**1.3**	-
Balance on December 31	**76.9**	53.4

Provisions consist of:

	2015	2014
Restructuring and legal	**2.0**	3.0
Employee related	**17.4**	14.2
Warranties	**13.8**	18.4
Regulatory	**21.7**	5.4
Other	**22.0**	12.4
	76.9	53.4

12. Debt and other financial liabilities

The amount of debt and other financial liabilities in the consolidated financial statements (€ 4,357.8 million) is significantly affected by the consolidation of Vopak and Safilo. The amount excluding Vopak and Safilo is significantly lower as set out below.

Debt and other financial liabilities excluding Vopak and Safilo is comprised of:

	2015	2014
Debt	**1,694.9**	1,619.5
Other financial liabilities	**29.0**	161.9
	1,723.9	1,781.4

	2015	2014
Non-current debt and other financial liabilities		
Mortgage loans	**390.4**	254.8
Other loans	**841.2**	1,104.4
Total non-current debt	**1,231.6**	1,359.2
Non-current other financial liabilities	**12.5**	129.2
Total non-current debt and other financial liabilities	**1,244.1**	1,488.4
Current debt and other financial liabilities		
Bank overdrafts	**247.9**	126.9
Bank loans	**154.8**	73.3
Current portion of long-term debt	**60.6**	60.1
Total current debt	**463.3**	260.3
Current other financial liabilities	**16.5**	32.7
Total current debt and other financial liabilities	**479.8**	293.0
Total debt and other financial liabilities	**1,723.9**	1,781.4

The summary of debt per currency is as follows:

	2015	2014
Euro	**1,371.6**	1,441.1
U.S. dollar	**308.3**	178.4
Other currencies	**15.0**	-
	1,694.9	1,619.5

13. Accrued expenses

Accrued expenses in the consolidated financial statements amount to € 863.6 at the end of 2015, which is significantly influenced by the consolidation of Vopak and Safilo. The accrued expenses excluding the amounts related to Vopak and Safilo consist of:

	2015	2014
Employee-related accruals	**145.1**	180.8
Customer prepayments	**94.6**	89.0
VAT and other tax liabilities	**117.4**	61.8
Deferred revenue	**51.1**	52.5
Other	**257.1**	215.4
Total accrued expenses	**665.3**	599.5

14. Revenues

Revenues included in the consolidated financial statements amount to € 7.9 billion of which € 2.7 billion is related to Vopak and Safilo.

Revenues excluding those of Vopak and Safilo can be detailed as follows:

	2015	2014
Sale of goods	**4,834.0**	4,211.0
Services	**272.8**	269.8
Franchise fees	**67.9**	65.7
	5,174.7	4,546.5

15. Results from associates

Results from associates and joint ventures as per the consolidated financial statements is affected by the inclusion of the results Vopak and Safilo, in particular by the results of the joint ventures of Vopak.

The table below provides information on the results from associates excluding those of Vopak and Safilo.

	2015	2014
Share of results	**293.6**	316.6
Capital gains	**34.8**	-
	328.4	316.6

16. Employee expenses

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

	2015	2014
Wages and salaries	**1,118.8**	1,024.0
Social security costs	**231.3**	207.9
Pension costs	**9.4**	(13.9)
Other	**243.3**	198.0
	1,602.8	1,416.0

The average number of persons employed by the Company and its subsidiaries, excluding Vopak and Safilo, during 2015 was 37,757 (2014: 34,950) on a full-time equivalent basis.

Reference is made to note 10 for details of the pension costs.

17. Other operating expenses

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

	2015	2014
Rent	**538.9**	498.5
Marketing and publicity expenses	**204.9**	192.9
Other	**388.1**	411.7
	1,131.9	1,103.1

Research and development costs expensed, excluding Vopak and Safilo, during 2015 was € 3.7 million (2014: € 3.6 million).

18. Income taxes

Income taxes in the consolidated financial statements, and in particular the analysis of the effective tax rate, are significantly affected by the consolidation of Vopak and Safilo.

The tax charge excluding the consolidation of Vopak and Safilo can be detailed as follows:

	2015	2014
Current income taxes	**115.4**	99.0
Deferred income taxes	**5.1**	(1.2)
	120.5	97.8

The table below provides an analysis of the effective tax rate excluding the consolidation of Vopak and Safilo.

	2015	2014
Profit before income tax	**835.1**	673.9
Less: after-tax share of results from associates	**(328.4)**	(316.6)
Adjusted profit before income tax	**506.7**	357.3
Income tax expense	**120.5**	97.8
Effective tax rate (%)	**23.8**	27.4

	2015		2014	
Composition	**Amount**	**%**	Amount	%
Weighted-average statutory tax rate	**141.4**	**27.9**	111.6	31.2
Goodwill impairment	**2.6**	**0.5**	5.3	1.5
Recognition of tax losses	**12.4**	**2.4**	12.5	3.5
Non-taxable income	**(57.1)**	**(11.3)**	(53.8)	(15.1)
Non-deductible expenses	**19.8**	**3.9**	21.3	6.0
Prior year movements	**0.3**	**0.1**	0.8	0.2
Other effects including rate changes	**1.1**	**0.3**	0.1	0.1
Effective tax (rate)	**120.5**	**23.8**	97.8	27.4

19. Share-based compensation

The amount of expenses and liabilities related to share-based compensation in the consolidated financial statements (€ 32.6 million and € 24.3 million, respectively) is also affected by the consolidation of Vopak and Safilo. The amounts excluding Vopak and Safilo are lower, as set out below.

