HAL Trust

Report on the first half year 2016

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First half year net income of € 431 million (2015: € 339 million). Net asset value decreases by € 723 million.

Net income of HAL Holding N.V. for the first six months of 2016 amounted to € 431 million (€ 5.64 per share) compared to € 339 million (€ 4.44 per share) for the same period last year, representing an increase of € 92 million (€ 1.20 per share).

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, decreased by € 723 million during the first six months of 2016. Taking into account the cash portion of the 2015 dividend (€ 107 million) and the purchase of treasury shares (€ 2 million), the net asset value decreased from € 13,180 million (€ 172.80 per share) on December 31, 2015, to € 12,348 million (€ 157.30 per share) on June 30, 2016. This decrease is primarily due to the lower stock market value of GrandVision N.V.

During the period from June 30, 2016, through August 26, 2016, the value of the ownership interests in quoted companies and the liquid portfolio increased by approximately € 650 million (€ 8.28 per share).

The information in this report has not been audited nor reviewed by an external auditor.

Quoted minority interests

At the end of June, the stock market value of HAL's interests in quoted minority interests (Koninklijke Vopak N.V., Koninklijke Boskalis Westminster N.V., Safilo Group S.p.A. and SBM Offshore N.V.) amounted to € 4.7 billion compared with € 4.7 billion at the end of 2015. The stock market value of the ownership interest in Vopak increased by € 0.3 billion whereas the stock market value of the ownership interest in Boskalis decreased by € 0.2 billion.

The income from quoted minority interests as per the segmentation in the section supplemental information amounted to € 246 million (2015: € 174 million). This increase is primarily the result of higher earnings from Koninklijke Vopak N.V. offset by lower earnings from Koninklijke Boskalis Westminster N.V.

Optical retail

Revenues for the first half year amounted to € 1,670 million (2015: € 1,611 million) representing an increase of € 59 million (3.7%). Excluding the positive effect of acquisitions (€ 51 million) and the negative effect of currency exchange differences (€ 49 million), revenues increased by € 57 million (3.5%).

The same-store sales, based on constant exchange rates, increased by 2.3% during the first half year compared with the same period last year (2015: 5.4%). The operating income (earnings before interest, exceptional and non-recurring items, taxes and amortization of intangible assets but including amortization of software) for the first half year amounted to € 209 million (2015: € 199 million).

As of June 30, 2016, the stock market value of HAL's 76.72% ownership interest in GrandVision amounted to € 4.6 billion (December 31, 2015: € 5.4 billion).

Unquoted companies

Revenues from the unquoted companies for the first half year amounted to € 1,051 million (2015: € 909 million) representing an increase of € 142 million (15.6%). Excluding the positive effect of currency exchange differences, acquisitions (primarily the acquisition of Deli Building Supplies N.V. in 2015), divestitures and deconsolidations (€ 122 million), revenues from the unquoted companies increased by € 20 million (2.2%).

The operating income of the unquoted companies (income before interest, exceptional and non-recurring items, taxes and amortization of intangible assets but including amortization of software) for the first half year amounted to € 74 million (2015: € 75 million). The negative effect on operating income of currency exchange differences acquisitions, divestitures and deconsolidations was € 3 million.

Net financial expense

Net financial expenses as per the segmentation in the section supplemental information increased by € 47 million, primarily due to lower currency exchange gains and a release of a financial liability in 2015 for an amount of € 29 million.

Liquid portfolio and net debt

The corporate liquid portfolio at the end of June, 2016, amounted to € 1,790 million (December 31, 2015: € 1,815 million). The consolidated net cash (excluding the net debt of Koninklijke Vopak N.V. and Safilo Group S.p.A.) as of June 30, 2016, as per the pro forma interim consolidated balance sheet in the supplemental information (defined as cash and cash equivalents and marketable securities less short-term and long-term bank debt) amounted to € 357 million (December 31, 2015: € 400 million).

As of June 30, 2016, the corporate liquid portfolio consisted for 90% of cash balances and fixed income instruments amounting to € 1,618 million (December 31, 2015: € 1,687 million) and for 10% of equities for an amount of € 172 million (December 31, 2015: € 127 million). The corporate liquid portfolio provided a total return of 0.1% during the first half of 2016 compared to 0.2% for the same period last year.

Acquisitions and divestitures unquoted companies

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

On June 3, 2016, the acquisition of 20% of the shares of Coolblue Beheer B.V. was completed. The company is one of the leading online retailers in the Benelux and is growing rapidly. Through its many web shops 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.

On, May 4, 2016, the sale of all shares in InVesting B.V. to Arrow Global Group PLC was completed. InVesting is active in the purchase of bad debt portfolios for its own account and in credit management. Revenues for 2015, including portfolio income, amounted to € 69 million. InVesting's interest in Infomedics Groep B.V. was not part of the transaction. Infomedics provides business process outsourcing and factoring services for the Dutch health care sector and reported 2015 revenues of € 23 million. This interest was carved out prior to the completion of the transaction after which HAL owned 39% of the shares of Infomedics. This interest was increased to 82% in August. The transaction resulted in a net capital gain for HAL of € 39 million (€ 0.50 per share).

Also on May 4, 2016, HAL entered into an agreement to sell all shares in its hearing aid retail subsidiary AudioNova International B.V. to Sonova Holding AG for an enterprise value of € 830 million. AudioNova operates more than 1,300 stores in eight European countries and reported 2015 revenues of € 359 million and an operating income of € 47 million. The transaction is expected to be completed in September, 2016, and to result in a net capital gain of approximately € 490 million (€ 6.24 per share).

On June 1, 2016, HAL and Egeria, each for 46.7%, together with management completed the sale of 100% of the ownership interest in N.V. Nationale Borg-Maatschappij ('Nationale Borg') to AmTrust Financial Services, Inc. Nationale Borg is a specialist provider of surety and trade credit insurance. The transaction resulted in a net capital gain for HAL of € 30 million (€ 0.38 per share).

Risks

In the 2015 annual report, the Company included a description of risks associated with its strategy and its implementation such as, but not limited to: market value risk, interest rate risk, currency risk, credit risk, liquidity risk, concentration risk, acquisition risk, financial reporting risk and other risks. The descriptions of these risks are deemed to be incorporated in this report by reference. We expect that the above risk factors will continue to exist for the second half of 2016. In the Company's view, the nature of these risk factors has not materially changed in the first half of 2016. We also refer to the statement on page 45 of this report.

Prospects

In view of the fact that a significant part of the Company's net income is determined by the results of the quoted minority interests and potential capital gains and losses we do not express an expectation as to the net income for 2016.

The Executive Board of HAL Holding N.V.

August 30, 2016

Financial calendar

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

This press release contains inside information relating to HAL Trust within the meaning of Article 7(1) of the EU Market Abuse Regulation and regulated information within the meaning of the Dutch Financial Markets Supervision Act.

Interim Consolidated Statement of Financial Position

In millions of euro	*Notes*	**June 30, 2016**	December 31, 2015
Non-current assets			
Property, plant and equipment	3	**4,932.6**	4,955.0
Investment properties		**8.1**	13.3
Intangible assets	4	**2,272.5**	2,602.0
Investments in associates and joint arrangements	6	**2,702.7**	2,571.7
Other financial assets	7	**499.5**	546.1
Derivatives		**97.4**	119.4
Pension benefits	11	**57.6**	74.7
Deferred tax assets		**163.0**	174.8
Total non-current assets		**10,733.4**	11,057.0
Current assets			
Other financial assets	7	**3.8**	105.8
Inventories		**765.8**	731.5
Receivables		**755.5**	777.9
Marketable securities and deposits		**239.7**	164.6
Derivatives		**16.7**	21.6
Other current assets		**459.1**	390.3
Cash and cash equivalents	8	**2,160.1**	2,220.2
Total current assets		**4,400.7**	4,411.9
Assets held for sale	9	**491.9**	242.8
Total assets		**15,626.0**	15,711.7
Equity			
Share capital	10	**1.6**	1.5
Other reserves		**70.0**	167.9
Retained earnings		**6,822.2**	6,555.5
Equity attributable to owners of parent		**6,893.8**	6,724.9
Non-controlling interest		**1,968.1**	1,837.9
Total equity		**8,861.9**	8,562.8
Non-current liabilities			
Deferred tax liabilities		**417.7**	456.9
Pension benefits	11	**332.3**	231.2
Derivatives		**58.7**	95.3
Provisions	12	**75.9**	62.2
Debt and other financial liabilities	13	**3,420.5**	3,727.4
Total non-current liabilities		**4,305.1**	4,573.0
Current liabilities			
Provisions	12	**88.4**	102.1
Accrued expenses		**787.0**	863.6
Income tax payable		**128.6**	134.7
Accounts payable		**647.8**	663.5
Derivatives		**51.3**	24.8
Debt and other financial liabilities	13	**637.5**	724.0
Total current liabilities		**2,340.6**	2,512.7
Liabilities related to assets held for sale	9	**118.4**	63.2
Total equity and liabilities		**15,626.0**	15,711.7

The notes on pages 13 to 44 form an integral part of the condensed interim consolidated financial statements.

