

Half-yearly Report

2014

PORT OF ROTTERDAM THROUGHPUT GROWS BY 0.6%

The Port of Rotterdam Authority's financial result stayed virtually the same

The port of Rotterdam achieved steady results in the first half of the year. Total throughput increased by 0.6% compared to the first half of 2013. The throughput of crude oil increased by 3.3% while that of mineral oil products decreased by 13.5%. The throughput of coal grew by 9.5%, while ore throughput stayed virtually the same. Container throughput, measured in tonnes, increased by 2.7% or 1.9% when measured in TEUs.

The Port of Rotterdam Authority's turnover in the first half of 2014 increased by € 8.6 million compared to the first half of 2013. The net result slightly increased (by € 1.8 million) in comparison to the first half of 2013. The impact of the increase in turnover is somewhat damped by the increase in depreciation and interest charges. The cash flow in the first half of the year was negative. Total investments are expected to drop from € 263 million in 2013 to approximately € 203 million in 2014, and as such fall back to the level prior to the construction of the Maasvlakte 2. One of the largest investments in recent years in existing port area, the widening of the Amazonehaven, was commissioned in 2014.

REPORT OF THE EXECUTIVE BOARD

THROUGHPUT

Throughput saw a small decrease of 0.2% in the first quarter, but was slightly positive in the second quarter, causing throughput in the first half of the year to increase by 0.6%. A further recovery of the European economy is expected for the second half of the year, so that the port is on track in terms of achieving approximately 1% growth for all of 2014.

In the category liquid bulk, the throughput of crude oil has increased by 3.3%. The margins, and therefore the utilisation rates of the refineries, are still low due to the persistent low demand for refinery products in Europe and the increasing competition from refineries outside Europe, in part due to the availability of cheap shale gas in the US. During the same period last year throughput was even lower, however, because various refineries supplied from Rotterdam at the time were partially decommissioned due to maintenance. The throughput of mineral oil products declined by 13.5%. The decline primarily concerns the outgoing throughput of products such as heating oil, naphtha and petrol. Other liquid bulk, which primarily consists of raw materials for the chemical industry, declined by 11%. Both the chemical industry and the refining sector are in a difficult position: energy and raw materials are cheaper elsewhere in the world. The throughput of LNG increased primarily due to the increase in the re-export of LNG that is first discharged in Rotterdam.

The throughput of iron ore and scrap is stable: the European steel sector has not yet fully recovered and is running at 80% capacity. The supply of coal increased by 9.5% due to the consolidation of import flows by industrial users in the hinterland. By contrast, the demand for thermal coal remained limited due to the extremely mild winter. In terms of dry bulk goods, agricultural bulk is the largest riser in relative terms at 37.3%. Considerably more corn was imported from the Ukraine via Rotterdam, as well as soy from South America, among other products. At the same time, there was an increase in the export of wheat. The other dry bulk goods, which among other things consist of construction materials, raw materials for industry and biomass, increased by 11.9%.

Container throughput increased by 2.7% in weight or 1.9% in terms of TEUs (standard measure for containers). This growth especially persisted from March onwards, with an average monthly growth of 4.5% in comparison to the same period in 2013. Deep sea cargo increased by 3.2% (in tonnes and TEUs) due to an increase in volumes along the east-west routes, including Asia - Rotterdam as well as North America - Rotterdam, and in the supply of containers from South America. The feeder volume lagged the feeder volume in the first half of 2013 (-3.8% in tonnes, -4.7% TEUs) because a number of cargo packages were relocated to Hamburg at the end of June 2013. However, the feeder volume once again increased positively from the beginning of this year, not only from and to countries surrounding the Baltic Sea, but also

| THROUGHPUT (GREATER ROTTERDAM) (THOUSANDS OF TONNES) | JAN-JUN 2014 | JAN-JUN 2013 | % DIFFERENCE |
|---|----------------|----------------|--------------|
| Iron and scrap | 17,463 | 17,418 | 0.3% |
| Coal | 15,972 | 14,589 | 9.5% |
| Agribulk | 5,820 | 4,239 | 37.3% |
| Other dry bulk goods | 6,633 | 5,926 | 11.9% |
| TOTAL DRY BULK | 45,888 | 42,172 | 8.8% |
| Crude oil | 47,709 | 46,177 | 3.3% |
| Mineral oil | 35,732 | 41,297 | -13.5% |
| LNG | 550 | 61 | 793.4% |
| Other liquid bulk | 15,019 | 16,874 | -11.0% |
| TOTAL LIQUID BULK | 99,010 | 104,409 | -5.2% |
| CONTAINERS | 63,404 | 61,755 | 2.7% |
| Roll-on/Roll-off | 9,782 | 9,020 | 8.4% |
| Other general cargo | 3,062 | 2,382 | 28.5% |
| TOTAL OTHER GENERAL CARGO | 12,844 | 11,402 | 12.6% |
| TOTAL THROUGHPUT (THOUSANDS OF TONNES) | 221,146 | 219,738 | 0.6% |
| CONTAINER THROUGHPUT (TEU x 1,000) | 6,014 | 5,903 | 1.9% |

from and to the United Kingdom as well. The throughput of short sea containers grew by 6.1% in tonnes and 2.6% in TEUs. The growth primarily represents the transport between Rotterdam and the Baltic Sea states and Russia, and transport between Rotterdam and the United Kingdom and Ireland. A key reason for this is the improving British economy. This is also the reason for the improvement in RoRo traffic by 8.4%. There was an increase in the throughput of other general goods by 28.5% due to the increase in the demand for steel products and an increase in project cargo, particularly for the offshore industry.