Expenses related to share-based compensation consist of:

	2015	2014
HAL Holding N.V.		
Share Plan*	**1.8**	1.0
GrandVision		
Real Share Plan*	**3.4**	2.7
Phantom Plan**	**14.3**	31.6
Cash Plans***	**-**	0.4
Unquoted subsidiaries		
Cash Plans***	**4.8**	3.3
Total	**24.3**	39.0

* Equity-settled
** Cash-settled in 2014, converted to equity-settled in 2015
*** Cash-settled

Increases in equity for share-based compensation plans amounted to:

	2015	2014
HAL Holding N.V.		
Share Plan	**1.8**	1.0
GrandVision		
Real Share Plan	**1.7**	29.7
Phantom Plan	**38.3**	-
	41.8	30.7

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

	2015	2014
GrandVision		
Phantom Plan	**0.9**	36.5
Cash Plans	**-**	0.8
Unquoted subsidiaries		
Cash Plans	**16.1**	11.3
	17.0	48.6

The current part of this liability of € 6.1 million (2014: € 22.9 million) is included under current debt and the non-current part of € 10.9 million (2014: € 25.7 million) under non-current debt.

20. Financial risk management

The financial risk management of the Company is set out in note 37 to the consolidated financial statements. In this note it is set out that the financial risks of Vopak, Safilo and the companies belonging to the optical retail and unquoted segment are not managed by the Company but by these entities.

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

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

	2015	2014
Optical retail	**378.1**	348.4
Unquoted	**579.9**	504.3
Real estate	**0.8**	0.2
Liquid portfolio	**1,686.8**	632.4
	2,645.6	1,485.3

These financial assets can be further specified as follows:

	2015	2014
Loans	**82.1**	36.1
Trade and other receivables	**446.1**	382.1
Marketable securities and deposits	**37.8**	26.9
Derivative financial instruments	**3.4**	0.9
Other financial assets	**40.6**	55.7
Other current assets	**105.5**	106.8
Cash and cash equivalents	**1,930.1**	876.8
	2,645.6	1,485.3

At the end of 2015, cash and cash equivalents can be specified by segment as follows:

	2015	2014
Optical retail	**98.7**	134.1
Unquoted	**181.4**	137.0
Real estate	**0.9**	0.2
Liquid portfolio	**1,649.1**	605.5
	1,930.1	876.8

Liquidity risk
The following tables categorize the undiscounted cash flows of non-derivative financial liabilities and derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting periods to the contractual maturity date, excluding the amounts relating to Vopak and Safilo. The financial guarantee contracts are contingent liabilities.

	December 31, 2015			
	< 1 year	1-2 years	3-5 years	> 5 years
Non-derivative liabilities				
Redemption of interest-bearing debt	463.3	83.9	1,013.9	133.8
Redemption of other financial liabilities	16.5	9.7	2.8	-
Interest payments	23.0	17.3	40.0	27.1
Accounts payable	301.0	-	-	-
Financial guarantee contracts	6.3	7.4	7.4	1.8
Total undiscounted non-derivative financial liabilities	810.1	118.3	1,064.1	162.7
Derivative liabilities				
Gross-settled derivative liabilities outflow	227.4	-	-	-
Gross-settled derivative liabilities inflow	(225.2)	-	-	-
Total gross-settled derivative liabilities	2.2	-	-	-
Net-settled derivative liabilities	3.1	2.7	5.9	2.3
Total undiscounted derivative liabilities	5.3	2.7	5.9	2.3
Total undiscounted financial liabilities	815.4	121.0	1,070.0	165.0

	December 31, 2014			
	< 1 year	1-2 years	3-5 years	> 5 years
Non-derivative liabilities				
Redemption of interest-bearing debt	260.3	93.7	1,127.6	137.9
Redemption of other financial liabilities	32.7	113.7	15.5	-
Interest payments	27.3	24.9	61.2	12.1
Accounts payable	289.6	-	-	-
Financial guarantee contracts	8.5	3.2	5.7	3.2
Total undiscounted non-derivative financial liabilities	618.4	235.5	1,210.0	153.2
Derivative liabilities				
Gross-settled derivative liabilities outflow	170.5	-	-	-
Gross-settled derivative liabilities inflow	(168.1)	-	-	-
Total gross-settled derivative liabilities	2.4	-	-	-
Net-settled derivative liabilities	8.5	3.4	4.1	1.2
Total undiscounted derivative liabilities	10.9	3.4	4.1	1.2
Total undiscounted financial liabilities	629.3	238.9	1,214.1	154.4

The total bank debt, excluding the bank debt of Vopak and Safilo, as of December 31, 2015, amounted to € 1,694.9 million (2014: € 1,619.5 million). For 100% of the bank debt, the applicable covenants were complied with during 2014 and 2015.

At the end of 2015 the net debt/(cash) position, consisting of short-term and long-term bank debt less cash and cash equivalents and marketable securities and deposits, excluding the amounts relating to Vopak and Safilo, amounted to € (399.8) million (2014: € 601.6 million net debt). This net cash position represents a ratio of (0.5) (2014: 1.0) when compared to the operating result before depreciation and amortization and earnings from marketable securities and share of profit of associates and joint ventures. At the end of 2015, unused committed credit facilities were available to an amount of € 813.9 million (2014: € 909.1 million). These exclude the facilities of Vopak and Safilo.

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

	2015	2014
U.S. dollar	**316.6**	218.8
U.K. pound sterling	**167.3**	140.7
Swedish krona	**69.3**	67.6
Mexican peso	**63.2**	60.2
Chilean peso	**52.1**	53.5
Norwegian krone	**51.4**	29.6
Swiss franc	**48.0**	30.9
Danish krone	**47.2**	39.6
Hungarian forint	**42.2**	39.2
Brazilian real	**28.4**	41.3
Other	**269.6**	242.5
	1,155.3	963.9

An average change in value of these currencies by 10% would have an effect on the pro forma consolidated equity of € 115.5 million.

The market value of the currency derivative financial instruments at December 31, 2015, per the consolidated financial statements is a net asset of € 7.6 on a notional amount of € 1,585.6 million (2014: net liability € 5.0, notional amount € 1,062,3 million). These amounts are primarily comprised of derivatives of Vopak and Safilo. The amount excluding Vopak and Safilo is a net liability of € 1.6 million on a notional amount of € 230.6 million (2014: net liability € 1.5 million, notional amount € 170.5 million).