Interim Consolidated Statement of Income

For the six months ended June 30

In millions of euro	*Notes*	**2016**	2015
Revenues	14	**4,016.2**	3,863.0
Income from marketable securities and deposits		**3.6**	6.4
Share of results from associates and joint ventures	16	**78.6**	128.8
Income from other financial assets		**11.0**	3.9
Income from real estate activities		**1.4**	0.3
Other income	15	**352.1**	59.1
Total income		**4,462.9**	4,061.5
Usage of raw materials, consumables and other inventory		**1,123.4**	969.5
Employee expenses		**1,171.3**	1,128.6
Depreciation and impairments of property, plant, equipment and investment properties	3	**242.5**	229.8
Amortization and impairments of intangible assets	4	**49.9**	46.9
Other operating expenses		**985.7**	1,031.1
Total expenses		**3,572.8**	3,405.9
Operating profit		**890.1**	655.6
Financial expense	17	**(111.6)**	(126.9)
Other financial income	17	**29.8**	81.2
Profit before income tax		**808.3**	609.9
Income tax expense	18	**(108.2)**	(136.4)
Net profit		**700.1**	473.5
Attributable to:			
Owners of parent		**430.6**	339.2
Non-controlling interest		**269.5**	134.3
		700.1	473.5
Average number of Shares outstanding *(in thousands)*		**76,364**	74,139
Earnings per Share for profit attributable to owners of parent during the period *(in euro)*			
- basic and diluted		**5.64**	4.44

The notes on pages 13 to 44 form an integral part of the condensed interim consolidated financial statements.

Interim Consolidated Statement of Comprehensive Income

For the six months ended June 30

In millions of euro	*Notes*	**2016**	2015
Net profit		**700.1**	473.5
Other comprehensive income (OCI)			
Items that will not be reclassified to statement of income in subsequent periods			
Actuarial results on pension benefits obligations		**(120.6)**	74.3
Income tax		**31.8**	(19.5)
Associates and joint ventures - share of OCI, net of tax	6	**(1.8)**	0.4
		(90.6)	55.2
Items that may be reclassified to statement of income in subsequent periods			
Change in fair value of available-for-sale financial assets		**(44.4)**	20.6
Effective portion of hedging instruments		**1.1**	27.0
Income tax related to hedging instruments		**0.8**	(4.3)
Translation of foreign subsidiaries, net of hedges		**(46.6)**	108.6
Income tax on translation and related hedges		**(2.0)**	-
Other movements		**0.3**	-
Associates and joint ventures - share of OCI, net of tax	6	**(26.8)**	57.3
		(117.6)	209.2
Other comprehensive income for the half year, net of tax*		**(208.2)**	264.4
Total comprehensive income for the half year, net of tax		**491.9**	737.9
Total comprehensive income for the half year, attributable to:			
- Owners of parent		**279.2**	521.1
- Non-controlling interest		**212.7**	216.8
		491.9	737.9

* Of which € (151.4) million attributable to owners of parent (2015: € 181.9 million).

The notes on pages 13 to 44 form an integral part of the condensed interim consolidated financial statements.

Interim 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, 2015	1.5	5,003.3	58.6	5,063.4	1,439.5	**6,502.9**
Net profit for the half year	-	339.2	-	339.2	134.3	**473.5**
Other comprehensive income for the half year	-	29.7	152.2	181.9	82.5	**264.4**
Total comprehensive income for the half year	-	368.9	152.2	521.1	216.8	**737.9**
Sale non-controlling interest GrandVision N.V.	-	900.2	-	900.2	185.9	**1,086.1**
Transactions with non-controlling interest	-	(40.0)	-	(40.0)	(12.0)	**(52.0)**
Capital increase/(decrease)	-	-	-	-	0.5	**0.5**
Share-based payment plans	-	15.0	-	15.0	19.2	**34.2**
Treasury shares	-	(2.2)	-	(2.2)	-	**(2.2)**
Dividend paid	-	(20.9)	-	(20.9)	(93.2)	**(114.1)**
Other	-	0.1	-	0.1	0.2	**0.3**
Transactions with the owners of parent recognized directly in equity	-	852.2	-	852.2	100.6	**952.8**
Balance on June 30, 2015	1.5	6,224.4	210.8	6,436.7	1,756.9	**8,193.6**
Balance on January 1, 2016	1.5	6,555.5	167.9	6,724.9	1,837.9	**8,562.8**
Net profit for the half year	-	430.6	-	430.6	269.5	**700.1**
Other comprehensive income for the half year	-	(53.6)	(97.8)	(151.4)	(56.8)	**(208.2)**
Total comprehensive income for the half year	-	377.0	(97.8)	279.2	212.7	**491.9**
Dividend paid	0.1	(107.5)	-	(107.4)	(101.7)	**(209.1)**
Capital increase (decrease)	-	-	-	-	3.4	**3.4**
Transactions with non-controlling interest	-	(3.7)	-	(3.7)	14.4	**10.7**
Share based payments	-	3.6	-	3.6	1.5	**5.1**
Treasury shares	-	(1.7)	-	(1.7)	-	**(1.7)**
Other	-	(1.1)	-	(1.1)	(0.1)	**(1.2)**
Transactions with the owners of parent recognized directly in equity	0.1	(110.4)	-	(110.3)	(82.5)	**(192.8)**
Balance on June 30, 2016	1.6	6,822.2	70.0	6,893.8	1,968.1	**8,861.9**

The notes on pages 13 to 44 form an integral part of the condensed interim consolidated financial statements.

Interim Consolidated Statement of Cash Flows

For the six months ended June 30

In millions of euro	*Notes*	**2016**	2015
Cash flows from operating activities			
Profit before taxes		**808.3**	609.9
Depreciation and impairments		**242.5**	229.8
Amortization and impairments	4	**49.9**	46.9
(Profit)/loss on sale of property, plant, equipment and investment properties		**(0.8)**	(3.7)
(Profit)/loss on sale of other financial assets and marketable securities		**(1.8)**	(5.7)
Results from associates and joint ventures, including capital gains	16	**(78.6)**	(128.8)
(Profit)/loss on assets and liabilities held for sale	15	**(352.1)**	(59.1)
Net financial expense	17	**81.8**	45.7
Other movements in provisions and pension benefits		**16.5**	36.8
Dividend from associates and joint ventures	6	**64.0**	74.9
Changes in working capital		**(158.1)**	(83.5)
Cash generated from operating activities		**671.6**	763.2
Other financial income received		**6.8**	5.7
Finance cost paid, including effect of hedging		**(89.0)**	(69.4)
Income taxes paid		**(126.1)**	(118.8)
Net cash from operating activities		**463.3**	580.7
Cash flows from investing activities			
Acquisition of associates, joint arrangements and subsidiaries, net of cash acquired		**(203.0)**	(126.3)
Proceeds from divestiture of associates, joint arrangements and subsidiaries		**652.8**	260.4
Proceeds from sale of/(acquisition of) other intangibles		**(21.3)**	(22.1)
Purchase of property, plant, equipment and investment properties		**(324.1)**	(274.8)
Proceeds from sale of property, plant, equipment and investment properties		**9.7**	19.3
Proceeds from/(acquisition of) other financial assets		**91.6**	(5.2)
Proceeds from/(acquisition of) marketable securities and deposits, net		**(70.3)**	(9.8)
Settlement of derivatives (net investments hedges)		**(4.7)**	(35.2)
Net cash from/(used in) investing activities		**130.7**	(193.7)
Cash flows from financing activities			
Proceeds from debt and other financial liabilities		**153.4**	60.9
Repayment of debt and other financial liabilities		**(362.4)**	(475.1)
Net proceeds and repayments in short-term financing		**(179.7)**	139.4
Sale non-controlling interest GrandVision N.V.		**-**	1,086.1
Other non-controlling interest transactions (mainly dividend paid)		**(108.5)**	(183.8)
Movement in treasury shares		**(1.7)**	(2.2)
Dividend paid		**(107.4)**	(20.9)
Net cash from/(used in) financing activities		**(606.3)**	604.4
Increase/(decrease) in cash and cash equivalents		**(12.3)**	991.4
Cash and cash equivalents at beginning of year		**2,220.2**	1,147.4
Effect of exchange rate changes and reclassifications		**(47.8)**	108.7
Cash and cash equivalents retranslated at beginning of year		**2,172.4**	1,256.1
Net increase/(decrease) in cash and cash equivalents		**(12.3)**	991.4
Cash and cash equivalents at end of period		**2,160.1**	2,247.5

The notes on pages 13 to 44 form an integral part of the condensed interim consolidated financial statements.

Basis of preparation

The condensed interim 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 periods presented, the Trust's only asset was all outstanding shares of HAL Holding N.V. ('the Company'), a Curaçao corporation.

The condensed interim consolidated financial statements were authorized for issue on August 30, 2016, by the Executive Board and Supervisory Board and have been prepared in accordance IAS 34, *Interim Financial Reporting.* The principal accounting policies applied in these condensed interim consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2015, with exception of one revision. The Company previously presented the cash and overdraft balances within a cash pooling arrangement at GrandVision N.V. on a net basis in the statement of financial position, based on the legally enforceable right to offset and the intention to settle on a net basis. In March 2016 the IFRS Interpretations Committee (IFRIC) decided on when and whether entities are able to offset balances in accordance with IAS 32. The Company has revised its accounting policy accordingly, by applying the stricter IFRIC interpretation on the intention to settle on a net basis. Refer to note 8 for more details.

The condensed interim consolidated financial statements do not include all the information and disclosures as required in the annual financial statements and should therefore be read in conjunction with the annual financial statements for the year ended December 31, 2015, as published on March 31, 2016, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). The condensed interim consolidated financial statements have not been audited nor reviewed by an external auditor.

