



EXPERIENCE **MATTERS**

2016

ANNUAL REPORT

5 FINANCIAL REPORT 2016

5.3.22 ASSETS HELD FOR SALE

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

Assets held for sale

	31 December 2016	31 December 2015
Book value at 1 January	-	13
Reclassified assets	12	-
Disposal	(11)	-
Other movements	-	(13)
Book value at 31 December	1	-

In July 2016, the Company sold FPSO Falcon impacting the Lease and Operate segment.

In 2015, the Company completed the disposal of FPSO *Brasil* and VLCC *Alba* reported in the segment Lease and Operate.

5.3.23 EQUITY ATTRIBUTABLE TO SHAREHOLDERS

For a consolidated overview of changes in equity reference is made to the consolidated statement of changes in equity.

ISSUED SHARE CAPITAL

The authorized share capital of the Company is two hundred million euro (€ 200,000,000). This share capital is divided into four hundred million (400,000,000) Ordinary Shares with a nominal value of twenty-five eurocent (€ 0.25) each and four hundred million (400,000,000) Protective Preference Shares, with a nominal value of twenty-five eurocent (€ 0.25) each. The Protective Preference Shares can be issued as a protective measure as described in the Corporate Governance (section 3.5 of the Annual Report).

During the financial year the movements in the outstanding number of ordinary shares are as follows:

number of shares	2016	2015
Outstanding at 1 January	211,694,950	209,695,094
Share-based payment remuneration	1,776,355	1,999,856
Outstanding 31 December	213,471,305	211,694,950

TREASURY SHARES

The Company completed its share repurchase program under the authorization granted by the Annual General Meeting of Shareholders of the Company held on April 6, 2016. In the period between August 11, 2016 and December 20, 2016 a total number of 11,442,179 shares totaling EUR 150,000,000 were repurchased. These treasury shares are still reported in the outstanding ordinary shares as at December 31, 2016. The repurchased shares are held as Treasury shares predominantly for share capital reduction purposes and, to a lesser extent, for employee share programs.

Within the equity, an amount of US\$ 708 million (2015: US\$ 553 million) should be treated as legal reserve (please refer to 5.4 Company Financial Statements).

Of the ordinary shares 553,733 shares were held by members of Management Board, in office as at December 31, 2016 (December 31, 2015: 268,140) as detailed below :

Ordinary shares held in the Company by Management Board

	Shares subject to conditional holding requirement	Other shares	Total shares at 31 December 2016	Total shares at 31 December 2015
Bruno Chabas	284,967	96,112	381,079	188,423
Peter van Rossum ¹	137,612	35,042	172,654	79,717
Douglas Wood	-	-	-	-
Philippe Barril	-	-	-	-
Erik Lagendijk	-	-	-	-
Total	422,579	131,154	553,733	268,140

¹ Mr. Peter van Rossum is no longer a member of the Management Board since 30 November 2016.

Of the Supervisory Board members, only Mr. Hepkema holds shares in the Company (211,613 shares as at December 31, 2016), resulting from his previous employment as member of Management Board.

5 FINANCIAL REPORT 2016

OTHER RESERVES

The other reserves comprise the hedging reserve, actuarial gains/losses and the foreign currency translation reserve. The movement and breakdown of the other reserves can be stated as follows (all amounts are expressed net of deferred taxes):

	Hedging reserve	Actuarial gain/ (loss) on defined benefit provisions	Foreign currency translation reserve	IFRS 2 Reserves	Total other reserves
Balance at 31 December 2014	(268)	(5)	(14)	-	(287)
Cash flow hedges					
Change in fair value	(205)	-	-	-	(205)
Transfer to financial income and expenses	16	-	-	-	16
Transfer to construction contracts and property, plant and equipment	112	-	-	-	112
Transfer to operating profit and loss	83	-	-	-	83
IFRS 2 share based payments					
Identification of IFRS 2 reserve as at 1 January 2015	-	-	-	28	28
IFRS 2 vesting costs for the year	-	-	-	20	20
IFRS 2 vested share based payments	-	-	-	(10)	(10)
Actuarial gain/(loss) on defined benefit provision					
Change in defined benefit provision due to changes in actuarial assumptions	-	0	-	-	0
Foreign currency variations					
Foreign currency variations	-	-	(12)	-	(12)
Balance at 31 December 2015	(263)	(5)	(26)	37	(255)
Cash flow hedges					
Change in fair value	(24)	-	-	-	(24)
Transfer to financial income and expenses	11	-	-	-	11
Transfer to construction contracts and property, plant and equipment	21	-	-	-	21
Transfer to operating profit and loss	42	-	-	-	42
IFRS 2 share based payments					
IFRS 2 vesting costs for the year	-	-	-	15	15
IFRS 2 vested share based payments	-	-	-	(29)	(29)
Actuarial gain/(loss) on defined benefit provision					
Change in defined benefit provision due to changes in actuarial assumptions	-	3	-	-	3
Foreign currency variations					
Foreign currency variations	-	-	(19)	-	(19)
Balance at 31 December 2016	(212)	(1)	(45)	23	(235)

The hedging reserve consists of the effective portion of cash flow hedging instruments related to hedged transactions that have not yet occurred, net of deferred taxes.

Actuarial gain/(loss) on defined benefits provisions includes the impact of the remeasurement of defined benefit provisions.

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

5.3.24 LOANS AND BORROWINGS

BANK INTEREST-BEARING LOANS AND OTHER BORROWINGS

The movement in the bank interest bearing loans and other borrowings is as follows:

	2016	2015
Non-current portion	4,959	4,332
Add: current portion	763	895
Remaining principal at 1 January	5,722	5,227
Additions	1,157	2,013
Redemptions	(780)	(1,411)
Transaction and amortised costs	21	(95)
Other movements/deconsolidation	0	(12)
Total movements	398	495
Remaining principal at 31 December	6,120	5,722
Less: Current portion	(557)	(763)
Non-current portion	5,564	4,959
Transaction and amortised costs	137	158
Remaining principal at 31 December (excluding transaction and amortised costs)	6,258	5,880
Less: Current portion	(576)	(784)
Non-current portion	5,682	5,096

The Company has no 'off-balance sheet' financing through special purpose entities. All long-term debt is included in the consolidated statement of financial position.

Further disclosures about the fair value measurement are included in Note 5.3.29 'Financial Instruments – Fair values and risk management'.

The bank interest-bearing loans and other borrowings, excluding transaction costs and amortised costs amounting to US\$ 137 million (2015: US\$ 158 million), have the following forecasted repayment schedule:

	31 December 2016	31 December 2015
Within one year	576	784
Between 1 and 2 years	592	503
Between 2 and 5 years	1,847	1,553
More than 5 years	3,243	3,041
Balance at 31 December	6,258	5,880