Market risk - interest rate risk
As of December 31, 2015, taking into account interest rate swaps, 44% (2014: 48%) of the total interest-bearing loans, excluding the bank debt of Vopak and Safilo, of € 1,694.9 million (2014: € 1,619.5 million) was at fixed rates for an average period of 3.2 years. The weighted-average interest rate was 1.7% (2014: 1.8%).

21. Capital risk management

The capital structure as per the consolidated financial statements is significantly affected by the consolidation of Vopak and Safilo. The table below summarizes the capital structure excluding the consolidation of Vopak and Safilo.

	2015	2014
Equity	**6,698.0**	5,034.5
Non-current debt	**1,231.6**	1,359.2
Current debt	**463.3**	260.3
Cash and cash equivalents	**(1,930.1)**	(876.8)
Total capital employed	**6,462.8**	5,777.2

The net asset value based on the market value of the ownership interests in quoted companies and the liquid portfolio and on the book value of the unquoted companies amounted to € 13,179.8 million on December 31, 2015, and consists of the sum of the shareholders' equity attributable to the owners of the parent (€ 6,698.0 million) and the difference between the market value of the ownership interests in quoted companies and their book value, calculated based on equity accounting and excluding the difference due to purchase price accounting adjustments as disclosed on page 111 (€ 6,481.8 million).

22. Capital and financial commitments

Capital commitments
The capital commitments in respect of property, plant and equipment under construction, excluding those of Vopak and Safilo, amounted to € 115.1 million (2014: € 1.1 million).

Financial commitments
The future minimum lease payments under non-cancellable operating leases and other commitments, excluding those of Vopak and Safilo, are as follows:

	2015	2014
No later than 1 year	**436.8**	302.1
Later than 1 year and no later than 5 years	**740.6**	643.6
Later than 5 years	**178.0**	176.8
	1,355.4	1,122.5

Financial Statements HAL Trust

As of December 31

Statement of Financial Position HAL Trust *(in millions of euro)*

	2015	2014
Assets		
Shareholding in HAL Holding N.V.	**69.3**	69.3
Trust Property	**69.3**	69.3

Statement of Income HAL Trust *(in millions of euro)*

	2015	2014
Dividend received from HAL Holding N.V.	**374.4**	293.6
Net Income	**374.4**	293.6

Statement of Cash Flows HAL Trust *(in millions of euro)*

	2015	2014
Dividend received from HAL Holding N.V.	**(20.9)**	(17.5)
Distributed to Unit Holders	**20.9**	17.5
Net change	**-**	-

Notes to the statutory financial statements *(in millions of euro)*

The shares in HAL Holding N.V. are accounted for at historical cost. As of December 31, 2015, HAL Trust owned 76,399,596 shares of HAL Holding N.V. (2014: 74,141,313)

Trust property

The movement for 2015 for the Trust property is as follows:

Balance on January 1, 2015	**69.3**
Dividend received from HAL Holding N.V. (in cash and in shares)	**374.4**
Distributed to unit holders (in cash and in shares)	**(374.4)**
Balance on December 31, 2015	**69.3**

Distribution of Dividends

It is proposed to the Shareholders' Meeting of HAL Trust to instruct the Trustee to vote, at the General Meeting of Shareholders of HAL Holding N.V., in favour of the proposals to approve the Financial Statements for 2015 and to pay a dividend of € 6.50 per Share outstanding.

It is proposed to direct the Trustee:

- to issue by way of stock dividend distribution to each HAL Trust Shareholder: such number of Shares as shall be based on the Conversion ratio and the number of Shares held by such HAL Trust Shareholder (refer to the explanatory notes to the agenda items 2 and 4 of the Notice to Trust Shareholders);

- unless a HAL Trust Shareholder shall have requested (by no later than June 13, 2016, 3:00 p.m. CET) that the dividend payment to him be made in cash, in which case the Trustee shall pay such HAL Trust Shareholder the cash dividend of € 6.50 per HAL Trust Share.

and

- to convey to HAL Holding N.V. prior to June 20, 2016, for how many HAL Holding N.V. shares the dividend should be paid in cash (on the basis of the number of HAL Trust Shares for which the HAL Trust Shareholders have requested payment of the HAL Trust dividend in cash), and for what amount cash payments are to be made to the Trustee representing the value of fractions of HAL Trust Shares (if any) to which the respective HAL Trust Shareholders will be entitled on the basis of the Conversion ratio, it being understood that the remainder of the HAL Holding N.V. dividend shall be paid in the form of stock dividend.

Shareholders holding their shares through Euroclear Nederland will be paid via affiliated banks and security brokers. To the other Shareholders payment of the dividend due is made directly, in accordance with the conditions agreed upon with these Shareholders.

The text of Article VII, Section 7.1 of the Trust Deed reads:

Profits of the Trust. The profits of the Trust in respect of a Financial Year as they appear in the profit and loss account of the Trust as approved by an Ordinary Resolution as provided in Section 14.3 shall be applied as follows:

(A) FIRST: out of the profits such dividend as may be determined by Ordinary Resolution shall be distributed to the Trust Shareholders in proportion to the number of Units represented by the Shares held by such Trust Shareholders

(B) SECOND: the remaining part of the profits, if any, shall be retained as Trust Property.

Independent Auditor's Report

To the Trustee of HAL Trust

Report on the financial statements

We have audited the accompanying consolidated financial statements of HAL Trust and its subsidiaries (the 'Group'), which comprise the consolidated statement of financial position as at December 31, 2015, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information, and the accompanying stand-alone statutory financial statements of HAL Trust which comprise the statement of financial position as at December 31, 2015, and the statement of income for the year then ended, and notes. The consolidated financial statements and stand-alone statutory financial statements are included on pages 21 to 134, respectively (collectively referred to as the financial statements).