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 has real estate investment activities, concentrated in the greater Seattle metropolitan area, with an emphasis on the development and rental of multi-family properties and office buildings.

Due to the nature of the Company's activities, investments and disposals can have a significant impact on net income. Accordingly, the results for the first six months may not be representative of the results for 2016 as a whole.

Use of estimates and judgements

The preparation of the condensed interim consolidated financial statements 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 condensed interim consolidated financial statements as well as the reported amounts of revenues and expenses during the reporting period. In preparing these condensed consolidated interim financial statements, the significant estimates and judgments made by management in applying the accounting policies and the key sources of estimation were the same as those applied to the consolidated financial statements as of December 31, 2015. 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 period 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 condensed interim consolidated financial statements presentation and that require complex estimates or significant judgment 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 3;
- Valuation of intangible assets in acquisitions − note 5;
- Allowance for inventory obsolescence − below;
- Classification of non-current assets held for sale − note 9;
- Recognition of carry-forward losses and tax provisions − below;
- Assumptions pension benefits − note 11;
- Estimated impairment of non-current assets − below.

Allowance for inventory obsolescence
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.

Recognition of carry-forward losses and tax provisions
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.
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.

Estimated impairment of non-current assets
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. A change in one of these assumptions could potentially lead to a future impairment.
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.

Recent accounting developments
In May 2014, the IASB issued 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. The standard, which is not yet endorsed by the European Union, is effective from January 1, 2018. The Company is in the process of determining the effects of this new standard, however, limited impact is expected.

IFRS 9, *Financial Instruments*, issued in June 2014, 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, which is not yet endorsed by the European Union, is effective from January 1, 2018. 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. The effects of this new standard 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. It is expected to have a significant impact on the financial statements of the Company in view of the significant lease commitments (€ 2.3 billion at December 31, 2015). The Company is in the process of determining the full effects of this new standard.

The IFRIC has issued new guidance in March, 2016, on offsetting in respect of cash pooling arrangements. This guidance limits the amount to be offset to the gross balances that are actually expected to be offset. The Company has reviewed the cash pooling arrangement at GrandVision N.V. and revised the amounts offset at the end of 2015 as disclosed in note 8.

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*, the Company consolidates the financial information of Koninklijke Vopak N.V. ('Vopak') and Safilo Group S.p.A. ('Safilo'). Supplemental information has been included on pages 34 through 44 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

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.

1. Segmentation

The Company's reportable segments are defined as follows:

- Optical retail
- Unquoted
- Quoted minority interests
- Real estate
- Liquid portfolio

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

	June 30, 2016	June 30, 2015
Optical retail	**209.3**	199.4
Unquoted	**73.7**	75.3
Quoted minority interests	**593.3**	431.5
Real estate	**0.8**	0.1
Liquid portfolio	**3.4**	6.4
Total operating income	**880.5**	712.7
Reconciling items:		
- Amortization and impairment	**(49.9)**	(46.9)
- Other	**59.5**	(10.2)
Operating result as per the consolidated statement of income	**890.1**	655.6
Financial expense, net	**(81.8)**	(45.7)
Profit before tax as per the consolidated statement of income	**808.3**	609.9

The category Other mostly consists of exceptional and non-recurring items of the optical retail and unquoted segment as well as corporate overhead.

The composition of revenues by segment is as follows:

	June 30, 2016	June 30, 2015
Optical retail	**1,669.7**	1,610.8
Unquoted	**1,051.1**	908.5
Quoted minority interests	**1,295.4**	1,343.7
	4,016.2	3,863.0

The composition of assets by segment is as follows:

	June 30, 2016	Dec. 31, 2015
Optical retail	**2,949.7**	2,922.2
Unquoted	**2,535.6**	2,424.6
Quoted minority interests	**8,224.2**	8,421.9
Real estate	**27.9**	19.6
Liquid portfolio	**1,792.9**	1,814.5
Reconciling items	**95.7**	108.9
	15,626.0	15,711.7

The reconciling items represent mostly pension plans, deferred tax and loans.

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:

	June 30, 2016	June 30, 2015
Gain on sale of terminals Vopak	**282.8**	59.1
Impairment joint ventures Vopak, net	**(49.1)**	(40.2)
Gain on sale of N.V. Nationale Borg-Maatschappij	**29.7**	-
Gain on sale of InVesting B.V.	**38.7**	-
Provision for (indirect) financial guarantee Vopak	**(15.0)**	(16.9)
Release pension provision	**-**	17.7
Write-off receivables Vopak	**(5.0)**	-
Legal and fiscal provisions	**-**	(16.1)
Restructuring provisions	**(6.7)**	-
Other	**(13.7)**	(4.4)
Operating profit	**261.7**	(0.8)
Remeasurement of earn-out liabilities	**-**	29.1
Profit before income tax	**261.7**	28.3
Income tax	**6.4**	(26.2)
Total effect on net profit	**268.1**	2.1

Gain on sale of UK terminals Vopak
Reference is made to note 9 assets and liabilities held for sale for details on the divestiture of Vopak's interests in the United Kingdom.

Impairment of joint ventures Vopak
Deteriorating business circumstances, among others caused by increased competition and changing product flows in the region, led to an impairment of € 43.8 million on the joint venture Vopak E.O.S. in Estonia. The impairment primarily relates to historical goodwill and certain intangible assets that were recognized when the joint venture was established.

Changes in estimated useful lives of two smaller joint venture terminals in China, due to changes in market circumstances among others caused by a gradual relocation of customers, have led to an impairment on the investment in these two joint ventures for the amount of € 5.3 million.

Gain on sale of N.V. Nationale Borg-Maatschappij
Reference is made to note 9 assets and liabilities held for sale for details on the divestiture of the Company's interest in N.V. Nationale Borg-Maatschappij.

Gain on sale of InVesting B.V.
Reference is made to note 9 assets and liabilities held for sale for details on the divestiture of the Company's interest in InVesting B.V.

Provision for (indirect) financial guarantee Vopak
Vopak has provided an (indirect) financial guarantee for one of its joint ventures in China for an amount of € 33.2 million. This was disclosed in the 2015 annual report. Changes in the facts and circumstances relating to this item after year-end 2015 have led to the assessment by Vopak management that a potential cash outflow in the coming years relating to this contingent liability is more likely than not. As a consequence a provision for the amount of € 15.0 million was recognized.

Vopak is in the process of divesting this terminal. Vopak management do not consider it unlikely that a divestment will be realized in the future. This could result in a (partial) reversal of the provision going forward.

Write-off receivables Vopak
These write-offs relate to disputed and impaired receivables in Asia.

3. Property, plant and equipment

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 property, plant and equipment are as follows:

	Total
Cost value	**9,386.9**
Accumulated depreciation and impairments	**(4,443.5)**
Book value on January 1, 2015	**4,943.4**
Investments	**591.6**
Consolidation	**110.7**
Reclassification*	**(244.4)**
Disposals	**(31.6)**
Depreciation and impairments	**(475.9)**
Exchange differences	**61.2**
Balance on December 31, 2015	**4,955.0**
Cost value	**9,562.3**
Accumulated depreciation and impairments	**(4,607.3)**
Balance on December 31, 2015	**4,955.0**
Investments	**319.1**
Consolidation	**7.1**
Disposals	**(8.4)**
Depreciation and impairments	**(242.4)**
Reclassification*	**(97.8)**
Balance on June 30, 2016	**4,932.6**
Cost value	**9,593.1**
Accumulated depreciation and impairments	**(4,660.5)**
Balance on June 30, 2016	**4,932.6**

* Reclassifications primarily to assets held for sale

4. Intangible assets

Intangible assets consist of:

	Goodwill	Other intangibles	**Total**
Cost value	2,231.0	1,544.9	**3,775.9**
Accumulated amortization and impairments	(622.7)	(704.7)	**(1,327.4)**
Book value on January 1, 2015	1,608.3	840.2	**2,448.5**
Investments	157.8	61.8	**219.6**
Consolidation	-	63.5	**63.5**
Purchase price accounting adjustments	(6.6)	1.7	**(4.9)**
Disposals	-	(0.5)	**(0.5)**
Reclassification	(4.0)	1.8	**(2.2)**
Amortization and impairments	(10.1)	(103.4)	**(113.5)**
Exchange differences and other	(1.7)	(6.8)	**(8.5)**
Balance on December 31, 2015	1,743.7	858.3	**2,602.0**
Cost value	2,376.5	1,691.5	**4,068.0**
Accumulated amortization and impairments	(632.8)	(833.2)	**(1,466.0)**
Balance on December 31, 2015	1,743.7	858.3	**2,602.0**
Investments	68.4	22.7	**91.1**
Consolidation	-	27.1	**27.1**
Disposals	(18.0)	(10.3)	**(28.3)**
Amortization and impairments	-	(49.9)	**(49.9)**
Reclassification*	(288.9)	(58.0)	**(346.9)**
Exchange differences and other	(20.6)	(2.0)	**(22.6)**
Balance on June 30, 2016	1,484.6	787.9	**2,272.5**
Cost value	2,117.4	1,671.0	**3,788.4**
Accumulated amortization and impairments	(632.8)	(883.1)	**(1,515.9)**
Balance on June 30, 2016	1,484.6	787.9	**2,272.5**

* Reclassifications primarily to assets held for sale

5. Acquisitions and divestments of subsidiaries

Critical accounting estimates and judgements

When a company is acquired, a value is assigned to intangible assets such as trademarks and 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

During the first half year of 2016 there were no individually significant acquisitions. The acquisitions in the first half year comprised of the following:

	Total
Cash paid	**64.3**
Future consideration	**1.0**
Fair value of previously held equity interests	**30.9**
Fair value of net assets acquired	**(48.3)**
Non-controlling interest recognized at fair value	**20.5**
Goodwill	**68.4**

The goodwill is not expected to be deductible for tax purposes. Details of the net asset value acquired are set out below:

	Total
Property, plant and equipment	**7.1**
Intangible assets	**27.1**
Investments in associates and joint arrangements	**0.3**
Other financial assets	**0.9**
Deferred tax assets	**4.7**
Other non-current assets	**0.1**
Cash	**8.7**
Non-current debt	**(3.0)**
Deferred tax liabilities	**(6.3)**
Other non-current liabilities	**(0.2)**
Current debt	**(1.1)**
Net working capital	**10.1**
Non-controlling interest	**(0.1)**
Fair value of net asset value acquired	**48.3**

The allocation of the purchase price with respect to the above acquisitions is provisional as some acquisitions were performed shortly before period-end and for other acquisitions the process is in the final stages of review.