Executive Board's responsibility for the financial statements
The Executive Board of HAL Holding N.V. is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group and HAL Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and HAL Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executive Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and HAL Trust as at December 31, 2015, and of the financial performance and cash flows of the Group and the financial performance of HAL Trust for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Bermuda, March 31, 2016

PricewaterhouseCoopers Ltd.

Chartered Professional Accountants

Five-Year Summary Consolidated Statement of Financial Position

In millions of euro	**2015***	2014*	2013	2012	2011
Non-current assets					
Property, plant and equipment	**1,229.9**	1,084.7	983.1	908.1	828.7
Investment properties	**13.3**	1.4	32.2	40.5	79.9
Intangible assets	**2,231.8**	2,065.7	1,885.3	1,939.4	1,862.5
Investments in associates	**2,727.0**	2,419.6	2,148.8	1,841.0	1,725.9
Other financial assets	**474.1**	399.7	516.6	375.5	225.2
Pension benefits	**74.7**	64.8	75.7	65.0	50.2
Deferred tax assets	**67.4**	71.6	76.9	56.8	53.0
Total non-current assets	**6,818.2**	6,107.5	5,718.6	5,226.3	4,825.4
Current assets					
Other financial assets	**23.3**	0.9	0.1	69.6	-
Inventories	**500.8**	410.0	364.1	353.9	355.4
Receivables	**446.1**	382.1	339.8	374.6	399.3
Marketable securities and deposits	**164.6**	141.1	81.8	88.9	97.2
Other current assets	**192.0**	203.5	193.1	239.0	209.2
Cash and cash equivalents	**1,930.1**	876.8	474.9	311.2	644.7
Total current assets	**3,256.9**	2,014.4	1,453.8	1,437.2	1,705.8
Assets held for sale	**50.0**	-	-	230.7	-
Total assets	**10,125.1**	8,121.9	7,172.4	6,894.2	6,531.2
Equity attributable to owners of parent	**6,698.0**	5,034.5	4,640.8	4,153.3	3,912.9
Non-controlling interest	**345.8**	88.9	79.6	53.4	51.6
Non-current liabilities					
Deferred tax liabilities	**180.6**	133.0	138.3	151.0	139.8
Provisions	**99.5**	119.2	109.0	106.5	82.1
Debt and other financial liabilities	**1,244.1**	1,488.4	1,079.1	1,132.5	1,150.8
Total non-current liabilities	**1,524.2**	1,740.6	1,326.4	1,390.0	1,372.7
Current liabilities					
Provisions	**49.9**	28.6	27.5	33.8	31.2
Accrued expenses	**665.3**	599.5	501.2	531.6	490.7
Income tax payable	**45.3**	27.2	35.8	40.2	31.7
Accounts payable	**301.0**	289.6	254.4	261.1	290.5
Debt and other financial liabilities	**495.6**	313.0	306.7	430.8	349.9
Total current liabilities	**1,557.1**	1,257.9	1,125.6	1,297.5	1,194.0
Total equity and liabilities	**10,125.1**	8,121.9	7,172.4	6,894.2	6,531.2
Equity per share *(in euro)*	**87.82**	68.00	64.86	59.86	58.16
Net asset value per share at market value of quoted companies *(in euro)*	**172.80**	103.71	102.38	104.56	88.83

* Figures used are based on the pro forma consolidated financial statements

Five-Year Summary Consolidated Statement of Income

In millions of euro	**2015***	2014*	2013	2012	2011
Revenues	**5,174.7**	4,546.5	4,249.7	4,048.9	3,996.3
Earnings from marketable securities and deposits	**6.8**	2.8	15.5	5.8	1.0
Share of results of associates	**328.4**	316.6	308.8	266.8	295.9
Income from other financial assets	**25.5**	9.1	36.1	13.3	28.2
Income from real estate activities	**2.3**	10.9	12.2	38.6	53.3
Total Income	**5,537.7**	4,885.9	4,622.3	4,373.4	4,374.7
Raw materials, consumables used and changes in inventories	**1,702.6**	1,426.4	1,346.8	1,304.8	1,359.0
Employee expenses	**1,602.8**	1,416.0	1,357.2	1,258.4	1,206.9
Depreciation and impairments property, plant and equipment and investment properties	**189.3**	166.2	165.8	155.2	143.0
Amortization and impairments intangible assets	**79.5**	75.2	109.7	70.3	63.5
Other operating expenses	**1,131.9**	1,103.1	1,056.4	1,039.6	981.4
Total expenses	**4,706.1**	4,186.9	4,035.9	3,828.3	3,753.8
Operating profit	**831.6**	699.0	586.4	545.1	620.9
Financial income and (expense)	**3.5**	(25.1)	(49.1)	(50.1)	(59.2)
Profit before income	**835.1**	673.9	537.3	495.0	561.7
Income tax expense	**(120.5)**	(97.8)	(50.1)	(86.5)	(66.8)
Profit before non-controlling interest	**714.6**	576.1	487.2	408.5	494.9
Non-controlling interest	**(85.0)**	(19.7)	(14.4)	0.8	(1.9)
Net profit	**629.6**	556.4	472.8	409.3	493.0
Earnings per Share *(in euro)*	**8.37**	7.40	6.49	5.80	7.21
Dividend per Share *(in euro)*	**6.50****	5.05	4.10	3.90	3.40

* Figures used are based on the pro forma consolidated financial statements

** Proposed

Financial Statements
HAL Holding N.V.

Statement of Financial Position HAL Holding N.V. *(in millions of euro)*

	2015	2014
Non-current assets		
Financial assets	**5,311.4**	4,649.7
Current assets		
Other current assets	**0.9**	1.1
Cash and deposits	**1,415.7**	416.9
Total assets	**6,728.0**	5,067.7
Equity	**6,724.9**	5,063.4
Current liabilities		
Accrued expenses	**3.1**	4.3
Total equity and liabilities	**6,728.0**	5,067.7

Statement of Income HAL Holding N.V. *(in millions of euro)*

	2015	2014
Income from financial assets	**659.0**	570.9
General and administrative expenses	**(10.4)**	(8.4)
	648.6	562.5
Financial income/(expense)	**(18.6)**	(5.9)
Net income	**630.0**	556.6

Notes to the company financial statements HAL Holding N.V. *(in millions of euro)*

For details concerning the accounting principles in respect of the statement of financial position and statement of income, reference is made to the consolidated financial statements of HAL Trust except for investments in subsidiaries which are carried at net asset values.