The above acquisitions generated the following results:

	Total
Contribution to 2016 revenues	**49.3**
Contribution to 2016 operating income	**1.0**
2016 year-to-date revenues	**95.1**
2016 year-to-date operating income	**1.2**

Divestments

For information on divestments we refer to note 9 assets and liabilities held for sale.

6. Investments in associates and joint ventures

The movement of investments accounted for using the equity method is as follows:

	Associates	Joint ventures	**Total**
Book value on January 1, 2015	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**
Balance on December 31, 2015	1,600.6	971.1	**2,571.7**
Investments	173.5	71.9	**245.4**
Consolidation	0.3	-	**0.3**
Disposals	(23.8)	-	**(23.8)**
Share of results and capital gains	68.6	58.1	**126.7**
Share of other comprehensive income	(14.9)	(13.7)	**(28.6)**
Dividends	(0.3)	(63.7)	**(64.0)**
Impairments	-	(48.2)	**(48.2)**
Impairment reversals	-	0.1	**0.1**
Reclassification**	(30.0)	(27.6)	**(57.6)**
Exchange differences and other	(6.4)	(12.9)	**(19.3)**
Balance on June 30, 2016	1,767.6	935.1	**2,702.7**
Balance on June 30, 2016	1,767.6	935.1	**2,702.7**

* Reclassifications primarily to assets held for sale

** Reclassifications primarily to assets held for sale and consolidations

Investments in associates mainly relate to the acquisition of a 20% equity interest by the Company in Coolblue Beheer B.V. on June 3, 2016. Coolblue is one of the leading online retailers in the Benelux and is growing rapidly. Through its many web shops 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 difference between the market value of the Company's share in its publicly traded associate (Koninklijke Boskalis Westminster N.V.) and the book value is as follows:

	June 30, 2016	Dec. 31, 2015
Market value	**1,424.6**	1,654.3
Book value	**(1,372.3)**	(1,334.2)
	52.3	320.1

Quoted associates are valued, as of June 30, 2016, based on unaudited publicly available information.

The carrying amount of joint ventures included in the above principally relate to Vopak. Guarantees and securities provided on behalf of these joint ventures amounted to € 175.1 million (December 31, 2015: € 177.4 million). Commitments to provide debt or equity funding to joint ventures and associates of Vopak amounted to €154.2 million (December 31, 2015: € 77.4 million).

7. Other financial assets

The specification is as follows:

	June 30, 2016	Dec. 31, 2015
Investments in quoted securities	**348.3**	371.4
Loans to associates and joint ventures	**2.0**	87.9
Other loans	**85.4**	119.2
Other	**67.6**	73.4
	503.3	651.9
Current	**3.8**	105.8
Non-current	**499.5**	546.1
	503.3	651.9

Investments in quoted securities include:

	June 30, 2016	Dec. 31, 2015
Equity interest in SBM Offshore N.V. (15.65%, 2015: 15.01%)	**348.3**	371.4
	348.3	371.4

8. Cash and cash equivalents

At June 30, 2016, and December 31, 2015, cash and cash equivalents comprise of the following:

	June 30, 2016	Dec. 31, 2015
Cash	**2,114.2**	2,055.4
Cash equivalents	**45.9**	164.8
	2,160.1	2,220.2

The change in accounting policy relating to the cash pool at GrandVision N.V. has been accounted for retrospectively and as a result of this, the cash and cash equivalents and the current debt and other financial liabilities increased by € 93.6 million as per December 2015. Legal offset rights for the cash pooling arrangement continue to be in place.

The cash and cash equivalents subject to the cash pooling arrangement amounted to € 125.4 million at June 30, 2016, (December 31, 2015: € 125.3 million). The related current debt and other financial liabilities amounted to € 124.8 (December 31, 2015: € 109.2 million).

9. Assets and liabilities held for sale

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.

At June 30, 2016, and December 31, 2015, assets and liabilities held for sale comprise of the following:

	June 30, 2016	Dec. 31, 2015
Property, plant and equipment	**50.6**	118.3
Intangible assets	**318.7**	-
Investments in associates and joint ventures	**0.7**	87.0
Other non-current assets	**6.7**	5.4
Current assets	**115.2**	32.1
Total assets held for sale	**491.9**	242.8
Non-current liabilities	**52.7**	30.6
Current liabilities	**65.7**	32.6
Total liabilities related to assets held for sale	**118.4**	63.2
Total net assets held for sale	**373.5**	179.6

The net assets held for sale as of June 30, 2016, mainly relate to the hearing aid retail subsidiary AudioNova International B.V. On May 4, 2016, HAL announced that it had signed an agreement to sell all shares in AudioNova International B.V. to Sonova Holding AG (Swiss Stock Exchange: SOON) for an enterprise value − excluding net debt and interest − of € 830 million. AudioNova operates more than 1,300 stores in eight European countries and reported 2015 revenues of € 359 million and an operating income of € 47 million. The sale will result in an expected net capital gain for HAL of approximately € 490 million and will be recognized upon completion of the transaction. As a result of the announced transaction, AudioNova has been classified as held for sale in these financial statements as from April 30, 2016 (net book value € 363 million). The completion of the transaction remains subject to customary closing conditions and regulatory approvals and is expected in September, 2016.

In the first quarter of 2016, Vopak completed the earlier announced divestment of all of its UK assets. The divestment comprised the three wholly-owned terminals: Vopak Terminal London, Vopak Terminal Teesside and Vopak Terminal Windmill and Vopak's 33.3% investment in the joint venture Thames Oilport. This divestment resulted in a total gross cash inflow of € 410 million and a total pre-tax exceptional gain of € 283 million. The tax effects of this transaction were minimal. These assets were classified as held for sale in the 2015 annual report.

During the first half year of 2016, HAL entered into an agreement to sell all shares in InVesting B.V. to Arrow Global Group PLC (London Stock Exchange: ARW). InVesting B.V. is active in the purchase of bad debt portfolios for its own account and in credit management. Revenues for 2015, including portfolio income, amounted to € 69 million. At year-end 2015 HAL had an 80.6% stake in InVesting B.V. and in 2016 the Company increased its stake to 100% in order to sell all shares in InVesting to Arrow Global.
InVesting's interest in Infomedics Groep B.V. was not part of the transaction. Infomedics is a company with a leading position with respect to factoring in the health care sector in the Netherlands. Prior to completion of the transaction, this interest was carved out, after which HAL owned an indirect stake of 38.8% in Infomedics Groep B.V. This interest was increased to 82% in August.
The divestment of InVesting B.V. was completed on May 4, 2016, and resulted in a net capital gain of € 38.7 million.

At year-end 2015, HAL's 46.7% ownership interest in N.V. Nationale Borg-Maatschappij was classified as held for sale, following the announced sale of the shareholding to AmTrust Financial Services Inc. (Nasdaq: AFSI). This divestment was completed on June 1, 2016, resulting in a capital gain of € 29.7 million.

10. Share capital

The issued share capital at June 30, 2016, consists of 78,589,572 shares of which 86,676 are held as treasury stock by the Company.

x 1,000	Issued shares	Treasury shares
Balance on January 1, 2015	74,141.3	109.8
Sale and transfer of treasury shares	-	(7.8)
Purchase of treasury shares, including stock dividend	-	25.3
Dividend paid in stock	2,258.3	
Balance on June 30, 2015	76,399.6	127.3
Balance on January 1, 2016	76,399.6	127.3
Sale and transfer of treasury shares	-	(0.7)
Purchase of treasury shares, including stock dividend	-	10.1
Dividend paid in stock	2,190.0	
Shares granted	-	(50.0)
Balance on June 30, 2016	78,589.6	86.7

Outstanding shares	78,502.9
Par value (HAL Holding N.V.) *(in euro)*	0.02
Share capital *(in millions of euro)*	1.6

A 2015 dividend of € 496 million (excluding dividend on treasury shares) or € 6.50 per share was distributed on June 20, 2016 (2015: € 374 million or € 5.05 per share), of which € 107 million in cash and € 389 million in shares. Shareholders representing 78% of the issued shares had their dividend distributed in stock. These shareholders received 1 new share for 27.3 existing shares.

This 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 24, 2016 through June 13, 2016. Accordingly, 2,189,976 shares were issued on June 20, 2016.