Financial assets

Balance on January 1, 2015	4,649.7
Income	659.0
Increase/(decrease) in loans, net	(172.8)
Exchange differences, valuation differences and equity adjustments	175.5
Balance on December 31, 2015	5,311.4

Equity

The movement for 2015 of Shareholders' equity is included on pages 25 and 55.

On December 31, 2015 and 2014, 76,399,596 and 74,141,313 Shares respectively were outstanding, with a nominal value of € 0.02 each, and all were held by HAL Trust.

The Company may purchase HAL Trust Shares, when deemed appropriate, up to a maximum of 10% per year of the number of Shares outstanding at the beginning of the year. In 2015, a net balance of 13,934 Shares were purchased for € 2.2 million.

A 2014 dividend of € 374.4 million (excluding dividend on treasury shares) or € 5.05 per Share was distributed on June 18, 2015 (2014: € 293.6 million or € 4.10 per Share), of which € 20.9 million in cash and € 353.5 million in stock. The conversion ratio of 1:31 resulted in 2,258,283 new HAL Trust Shares being issued.

The Company owned 127,251 HAL Trust Shares as of December 31, 2015. These shares are to hedge the obligation to allot – under certain conditions – 50,000 shares HAL Trust to a member of the Executive Board and may also be used in the context of a share participation plan for management (not being members of the Executive Board).

Supervisory Directors
The 2015 fixed remuneration for the Supervisory Directors of HAL Holding N.V. was € 0.4 million in total (2014: € 0.4 million)

Distribution of Profits

The profit to be decided upon by the General Meeting of Shareholders of HAL Holding N.V. for 2015 is as follows:

In millions of euro	**2015**
Net income according to the Statutory Statement of Income	630.0
Available for distribution to Shareholders	630.0
Proposed distribution	
In accordance with Article 31 (1), 0.03 euro for each of the 76,399,596 Shares	2.3
Available to the General Meeting of Shareholders in accordance with Article 31 (2)	627.7
Retained in accordance with Article 30	(133.4)
Available for distribution	496.6
After approval of the dividend proposal of € 6.50 per Share by the General Meeting of Shareholders of HAL Holding N.V., the dividend shall be distributed to HAL Trust for 76,399,596 Shares at € 6.50 per Share	496.6

The above references to Articles refer to the Articles of Association of the Company.

The dividend shall be payable in Shares in the share capital of the Company, except and to the extent that prior to June 20, 2016, the Trustee on behalf of HAL Trust expressly requests that payment to the Trustee be made in cash. The conversion ratio for the dividend in Shares will be determined on June 13, 2016, after the close of business of Euronext in Amsterdam.

HAL Trust Organization

A Trust, which is quite common in Anglo-American law, is a property managed in accordance with a trust deed by a Trustee on behalf of the beneficial owners.

The Trust has the following three components:

The Meeting of Shareholders of HAL Trust

Except for the powers of the Trust Committee described below, control of the Trust rests with the Meeting of Trust Shareholders. The Meeting of Trust Shareholders approves the annual accounts and decides on the distribution of profits.

Execution of the decisions of the Meeting of Trust Shareholders is the task of the Trustee. The Trustee therefore votes at the General Meeting of Shareholders of HAL Holding N.V. in accordance with the outcome of the vote taken at the Meeting of Shareholders of HAL Trust.

The Annual Meeting of Trust Shareholders takes place in Rotterdam. The members of the Board of Supervisory Directors and the Executive Board of HAL Holding N.V. shall be present at the meeting in order to explain policies pursued.

The Trustee

The function of Trustee is exercised by HAL Trustee Limited, Hamilton, Bermuda.
The Board consist of Messrs. D.C. Meerburg, *Chairman*, C. MacIntyre, A.R. Anderson, M.P.M. de Raad and H. van Everdingen, *members*.
The Trustee is the legal owner of the assets of the Trust, which consist of Shares in HAL Holding N.V., Curaçao.
The powers of the Trustee are limited to execution of the decisions of the Meeting of Trust Shareholders of HAL Trust and of the Trust Committee.
The Trustee votes at the General Meeting of Shareholders of HAL Holding N.V. in accordance with the instructions of the Meeting of Shareholders of HAL Trust.

The Trust Committee

The Trust Committee is HAL Trust Committee Limited, Hamilton, Bermuda.
The Board of HAL Trust Committee Limited consists of Messrs. P.J. Kalff, *Chairman*, C. MacIntyre, A.R. Anderson, T. Hagen and M. van der Vorm, *members*.
This Board is appointed by the Stichting HAL Trust Commissie, shareholder of HAL Trust Committee Limited. The Board of the Stichting is appointed by the shareholders of HAL Trust and consists of Messrs. P.J. Kalff, T. Hagen and M. van der Vorm. Mr. T. Hagen will resign from the Board on May 26, 2016. It is proposed to appoint Mr. A.A. van 't Hof member of the Board effective the same date.

The Trust Committee is empowered to regroup the assets of the enterprise if, in special circumstances such as international political complications, it considers it necessary to do so in the interest of the shareholders and/or the enterprise. The objective of such regrouping is to replace HAL Holding N.V. with a company situated in another jurisdiction. To achieve this, HAL Holding N.V. may transfer its assets to that new company in exchange for a repurchase of shares. The Trust Committee also has the power to appoint another Trustee, if necessary. Finally, the Trust Committee has some duties of an administrative nature.

Description Corporate Governance HAL Holding N.V.

A Curaçao public company

HAL Holding N.V. is a public company with its corporate seat in Curaçao. The Corporate Governance of HAL Holding N.V. is subject to the law of Curaçao as well as the articles of association and regulations adopted in accordance with such law. HAL Holding N.V. reports its financial position in accordance with International Financial Reporting Standards as adopted by the European Union.

HAL Holding N.V. is a holding company and parent company of a number of subsidiaries.

Share capital

HAL Holding N.V. has a share capital that is divided in shares with a nominal value of € 0.02 each. All shares have the same rights. Each share carries the right to exercise one vote in the General Meeting of Shareholders. All shares are in registered form.

HAL Trust

All shares in the capital of HAL Holding N.V. are held by HAL Trust on behalf of the Trust Shareholders. For each share in the capital of HAL Holding N.V. one Trust Share has been issued by HAL Trust. All Trust Shares have the same rights. Each Trust Share carries the right to exercise one vote in the meeting of Trust Shareholders. All distributions made by HAL Holding N.V. in respect of its shares are distributed by HAL Trust to the Trust Shareholders.

HAL Trust is a trust under Bermuda law and is subject to a trust deed, the text whereof has most recently been changed on May 18, 2011. The function of Trustee is exercised by HAL Trustee Limited. In addition, the trust deed grants certain powers to HAL Trust Committee Limited. For further information on HAL Trustee Ltd. and HAL Trust Committee Limited, see page 142. The Trust Shares are listed and traded on Euronext in Amsterdam.

Meetings of Trust Shareholders

In accordance with the provisions of the trust deed each year a meeting of Trust Shareholders is held in Rotterdam prior to the General Meeting of Shareholders of HAL Holding N.V.

The meeting of Trust Shareholders has, inter alia, the power to direct the Trustee as to the exercise by the Trustee of its voting rights in the General Meeting of Shareholders of HAL Holding N.V. This means that the Trust Shareholders have de facto control in the General Meeting of Shareholders of HAL Holding N.V.

Neither the articles of association of HAL Holding N.V. nor the trust deed contain any protective provisions which limit the control of the Trust Shareholders. All resolutions of the General Meeting of Shareholders of HAL Holding N.V. require a simple majority of the votes cast. The same holds for the decision-making process in the meeting of Trust Shareholders.

Rights of Trust Shareholders

Each Trust Shareholder has the right to attend the meetings of Trust Shareholders, either in person or by written proxy, to speak at such meetings and to exercise his voting rights. In addition, Trust Shareholders who together represent at least 10% of all outstanding Trust Shares are entitled to request the Trustee to convene a meeting of Trust Shareholders.

Powers General Meeting of Shareholders

In accordance with the articles of association of HAL Holding N.V. the General Meeting of Shareholders of HAL Holding N.V. and therefore indirectly the meeting of Trust Shareholders, has the following powers:

1. appointment and dismissal of the members of the Executive Board and the Supervisory Board;
2. approval of the financial statements;
3. granting discharge to the members of the Executive Board and the Supervisory Board;
4. amendment of the articles of association, provided such amendment is proposed by the Executive Board and has been approved by the Supervisory Board;
5. remuneration of supervisory directors;
6. appointment of the external auditor;
7. following payment of the primary dividend on shares, as set out in the articles of association, and after the taking of certain reserves by the Executive Board subject to the approval of the Supervisory Board;
8. all other powers which the articles of association do not grant to another corporate body.

Executive Board

The Executive Board of HAL Holding N.V. is responsible for the management of the Company, which means, among other things, that it is responsible for achieving the company's objectives, strategy and policy. The Executive Board is accountable to the Supervisory Board and to the General Meeting of Shareholders. In discharging its role, the Executive Board is guided by the interests of the Company and its business, taking into consideration the relevant interests of all those involved in the Company.

The Executive Board is responsible for complying with all relevant legislation and regulations, for managing the risks associated with the Company's activities and for the financing of the Company.

The number of members of the Executive Board is determined by the Supervisory Board. At present the Executive Board consists of three members. All members have been appointed by the General Meeting of Shareholders for an indefinite period of time. They can be dismissed by the General Meeting of Shareholders. In addition they can be suspended by the Supervisory Board.

With the approval of the Supervisory Board the Executive Board has adopted regulations which, inter alia, provide for additional rules in respect of the decision taking process within the Executive Board, the reporting to the Supervisory Board, the treatment of possible conflicts of interest and the fulfilment by members of the Executive Board of additional offices.

The Supervisory Board determines the remuneration of each member of the Executive Board. The remuneration consists of a fixed part and a variable part, the size whereof is determined by the Supervisory Board who also decides on additional benefits. The members of the Executive Board do not participate in any option scheme and do not receive any personal loans or guarantees from the Company.

Supervisory Board

The Supervisory Board is responsible for the supervision of the policies of the Executive Board and the general affairs of the Company and its business. It also assists the Executive Board by providing advice. In discharging its role the Supervisory Board is guided by the interests of the

Company and its business and shall take into account the relevant interests of all those involved in the Company. The Supervisory Board is responsible for the quality of its own performance.

The Supervisory Board consists of at least five members. The Supervisory Board can determine that the Board consists of more members. At present the Board has six members which have been appointed by the General Meeting of Shareholders for an indefinite period of time. Each year at least one supervisory director resigns in accordance with a retirement schedule set by the Board. A supervisory director resigning in accordance with the retirement schedule is eligible for re-appointment.

The Supervisory Board has chosen a chairman and a vice chairman from among its members.

All tasks and duties of the Supervisory Board are exercised on a collegiate and full-board basis. The Supervisory Board has adopted regulations which, inter alia, provide for rules in respect of the providing of information by the Executive Board, the matters that in any case must be addressed each year, the manner of meeting and decision taking by the Board, the treatment of potential conflicts of interest, the individual investments by supervisory directors and the criteria which may possibly jeopardize the independent exercise of the position of supervisory director.