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 € 12,348 million on June 30, 2016, and consists of the sum of the shareholders' equity attributable to the owners of the parent (€ 6,894 million) and the difference between the market value of the ownership interests in quoted companies and their book value (€ 5,454 million).

11. Pension benefits

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 pension asset/(liability) consists of:

	June 30, 2016	Dec. 31, 2015
Pension benefit assets	**57.6**	74.7
Pension benefit liabilities	**(332.3)**	(231.2)
	(274.7)	(156.5)

The increase in the net pension provision is primarily due to actuarial results of € (120.6) million.

12. Provisions

Provisions are classified as follows:

	June 30, 2016	Dec. 31, 2015
Current	**88.4**	102.1
Non-current	**75.9**	62.2
	164.3	164.3

The movement in provisions is as follows:

	2016	2015
Balance on January 1	**164.3**	130.4
Consolidation	**0.2**	6.5
Addition to provision	**43.0**	108.3
Utilized during the year	**(26.5)**	(66.7)
Reversed	**(2.6)**	(3.1)
Reclassification to held for sale	**(13.0)**	(10.2)
Exchange differences and other	**(1.1)**	(0.9)
Balance on June 30, 2016, and December 31, 2015	**164.3**	164.3

Part of the provisions relates to investigations, started in June 2009, by the French Competition Authority (FCA) into certain optical suppliers and optical retailers active in the branded sunglasses and branded frames sector in France. GrandVision and Safilo received an official report (the 'Rapport') from the FCA on 22 July 2016. The Rapport reconfirms the accusation and confirms the assumptions of the probability and amount of the potential liability on which basis GrandVision and Safilo formed a provision in 2015. The companies have two months to reply to this Rapport.

13. Debt and other financial liabilities

	June 30, 2016	Dec. 31, 2015
Long-term debt	**3,308.9**	3,668.1
Other financial liabilities	**111.6**	59.3
	3,420.5	3,727.4
Short-term debt	**634.8**	707.5
Other financial liabilities	**2.7**	16.5
	637.5	724.0
Total debt and other financial liabilities	**4,058.0**	4,451.4

The increase in other financial liabilities mainly relates to earn-out payments with respect to the acquisition of a 20% shareholding in Coolblue Beheer B.V. as referred to in note 6 on investments in associates and joint ventures.

14. Revenues

	June 30, 2016	June 30, 2015
Sale of goods	**3,133.3**	2,960.1
Services	**848.1**	868.5
Franchise fees	**34.8**	34.4
	4,016.2	3,863.0

15. Other income

Other income of € 352.1 million primarily relates to the capital gain on the divestments of InVesting B.V. (€ 38.7 million) and N.V. Nationale Borg-Maatschappij (€ 29.7 million) and the divestment by Vopak of its UK assets (€ 282.8 million). Refer to note 9 assets and liabilities held for sale for details. The 2015 other income of € 59.1 million related to capital gains on the sale of three terminals and a plot of land in the United States by Vopak.

16. Results from associates and joint ventures

	June 30, 2016	June 30, 2015
Share of results	**126.7**	170.0
Impairments	**(48.2)**	(41.2)
Reversal of impairments	**0.1**	-
	78.6	128.8

17. Financial income and expense

Financial income and expense include the following:

	June 30, 2016	June 30, 2015
Financial expense	**111.6**	126.9
Other financial income	**29.8**	81.2
Net finance costs	**81.8**	45.7

Financial expense includes:

	June 30, 2016	June 30, 2015
Interest expense	**86.8**	85.5
Exchange differences, net of hedges	**21.1**	32.7
Fair value loss on embedded option in Safilo equity-linked bond	**-**	4.9
Other	**3.7**	3.8
	111.6	126.9

Financial income includes:

	June 30, 2016	June 30, 2015
Interest income	**6.4**	13.8
Exchange differences	**19.5**	37.3
Fair value gain on embedded option in Safilo equity-linked bond	**3.3**	-
Revaluation of earn-out liabilities	**-**	29.1
Other	**0.6**	1.0
	29.8	81.2

18. Income tax expense

The effective tax rate for the first half of 2016, taking into account non-taxable income from associates and joint ventures as well as non-taxable exceptional gains and losses, was 24% (first half of 2015: 25%).

19. Financial instruments

The carrying amount approximates the fair value for all financial assets and liabilities except for the financial liabilities of Vopak. The fair value of these liabilities exceeds their carrying value by € 236.6 million as of June 30, 2016 (December 31, 2015: € 170.4 million).

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

June 30, 2016	Fair value level	Available-for-sale	Derivatives	**Total book value**
Assets				
Other financial assets				
- Quoted equity securities	1	348.3	-	**348.3**
Marketable securities				
- Quoted equity securities	1	158.0	-	**158.0**
- Quoted debt securities	1	37.8	-	**37.8**
- Unquoted equity securities	2	43.9	-	**43.9**
Derivatives	2	-	114.1	**114.1**
Total financial assets		588.0	114.1	**702.1**

June 30, 2016	Fair value level	Derivatives	**Total book value**
Liabilities			
Derivatives	2	110.0	**110.0**
Total financial liabilities		110.0	**110.0**

December 31, 2015	Fair value level	Available-for-sale	Derivatives	**Total book value**
Assets				
Other financial assets				
- Quoted equity securities	1	371.4	-	**371.4**
Marketable securities				
- Quoted equity securities	1	82.7	-	**82.7**
- Quoted debt securities	1	37.8	-	**37.8**
- Unquoted equity securities	2	44.1	-	**44.1**
Derivatives	2	-	141.0	**141.0**
Total financial assets		536.0	141.0	**677.0**

December 31, 2015	Fair value level	Derivatives	**Total book value**
Liabilities			
Derivatives	2	120.1	**120.1**
Total financial liabilities		120.1	**120.1**

There have not been any changes in valuation techniques applied to financial instruments carried at fair value compared to those disclosed in the financial statements of December 31, 2015. 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:

	June 30, 2016	December 31, 2015
Balance at the beginning of the period	**36.3**	114.9
Additions	**55.2**	20.8
Consolidation	**(4.4)**	-
Disposals	**(4.1)**	(72.2)
Reclassifications*	**(12.6)**	-
Gains/(losses) through income	**(0.1)**	(27.0)
Exchange differences	**0.1**	(0.2)
Balance at the end of the period	**70.4**	36.3

* Reclassifications primarily to liabilities related to assets held for sale

Other financial liabilities in level 3 include earn-out payments with respect to acquisitions for € 59.7 million.

20. Financial risk management

The group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the group's annual financial statements as at December 31, 2015. In these financial statements it is set out that the financial risks of the entities belonging to the optical retail, quoted minority interests and unquoted segments are managed by these entities and not by the Company. There have been no changes in the risk management objectives and policies since December 31, 2015.

Liquidity risk

Compared to December 31, 2015, there have not been significant changes in the contractual undiscounted cash flows for financial liabilities.

21. Related-party transactions

No related party transactions which could reasonably affect any decision made by the user of these condensed interim consolidated financial statements occurred during the first half year of 2016.

Transactions with members of the Executive Board and the Supervisory Board only relate to regular compensation. Transactions with group companies were eliminated upon consolidation.

22. Contingent liabilities

GrandVision is currently in dispute with a lens manufacturer, Zeiss, who participated in, but did not win, the lens tender organized by the Group 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. 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. A number of hearings took place in 2015 and the Paris Commercial Court declared itself not competent to hear this matter in its January 25, 2016 decision. Zeiss appealed this decision and the French Court of Appeal confirmed the decision of the Paris Commercial Court in its June 17, 2016 decision. Zeiss has two months to appeal this decision before the French Supreme Court. As GrandVision is confident in its legal position in this dispute, no provision is recognized by GrandVision.

With respect to the contingent liabilities of Vopak as disclosed in the 2015 annual report there are no significant changes, except for the recognition of a provision for an indirect financial guarantee provided for which the facts and circumstances changed during 2016. This guarantee was disclosed in the 2015 annual report in the note on impairment of non-current assets. For more information we refer to note 2 on exceptional items.

23. 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 2016	Vopak 2015	**Safilo 2016**	Safilo 2015	**GrandVision 2016**	GrandVision 2015	**Total 2016**	Total 2015
Profit / (loss) allocated to the non-controlling interest during the reporting period ended June 30	**221.6**	95.9	**4.4**	(0.2)	**36.8**	31.8	**262.8**	127.5
Accumulated non-controlling interest at June 30, 2016 and December 31, 2015	**1,288.6**	1,189.7	**299.5**	301.6	**285.4**	276.2	**1,873.5**	1,767.5

Set out below is the summarized financial information for Vopak, Safilo and GrandVision.

These summaries are based on the financial statements as reported by these companies and exclude purchase price accounting adjustments made by the Company.

	Vopak		Safilo		GrandVision	
	2016	2015	**2016**	2015	**2016**	2015
Summarized balance sheet						
As of June 30, 2016, and December 31, 2015						
Current						
Assets	**516.9**	641.3	**664.6**	640.4	**796.7**	730.1
Liabilities	**(504.7)**	(575.2)	**(378.5)**	(361.9)	**(927.7)**	(950.2)
	12.2	66.1	**286.1**	278.5	**(131.0)**	(220.1)
Non-current						
Assets	**4,774.0**	4,855.9	**943.6**	950.4	**2,023.3**	2,063.2
Liabilities	**(2,440.0)**	(2,761.6)	**(231.7)**	(230.3)	**(1,020.9)**	(1,011.4)
	2,334.0	2,094.3	**711.9**	720.1	**1,002.4**	1,051.8
Net assets	**2,346.2**	2,160.4	**998.0**	998.6	**871.4**	831.7
Summarized income statement						
For the period ended June 30						
Revenue	**679.9**	700.7	**651.1**	674.9	**1,669.7**	1,610.9
Profit before tax	**441.2**	237.1	**31.2**	16.9	**182.1**	172.1
Income tax expense	**(34.2)**	(72.1)	**(14.7)**	(8.4)	**(55.5)**	(54.1)
Profit after income tax	**407.0**	165.0	**16.5**	8.5	**126.6**	118.0
Other comprehensive income (OCI)	**(71.0)**	105.0	**(17.5)**	68.7	**(44.6)**	34.3
Total comprehensive income	**336.0**	270.0	**(1.0)**	77.2	**82.0**	152.3
OCI allocated to non-controlling interest	**25.8**	31.4	**0.2**	0.2	**7.1**	10.7
Dividend paid to non-controlling interest	**20.0**	23.0	**-**	-	**7.2**	7.6
Summarized cash flow statement						
For the period ended June 30						
Cash from operating activities	**374.2**	386.1	**30.9**	90.5	**205.5**	222.0
Interest paid net	**(66.0)**	(42.7)	**(1.0)**	(1.8)	**(7.3)**	(9.6)
Income tax paid	**(44.2)**	(58.2)	**(16.8)**	(21.7)	**(50.4)**	(33.9)
Net cash from operating activities	**264.0**	285.2	**13.1**	67.0	**147.8**	178.5
Net cash from investing activities	**370.6**	(31.7)	**(22.4)**	(15.4)	**(68.8)**	(59.3)
Net cash from financing activities	**(481.2)**	(291.2)	**5.0**	(47.2)	**(50.8)**	(191.9)
Increase/(decrease) in cash and cash equivalents	**153.4**	(37.7)	**(4.3)**	4.4	**28.2**	(72.7)

24. 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	
	June 30, 2016	Dec. 31, 2015	**June 30, 2016**	Dec. 31, 2015	**June 30, 2016**	Dec. 31, 2015	**June 30, 2016**	Dec. 31, 2015	**June 30, 2016**	Dec. 31, 2015
Non-current assets	**676.6**	750.6	**2,031.7**	2,061.7	**1,164.0**	1,163.4	**182.1**	98.1	**4,054.4**	4,073.8
Cash and cash equivalents	**27.8**	29.4	**178.0**	143.2	**63.4**	158.1	**15.7**	15.8	**284.9**	346.5
Other current assets	**19.8**	27.5	**87.9**	84.9	**37.9**	21.3	**4.1**	13.1	**149.7**	146.8
Total assets	**724.2**	807.5	**2,297.6**	2,289.8	**1,265.3**	1,342.8	**201.9**	127.0	**4,489.0**	4,567.1
Financial non-current liabilities	**64.3**	49.5	**795.0**	797.6	**745.7**	736.2	**78.6**	80.9	**1,683.6**	1,664.2
Other non-current liabilities	**67.1**	69.2	**40.4**	34.8	**265.9**	246.0	**20.8**	19.8	**394.2**	369.8
Financial current liabilities	**60.7**	72.2	**46.0**	52.3	**61.2**	60.9	**5.3**	5.0	**173.2**	190.4
Other current liabilities	**47.0**	61.4	**150.1**	139.2	**40.9**	107.4	**6.6**	15.4	**244.6**	323.4
Total liabilities	**239.1**	252.3	**1,031.5**	1,023.9	**1,113.7**	1,150.5	**111.3**	121.1	**2,495.6**	2,547.8
Net assets	**485.1**	555.2	**1,266.1**	1,265.9	**151.6**	192.3	**90.6**	5.9	**1,993.4**	2,019.3
Vopak's share of net assets	**196.1**	230.1	**542.6**	549.8	**85.0**	107.6	**44.2**	2.0	**867.9**	889.5
Goodwill on acquisition	**5.4**	17.1	**0.6**	2.6	**61.2**	61.9	**-**	-	**67.2**	81.6
Vopak's carrying amount of net assets	**201.5**	247.2	**543.2**	552.4	**146.2**	169.5	**44.2**	2.0	**935.1**	971.1

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

	Europe, Middle East and Africa		Asia		LNG		Other		Total	
	June 30, 2016	June 30, 2015	**June 30, 2016**	June 30, 2015	**June 30, 2016**	June 30, 2015	**June 30, 2016**	June 30, 2015	**June 30, 2016**	June 30, 2015
Revenues	**108.3**	119.3	**191.0**	167.3	**106.4**	113.4	**15.0**	16.1	**420.7**	416.1
Operating expenses	**(42.6)**	(54.8)	**(59.4)**	(60.1)	**(19.7)**	(24.5)	**(7.7)**	(6.4)	**(129.4)**	(145.8)
Depreciation, amortization and impairment	**(93.6)**	(147.3)	**(41.2)**	(28.9)	**(22.3)**	(22.0)	**(2.8)**	(2.9)	**(159.9)**	(201.1)
Operating profit (EBIT)	**(27.9)**	(82.8)	**90.4**	78.3	**64.4**	66.9	**4.5**	6.8	**131.4**	69.2
Net finance costs	**(1.7)**	(2.6)	**(15.4)**	(10.8)	**(20.6)**	(22.3)	**(1.8)**	(2.4)	**(39.5)**	(38.1)
Income tax	**(0.1)**	(3.4)	**(17.3)**	(19.4)	**(13.1)**	(12.6)	**(0.4)**	(0.7)	**(30.9)**	(36.1)
Net profit	**(29.7)**	(88.8)	**57.7**	48.1	**30.7**	32.0	**2.3**	3.7	**61.0**	(5.0)
Other comprehensive income	**(0.5)**	0.2	**(10.7)**	4.0	**(14.9)**	17.1	**(1.6)**	2.3	**(27.7)**	23.6
Total comprehensive income	**(30.2)**	(88.6)	**47.0**	52.1	**15.8**	49.1	**0.7**	6.0	**33.3**	18.6
Vopak's share of net profit	**(30.8)**	(27.7)	**23.3**	21.3	**16.5**	16.9	**1.0**	1.5	**10.0**	12.0
Vopak's share of OCI	**(0.1)**	0.1	**(5.2)**	1.8	**(7.6)**	8.7	**(0.8)**	1.1	**(13.7)**	11.7
Vopak's share of total comprehensive income	**(30.9)**	(27.6)	**18.1**	23.1	**8.9**	25.6	**0.2**	2.6	**(3.7)**	23.7

List of Principal subsidiaries and minority interests

As of June 30, 2016

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%
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	75.7%	100.0%	24.3%
Atlas Services Group Holding B.V.	The Netherlands	Staffing	70.0%	0.0%	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.

Non-controlled minority interests	
Publicly traded	
Koninklijke Boskalis Westminster N.V.	35.45%
SBM Offshore N.V.	15.65%
Other	
Infomedics Groep B.V.	38.80%
Coolblue Beheer B.V.	20.00%

Supplemental information

General

The condensed interim consolidated financial statements of HAL Trust include the interim consolidated 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 on pages 13 through 15. 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 prior year condensed interim consolidated financial statements.

The following pro forma interim 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 interim consolidated statement of financial position, income and comprehensive income include a bridge from the consolidated financial statements (including 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 condensed interim consolidated financial statements. These notes are based on the notes to the condensed interim consolidated financial statements on pages 13 through 32. Certain notes are summarized for practical purposes.

Pro forma Interim Consolidated Statement of Financial Position

In millions of euro	*Notes*	**Consolidated June 30, 2016**	Effect exclusion Vopak/Safilo	**Pro forma June 30, 2016**	Pro forma December 31, 2015
Non-current assets					
Property, plant and equipment	2	**4,932.6**	(3,692.2)	**1,240.4**	1,229.9
Investment properties		**8.1**	-	**8.1**	13.3
Intangible assets	3	**2,272.5**	(363.3)	**1,909.2**	2,231.8
Investments in associates	4	**2,702.7**	277.1	**2,979.8**	2,727.0
Other financial assets		**499.5**	(71.7)	**427.8**	474.1
Derivatives		**97.4**	(93.6)	**3.8**	-
Pension benefits		**57.6**	(0.2)	**57.4**	74.7
Deferred tax assets		**163.0**	(115.8)	**47.2**	67.4
Total non-current assets		**10,733.4**	(4,059.7)	**6,673.7**	6,818.2
Current assets					
Other financial assets		**3.8**	-	**3.8**	19.9
Inventories		**765.8**	(240.1)	**525.7**	500.8
Receivables		**755.5**	(347.2)	**408.3**	446.1
Marketable securities and deposits		**239.7**	-	**239.7**	164.6
Derivatives		**16.7**	(7.2)	**9.5**	3.4
Other current assets		**459.1**	(219.8)	**239.3**	192.0
Cash and cash equivalents		**2,160.1**	(308.8)	**1,851.3**	2,023.7
Total current assets		**4,400.7**	(1,123.1)	**3,277.6**	3,350.5
Assets held for sale		**491.9**	(11.0)	**480.9**	50.0
Total assets		**15,626.0**	(5,193.8)	**10,432.2**	10,218.7
Equity					
Share capital		**1.6**	-	**1.6**	1.5
Other reserves		**70.0**	0.9	**70.9**	167.9
Retained earnings		**6,822.2**	(26.1)	**6,796.1**	6,528.6
Equity attributable to owners of parent		**6,893.8**	(25.2)	**6,868.6**	6,698.0
Non-controlling interest		**1,968.1**	(1,588.9)	**379.2**	345.8
Total equity		**8,861.9**	(1,614.1)	**7,247.8**	7,043.8
Non-current liabilities					
Deferred tax liabilities		**417.7**	(262.1)	**155.6**	180.6
Pension benefits		**332.3**	(246.1)	**86.2**	72.5
Derivatives		**58.7**	(58.7)	**-**	-
Provisions		**75.9**	(59.4)	**16.5**	27.0
Debt and other financial liabilities	5	**3,420.5**	(2,099.1)	**1,321.4**	1,244.1
Total non-current liabilities		**4,305.1**	(2,725.4)	**1,579.7**	1,524.2
Current liabilities					
Provisions		**88.4**	(49.4)	**39.0**	49.9
Accrued expenses		**787.0**	(206.1)	**580.9**	665.3
Income tax payable		**128.6**	(78.7)	**49.9**	45.3
Accounts payable		**647.8**	(353.7)	**294.1**	301.0
Derivatives		**51.3**	(20.0)	**31.3**	15.8
Debt and other financial liabilities	5	**637.5**	(146.4)	**491.1**	573.4
Total current liabilities		**2,340.6**	(854.3)	**1,486.3**	1,650.7
Liabilities related to assets held for sale		**118.4**	-	**118.4**	-
Total equity and liabilities		**15,626.0**	(5,193.8)	**10,432.2**	10,218.7