The Supervisory Board has prepared a profile for its composition. Each member is capable of assessing the broad outline of the overall policy. Together the supervisory directors have sufficient expertise to carry out the tasks of the Supervisory Board taken as a whole.

The General Meeting of Shareholders determines the remuneration of the members of the Supervisory Board.

Supply of information/logistics General Meeting of Shareholders

The Executive Board and the Supervisory Board provide the General Meeting of Shareholders, and the meeting of Trust Shareholders, with all relevant information that they require for the exercise of their powers, unless this would be contrary to an overriding interest of the Company.

The Executive Board and the Supervisory Board will provide all shareholders and other parties in the financial markets who find themselves in an equal position with equal and simultaneous information about matters that may influence the price of the Trust Shares.

Any possible contacts between the Executive Board on the one hand and the press and financial analysts on the other will be carefully handled and structured, and the Company shall not engage in any acts that compromise the independence of analysts in relation to the Company and vice versa.

Financial reporting

The Executive Board is responsible for the quality and completeness of publicly disclosed financial reports. The Supervisory Board sees to it that the Executive Board fulfils this responsibility.

The annual accounts of HAL Holding N.V. are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In addition HAL Holding N.V. publishes interim reports in accordance with the relevant provisions of the law and the listing requirements of Euronext in Amsterdam. All financial information is also published on the web site www.halholding.com. The annual accounts are signed by the members of the Executive Board and the Supervisory Board. The Supervisory Board discusses the annual accounts with the external auditor prior to signing of the accounts by the supervisory directors.

Reference is made to the Report of the Supervisory Board (page 7) and the report of the Executive Board (page 9). These reports explain the implications and the measures that have been taken as a consequence of the application of IFRS 10 which requires the Company to consolidate the financial statements of Koninklijke Vopak N.V. ('Vopak') and Safilo Group S.p.A. ('Safilo'). As explained in these reports, the Company has entered into Memoranda of Understanding with Vopak and Safilo with respect to confidentiality, the process of exchanging information and attendance rights to the Audit Committee meetings of Vopak and the Control and Risk Committee meetings of Safilo of an independent financial expert appointed by the Company. This independent financial expert reports to the Company if there are any matters which should be brought to the attention of the Company prior to the signing of the financial statements.

The assessment that the Company's financial statements do not contain material errors attributable to the financial statements of Vopak and/or Safilo is based on the external audit of these companies and the involvement of the independent financial expert referred to above. The Executive Board and the Supervisory Board felt that it was necessary to take the measures outlined above, in order to provide additional comfort to the Executive Board when discharging itself of its responsibility for financial statements of the Company and to the Supervisory Board when discharging itself of its responsibilities to supervise the Executive Board and to review and sign the annual financial statements.

The General Meeting of Shareholders appoints the external auditor. Following receipt by the Board of Supervisory Directors of advice from the Executive Board, the Supervisory Board prepares a nomination for the appointment of the external auditor. HAL Holding N.V. has no internal audit function.

Material remuneration for instructions to the external auditor other than for auditing activities requires the approval of the Supervisory Board in respect of which the Board will consult with the Executive Board.

The external auditor is represented at the meetings of Trust Shareholders.

Information in respect of members of the Supervisory Board

S.E. Eisma (67) is a Dutch citizen. Mr. Eisma was appointed member/secretary of the Supervisory Board of HAL Holding N.V. in 1993. In 2006 he was appointed Chairman. His current term is from 2011-2016. Mr. Eisma retired from De Brauw Blackstone Westbroek N.V. in April 2010. Mr. Eisma is a member of the Supervisory Board of Robeco Groep N.V. and member of the board of Stichting Pensioenfonds HAL. He is also Chairman of the Supervisory Council of the VEB (Vereniging van Effectenbezitters).

M. van der Vorm (57) is a Dutch citizen. Mr. van der Vorm was appointed member/vice-chairman of the Supervisory Board of HAL Holding N.V. in 2014. His current term is from 2014-2020. Mr. van der Vorm was Chairman of the Executive Board of HAL Holding N.V. from 1993-2014.

M.P.M. de Raad (71) is a Dutch citizen. In 2006 he was appointed member of the Supervisory Board of HAL Holding N.V. His current term is from 2013-2018. Mr. de Raad was Chief Executive Officer of SHV Makro N.V. and member of the Executive Board of SHV Holdings N.V., Metro AG (Germany) and Royal Ahold N.V. Mr. de Raad is currently member of the Supervisory Board of Metro AG (Germany) and chairman of the Supervisory Board of Tias Business School.

L.J. Hijmans van den Bergh (52) is a Dutch citizen. In 2013 he was appointed member of the Supervisory Board of HAL Holding N.V. His current term is from 2014-2019. Mr. Hijmans van den Bergh is a partner of De Brauw Blackstone Westbroek N.V. which is one of the legal advisers of HAL Holding N.V. Mr. Hijmans van den Bergh is not involved in the provision of legal services by De Brauw Blackstone Westbroek N.V. to HAL Holding N.V. Prior to joining De Brauw Blackstone Westbroek N.V., Mr. Hijmans van den Bergh was a member of the Management Board of Royal Ahold. He is a member of the Supervisory Councils of Air Traffic Control the Netherlands and the Netherlands Cancer Institute/Antoni van Leeuwenhoek Hospital.

G.J. Wijers (65) is a Dutch citizen. In 2014 he was appointed member of the Supervisory Board of HAL Holding N.V. His current term is from 2014-2017. He is a former minister of Economic affairs and former CEO of Akzo Nobel N.V. He is Chairman of the Supervisory Boards of Heineken N.V. and AFC Ajax N.V., non-executive deputy chairman of Royal Dutch Shell Plc. and non-executive director of GlaxoSmithKline Plc.

C.O. van der Vorm (45) is a Dutch citizen. In 2015 he was appointed member of the Supervisory Board of HAL Holding N.V. His current term is from 2015-2021. He is based in London and serves as a managing director of Southberg Holdings Ltd., which is active in agricultural operations in South America and Eastern Europe.