Pro forma Interim Consolidated Statement of Income

For the six months ended June 30

In millions of euro	*Notes*	**Consolidated 2016**	Effect exclusion Vopak/Safilo	**Pro forma 2016**	Pro forma 2015
Revenues	6	**4,016.2**	(1,295.4)	**2,720.8**	2,519.3
Income from marketable securities and deposits		**3.6**	-	**3.6**	6.4
Share of results from associates		**78.6**	174.1	**252.7**	182.9
Income from other financial assets		**11.0**	(4.2)	**6.8**	3.9
Income from real estate activities		**1.4**	-	**1.4**	0.3
Other income		**352.1**	(282.8)	**69.3**	-
Total income		**4,462.9**	(1,408.3)	**3,054.6**	2,712.8
Usage of raw materials, consumables and other inventory		**1,123.4**	(153.4)	**970.0**	799.3
Employee expenses		**1,171.3**	(340.1)	**831.2**	786.4
Depreciation and impairments of property, plant, equipment and investment properties	2	**242.5**	(147.5)	**95.0**	91.5
Amortization and impairments of intangible assets	3	**49.9**	(18.6)	**31.3**	31.0
Other operating expenses		**985.7**	(419.8)	**565.9**	590.3
Total expenses		**3,572.8**	(1,079.4)	**2,493.4**	2,298.5
Operating profit		**890.1**	(328.9)	**561.2**	414.3
Financial expense		**(111.6)**	84.9	**(26.7)**	(27.5)
Other financial income		**29.8**	(25.6)	**4.2**	52.1
Profit before income tax		**808.3**	(269.6)	**538.7**	438.9
Income tax expense		**(108.2)**	43.4	**(64.8)**	(61.3)
Net profit		**700.1**	(226.2)	**473.9**	377.6
Attributable to:					
Owners of parent		**430.6**	(0.2)	**430.4**	339.0
Non-controlling interest		**269.5**	(226.0)	**43.5**	38.6
		700.1	(226.2)	**473.9**	377.6
Average number of Shares outstanding *(in thousands)*		**76,364**	-	**76,364**	74,139
Earnings per Share for profit attributable to owners of parent during the period *(in euro)*					
- basic and diluted		**5.64**	-	**5.64**	4.44

Pro forma Interim Consolidated Statement of Comprehensive Income

For the six months ended June 30

In millions of euro	*Notes*	**Pro forma 2016**	Pro forma 2015
Net profit		**473.9**	377.6
Other comprehensive income (OCI)			
Items that will not be reclassified to statement of income in subsequent periods			
Actuarial results on post-employment benefit obligations		**(30.3)**	8.2
Income tax		**8.3**	(2.3)
Associates - share of OCI, net of tax		**(33.7)**	23.8
		(55.7)	29.7
Items that may be reclassified to statement of income in subsequent periods			
Change in fair value of available-for-sale financial assets		**(44.4)**	20.6
Effective portion of cash flow hedges		**(6.3)**	4.6
Income tax on cash flow hedges		**0.7**	(0.6)
Translation of foreign subsidiaries, net of hedges		**(39.3)**	47.5
Other movements		**0.3**	-
Associates - share of OCI, net of tax		**(21.5)**	83.3
		(110.5)	155.4
Other comprehensive income for the half year, net of tax		**(166.2)**	185.1
Total comprehensive income for the half year, net of tax		**307.7**	562.7
Total comprehensive income for the half year, attributable to:			
- Owners of parent*		**279.0**	520.9
- Non-controlling interest		**28.7**	41.8
		307.7	562.7

* For both reporting periods there are no differences in other comprehensive income attributable to the owner of parent between the consolidated and the pro forma consolidated statements of comprehensive income.

In millions of euro	Attributable to owners of parent Share capital	Retained earnings	Other reserves	Total	Non-controlling interest	**Total equity**
Balance on January 1, 2015	1.5	4,974.4	58.6	5,034.5	88.9	**5,123.4**
Net profit for the half year	-	339.0	-	339.0	38.6	**377.6**
Other comprehensive income for the half year	-	29.7	152.2	181.9	3.2	**185.1**
Total comprehensive income for the half year	-	368.7	152.2	520.9	41.8	**562.7**
Sale non-controlling interest GrandVision N.V.	-	900.2	-	900.2	185.9	**1,086.1**
Transactions with non-controlling interest	-	(40.0)	-	(40.0)	(12.0)	**(52.0)**
Capital increase/(decrease)	-	-	-	-	0.5	**0.5**
Share-based payment plans	-	15.0	-	15.0	19.2	**34.2**
Treasury shares	-	(2.2)	-	(2.2)	-	**(2.2)**
Dividend paid	-	(20.9)	-	(20.9)	(7.9)	**(28.8)**
Other	-	0.1	-	0.1	0.6	**0.7**
Transactions with the owners of parent recognized directly in equity	-	852.2	-	852.2	186.3	**1,038.5**
Balance on June 30, 2015	1.5	6,195.3	210.8	6,407.6	317.0	**6,724.6**
Balance on January 1, 2016	1.5	6,528.6	167.9	6,698.0	345.8	**7,043.8**
Net profit for the half year	-	430.4	-	430.4	43.5	**473.9**
Other comprehensive income for the half year	-	(53.6)	(97.8)	(151.4)	(14.8)	**(166.2)**
Total comprehensive income for the half year	-	376.8	(97.8)	279.0	28.7	**307.7**
Dividend paid	0.1	(107.5)	-	(107.4)	(15.6)	**(123.0)**
Capital increase (decrease)	-	-	-	-	3.4	**3.4**
Transactions with non-controlling interest	-	(1.8)	-	(1.8)	16.4	**14.6**
Share based payments	-	2.8	-	2.8	0.6	**3.4**
Treasury shares	-	(1.7)	-	(1.7)	-	**(1.7)**
Other	-	(1.1)	0.8	(0.3)	(0.1)	**(0.4)**
Transactions with the owners of parent recognized directly in equity	0.1	(109.3)	0.8	(108.4)	4.7	**(103.7)**
Balance on June 30, 2016	1.6	6,796.1	70.9	6,868.6	379.2	**7,247.8**

Equity reconciliation	
Equity attributable to owners of parent per consolidated statement of financial position	6,893.8
Equity attributable to owners of parent per pro forma consolidated statement of financial position	6,868.6
Difference	25.2

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 Interim Consolidated Statement of Cash Flows

For the six months ended June 30

In millions of euro	*Notes*	**Pro forma 2016**	Pro forma 2015
Cash flows from operating activities			
Profit before taxes		**538.7**	438.9
Depreciation and impairments		**95.0**	91.5
Amortization and impairments	3	**31.3**	31.0
(Profit)/loss on sale of property, plant, equipment and investment properties		**(0.8)**	(2.9)
(Profit)/loss on sale of other financial assets and marketable securities		**(1.8)**	(5.7)
Results from associates, including capital gains	4	**(252.7)**	(182.9)
(Profit)/loss on assets and liabilities held for sale		**(69.3)**	-
Net financial expense		**22.5**	(24.6)
Other movements in provisions and pension benefits		**(2.0)**	11.7
Dividend from associates	4	**61.8**	56.4
Changes in working capital		**(94.5)**	(71.0)
Cash generated from operating activities		**328.2**	342.4
Other financial income received		**3.0**	2.7
Finance cost paid, including effect of hedging		**(18.3)**	(21.9)
Income taxes paid		**(65.1)**	(38.9)
Net cash from operating activities		**247.8**	284.3
Cash flows from investing activities			
Acquisition of associates and subsidiaries, net of cash acquired		**(174.7)**	(63.7)
Proceeds from divestiture of associates and subsidiaries		**194.4**	10.8
Proceeds from sale of/(acquisition of) other intangibles		**(11.0)**	(14.2)
Purchase of property, plant, equipment and investment properties		**(166.4)**	(82.3)
Proceeds from sale of property, plant, equipment and investment properties		**4.4**	13.4
Proceeds from/(acquisition of) other financial assets		**6.0**	3.9
Proceeds from/(acquisition of) marketable securities and deposits, net		**(70.3)**	(9.8)
Net cash from/(used in) investing activities		**(217.6)**	(141.9)
Cash flows from financing activities			
Proceeds from debt and other financial liabilities		**131.4**	58.0
Repayment of debt and other financial liabilities		**(72.4)**	(324.4)
Net proceeds and repayments in short-term financing		**(85.6)**	144.8
Sale non-controlling interest GrandVision N.V.		**-**	1,086.1
Other non-controlling interest transactions		**(18.6)**	(59.4)
Movement in treasury shares		**(1.7)**	(2.2)
Dividend paid		**(107.4)**	(20.9)
Net cash from/(used in) financing activities		**(154.3)**	882.0
Increase/(decrease) in cash and cash equivalents		**(124.1)**	1,024.4
Cash and cash equivalents at beginning of year		**2,023.7**	876.8
Effect of exchange rate changes and reclassifications		**(48.3)**	102.6
Cash and cash equivalents retranslated at beginning of year		**1,975.4**	979.4
Net increase/(decrease) in cash and cash equivalents		**(124.1)**	1,024.4
Cash and cash equivalents at end of period		**1,851.3**	2,003.8

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.

	June 30, 2016	June 30, 2015
Optical retail	**209.3**	199.4
Unquoted	**73.7**	75.3
Quoted minority interests	**245.8**	174.2
Real estate	**0.8**	0.1
Liquid portfolio	**3.4**	6.4
Total operating income	**533.0**	455.4
Reconciling items:		
- Amortization and impairment	**(31.3)**	(31.0)
- Other	**59.5**	(10.1)
Operating result as per the pro forma consolidated statement of income	**561.2**	414.3
Financial expense, net	**(22.5)**	24.6
Profit before tax as per the pro forma consolidated statement of income	**538.7**	438.9

The composition of revenues by segment is as follows:

	June 30, 2016	June 30, 2015
Optical retail	**1,669.7**	1,610.8
Unquoted	**1,051.1**	908.5
	2,720.8	2,519.3

The composition of assets by segment is as follows:

	June 30, 2016	Dec. 31, 2015
Optical retail	**2,949.7**	2,922.2
Unquoted	**2,535.6**	2,424.6
Quoted minority interests	**3,030.4**	2,928.9
Real estate	**27.9**	19.6
Liquid portfolio	**1,792.9**	1,814.5
Reconciling items	**95.7**	108.9
	10,432.2	10,218.7

2. Property, plant and equipment

The amount of property, plant and equipment as per the interim consolidated financial statements (€ 4,932.6 million) is significantly affected by the consolidation of Vopak and Safilo and in particular the property, plant and equipment of Vopak (carrying value at the end of June € 3,465.7 million).

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

	Total
Cost value	**2,821.6**
Accumulated depreciation	**(1,736.9)**
Book value on January 1, 2015	**1,084.7**
Investments	**222.0**
Consolidation	**110.7**
Disposals	**(27.9)**
Depreciation and impairments	**(189.3)**
Exchange differences	**29.7**
Balance on December 31, 2015	**1,229.9**
Cost value	**3,066.4**
Accumulated depreciation	**(1,836.5)**
Balance on December 31, 2015	**1,229.9**
Investments	**161.4**
Consolidation	**7.1**
Disposals	**(5.4)**
Depreciation and impairments	**(94.8)**
Reclassification*	**(40.9)**
Exchange differences	**(16.9)**
Balance on June 30, 2016	**1,240.4**
Cost value	**2,982.5**
Accumulated depreciation	**(1,742.1)**
Balance on June 30, 2016	**1,240.4**

* Reclassifications primarily to assets held for sale

3. Intangible assets

The intangible assets are significantly affected by the consolidation of Vopak and Safilo.

Intangible assets, excluding those of Vopak and Safilo, consist of:

	Goodwill	Other intangibles	**Total**
Cost value	2,095.8	971.6	**3,067.4**
Accumulated amortization and impairments	(601.4)	(400.3)	**(1,001.7)**
Book value on January 1, 2015	1,494.4	571.3	**2,065.7**
Investments	157.8	36.6	**194.4**
Consolidation	-	63.5	**63.5**
Purchase price adjustments	(6.6)	1.7	**(4.9)**
Reclassification	(1.5)	2.5	**1.0**
Amortization and impairments	(10.1)	(69.4)	**(79.5)**
Exchange differences and other	(2.0)	(6.4)	**(8.4)**
Balance on December 31, 2015	1,632.0	599.8	**2,231.8**
Cost value	2,243.5	1,094.7	**3,338.2**
Accumulated amortization and impairments	(611.5)	(494.9)	**(1,106.4)**
Balance on December 31, 2015	1,632.0	599.8	**2,231.8**
Investments	68.4	12.4	**80.8**
Consolidation	-	27.1	**27.1**
Disposals	(18.0)	(10.5)	**(28.5)**
Amortization and impairments	-	(31.3)	**(31.3)**
Reclassification*	(288.9)	(57.9)	**(346.8)**
Exchange differences and other	(20.6)	(3.3)	**(23.9)**
Balance on June 30, 2016	1,372.9	536.3	**1,909.2**
Cost value	1,984.4	1,062.5	**3,046.9**
Accumulated amortization and impairments	(611.5)	(526.2)	**(1,137.7)**
Balance on June 30, 2016	1,372.9	536.3	**1,909.2**

* Reclassifications primarily to assets held for sale

4. Investments in associates

The amount of investment in associates and joint ventures in the consolidated financial statements is significantly affected by the consolidation of Vopak. Vopak has a significant amount of joint ventures in its balance sheet (€ 935.1 million at the end of June 2016). This section provides information on the investments in associates excluding the assets of Vopak and Safilo.

The movement of investments accounted for using the equity method is as follows:

	Total
Book value on January 1, 2015	**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**
Balance on December 31, 2015	**2,727.0**
Investments	**173.5**
Consolidation	**0.3**
Disposals	**(23.8)**
Share of results and capital gains	**252.7**
Share of other comprehensive income	**(55.2)**
Dividends	**(61.8)**
Reclassification**	**(30.0)**
Exchange differences and other	**(2.9)**
Balance on June 30, 2016	**2,979.8**

* Reclassifications primarily to assets held for sale
** Reclassifications primarily due to consolidations

The total investments in associates comprise of:

	June 30, 2016	Dec. 31, 2015
Publicly traded	**2,682.1**	2,557.6
Other	**297.7**	169.4
	2,979.8	2,727.0

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

	June 30, 2016	Dec. 31, 2015
Market value	**4,365.5**	4,375.2
Book value	**(2,682.1)**	(2,557.6)
	1,683.4	1,817.6

5. Debt and other financial liabilities

The amount of debt and other financial liabilities in the consolidated financial statements (€4,058.0 million) is significantly affected by the consolidation of Vopak and Safilo.

The amount excluding Vopak and Safilo is set out below.

	June 30, 2016	Dec. 31, 2015
Long-term debt	**1,245.8**	**1,231.6**
Other financial liabilities	**75.6**	**12.5**
	1,321.4	**1,244.1**
Short-term debt	**488.4**	**556.9**
Other financial liabilities	**2.7**	**16.5**
	491.1	**573.4**
Total debt and other financial liabilities	**1,812.5**	**1,817.5**

6. Revenues

Revenues included in the interim condensed consolidated financial statements amount to €4.0 billion of which €1.3 billion is related to Vopak and Safilo.

Revenues excluding Vopak and Safilo can be detailed as follows:

	June 30, 2016	June 30, 2015
Sale of goods	**2,528.2**	2,331.0
Services	**157.8**	153.9
Franchise fees	**34.8**	34.4
	2,720.8	2,519.3

Statement by the Executive Board

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. The Supervisory Board is regularly informed about these matters.

The companies in which HAL has invested 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 referred to in the report on the first half year of 2016 and which are further described in the 2015 annual report, there are specific risk factors associated with each individual investee company. It is the responsibility of each investee company to evaluate these specific risks.

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. This risk is impacted by the fact that, although HAL's ownership interest in Koninklijke Vopak N.V. ('Vopak') and Safilo Group S.p.A. ('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 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 entered into Memoranda of Understanding with Vopak and Safilo with respect to confidentiality, the process of exchanging information and visitation rights to the audit committee meetings of Vopak and the meetings of the Control and Risk Committee 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 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 HAL 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 HAL, is a member of the Supervisory Board of Koninklijke Boskalis Westminster N.V. The information obtained in these capacities is not 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 HAL. 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 HAL's consolidated financial statements does not contain material errors due to the inherent limitations described above. The assessment that HAL'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. 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.

Based on the above, taking into account the inherent limitations referred to, we declare that, to the best of our knowledge, the condensed interim consolidated financial statements for the six-month period ended June 30, 2016, which have been prepared in accordance with IAS 34, *Interim Financial Reporting*, give a true and fair view of the assets, liabilities, financial position and net income of the consolidated entities taken as a whole, and the interim report of the Executive Board includes a fair view of the information required pursuant to section 5:25d. subsections 8 and 9 of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*).

Executive Board HAL Holding N.V.

M.F. Groot *(Chairman)*
A.A. van 't Hof
J.N. van Wiechen

August 30, 2016