HAL Trust

established in Bermuda

Notice to Trust Shareholders

We hereby invite you to attend the meeting of Trust Shareholders of HAL Trust, which will be held on Wednesday, May 18, 2016, at 11:00 a.m. in the Rotterdamse Schouwburg, Schouwburgplein 25, Rotterdam. The agenda of the meeting is as follows:

1. Opening
2. Instructions for the Trustee to vote at the General Meeting of Shareholders of HAL Holding N.V., to be held on Thursday, May 26, 2016, with regard to the following items on the agenda:
   (a) Report of the Executive Board of HAL Holding N.V.
   (b) Report of the Supervisory Board of HAL Holding N.V.
   (c) Approval of the financial statements of HAL Holding N.V.
   (d) Dividend payment against the profits of 2015 in the amount of € 6.50 per Share as published in the Annual Report 2015, which dividend shall be payable in shares in the share capital of HAL Holding N.V., except and to the extent that
      (i) prior to June 20, 2016, the Trustee expressly requests that payment to the Trustee be made in cash; and
      (ii) cash payments will be made to the Trustee representing the value of fractions HAL Trust Shares (if any) to which the respective HAL Trust Shareholders will be entitled on the basis of the Conversion ratio,

      and, with the approval of the Supervisory Board, to direct and authorize the Executive Board to effectuate such share issue and cash payments
   (e) Discharge of the members of the Executive Board in respect of their duties of management during the financial year 2015
   (f) Discharge of the members of the Supervisory Board in respect of their duties of supervision during the financial year 2015
   (g) Amendment Articles of Association HAL Holding N.V. The proposed change is to increase the maximum number of issued shares as mentioned in article 5.1 from 80 to 85 million shares
3. Approval of the financial statements of HAL Trust
4. (i) Proposal to distribute a dividend against the profits of 2015 of € 6.50 per Share subject to (ii) below:
   (ii) to direct the Trustee:
   (a) to issue by way of stock dividend distribution to each HAL Trust Shareholder such number of HAL Trust Shares as shall be based on the Conversion ratio and the number of HAL Trust Shares held by such HAL Trust Shareholder;
   (b) unless a HAL Trust Shareholder shall have requested (by not later than June 13, 2016, 3:00 p.m. CET) that the dividend payment to him be made in cash, in which case the Trustee shall pay such HAL Trust Shareholder the cash dividend of € 6.50 per HAL Trust Share;
      and
   (c) to convey to HAL Holding N.V. prior to June 20, 2016 for how many HAL Holding N.V. shares the dividend should be paid in cash (on the basis of the number of HAL Trust Shares for which the HAL Trust Shareholders have requested payment of the HAL Trust dividend in cash), and for what amount cash payments are to be made to the Trustee representing the value of fractions of HAL Trust Shares (if any) to which the respective HAL Trust Shareholders will be entitled on the basis of the Conversion ratio, it being understood that the remainder of the HAL Holding N.V. dividend shall be paid in the form of stock dividend
5. Report of the Trust Committee
6. Stichting HAL Trust-Commissie. It is proposed to appoint Mr. A.A. van 't Hof as member of the Board effective May 26,2016
7. Other business
8. Closing

Shareholders who wish to attend the meeting must notify this not later than May 11, 2016, through their bank or intermediary, to ABN AMRO Bank N.V.; at the office of Conyers, Dill & Pearman, Clarendon House, 2 Church Street, Hamilton, Bermuda; or at the office of HAL Holding N.V., 5 Avenue des Citronniers, MC 98000 Monaco, and must receive a written confirmation of their entitlement to HAL Trust Shares, which confirmation will at the same time serve as a permit providing admission to the meeting. Attention is drawn to the fact that Shareholders who will not be able to attend the meeting but wish to be represented at the meeting must provide a written proxy. For the sake of good order it is pointed out that proxy holders will only be admitted to the meeting against surrender of the confirmation of entitlement referred to above together with a duly signed proxy statement.

This notice is enclosed with the 2015 Annual Report which is presented to you in accordance with Section 14.4 of the trust deed of HAL Trust.

HAL Trustee Ltd.
Hamilton, Bermuda, April 5, 2016

Explanatory notes to agenda items 2.d and 4

It is proposed to distribute a dividend of € 6.50 per HAL Trust Share against the profits of 2015 and that this dividend will be paid in HAL Trust Shares unless a Shareholder expressly requests payment in cash. The Conversion ratio for the dividend in HAL Trust Shares will be determined on the basis of the volume weighted average share price during the period May 24, 2016, through June 13, 2016, (the 'Conversion ratio'), and will be announced on June 13, 2016, after the close of business of Euronext in Amsterdam. The value of the stock dividend, at the above volume weighted average share price, will be virtually the same as the value of the cash dividend. Any fraction of a Share will be settled in cash. The newly issued Shares will carry dividend rights for 2016 and subsequent years.

Dividend rights will not be traded on Euronext in Amsterdam.

The time-table is as follows:

2016	
May 20	Ex-dividend date
May 23	Dividend record date
May 24 through June 13 (3:00 p.m. CET)	Election period cash/stock (stock being default)
June 13 (after close of trading)	Determination and publication Conversion ratio
June 20	Delivery of Shares and payment of cash dividend

Shareholders who wish to receive a cash distribution must notify within the election period ABN AMRO Bank N.V. accordingly via the bank or agent where their Shares are held in custody.
The distribution of dividend in Shares is free of charge for Shareholders.

Explanatory notes to agenda item 2.g

The resolution to amend the articles of association of HAL Holding N.V. includes the authorization of each lawyer practicing with STvB Advocaten (Curaçao) N.V.to cause the notarial deed required for the amendment of the articles of association to be executed. The full text of the proposed amendment is available at the offices of HAL Holding N.V. and on www.halholding.com.