The number of ocean-going vessels that visited the port in the first half of this year declined by 1.5% to 14,417. This is primarily due to the increase in scale of the container sector.

The Port Authority expects the throughput for all of 2014 to grow approximately 1%.

FUTURE TRENDS

The port of Rotterdam with its 150,000 jobs and its 3.3% contribution to the GDP is of major importance to the regional and national economy. Over the last few decades the port has evolved considerably, particularly in the area of oil and oil products, refining, chemicals, dry bulk and containers. Over the coming decades these sectors will remain key pillars for the port, however, the renovation and widening of the port also ensure that it will continue to make a substantial contribution to prosperity over the long term. The Port Authority therefore engages in a wide range of projects designed to reinforce existing sectors and at the same time provide space for new activities.

In the liquid bulk, refining and chemical sectors, the Port Authority is working hard on the realisation of an LNG breakbulk terminal, the development of Rotterdam as the hub for crude oil, the realisation of a large-scale pilot for CO₂ capture and storage (CCS), the development of a bio-based chemical cluster on the Maasvlakte 2 and the reinforcement of the chemical cluster by developing the 'missing' links and multi-user pipelines. In addition, the Port Authority invests in new nautical infrastructure for existing customers, deepening of waterways and port basins in order to improve the nautical accessibility of port sites and the construction of new facilities for ship-to-ship transfer on the Maasvlakte 2. By developing and constructing a collective energy infrastructure for heat, steam and CO₂ (Energy Infrastructure Delta Plan) the Port Authority intends to achieve a substantial increase in the energy efficiency of the port area.

In the dry bulk goods market segment, the Port Authority is focusing on a number of areas, such as a substantial increase in the throughput of biomass and a deepening of the port basins in the Botlek so that companies in this area are accessible to larger ships.

In the container sector, the focus is on providing optimal services to the maritime shipping sector through means of 'The Ship is Key' project and on creating efficient logistics processes between the existing and new container terminals on Maasvlakte 1 and 2 through means of the Maasvlakte Container Logistics project. In addition, the Port Authority, together with the market, is focused on the development of the hinterland product a lot of attention is hereby given to rail connections. The Port Authority is steering towards applying IT and implementing chain efficiency in the inland shipping sector.

The Port Authority perceives opportunities in market segments such as the offshore industry in the City Ports area, as well as on the Maasvlakte 2. This sector is of major importance to the Netherlands in terms of added value and employment.

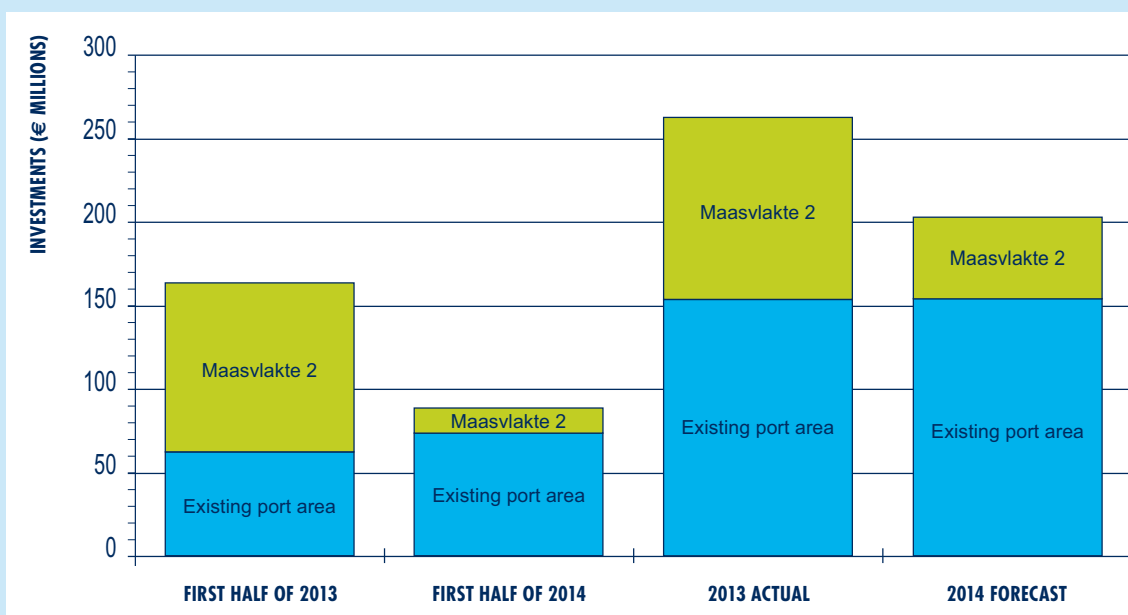
The Port Authority aims to be a trendsetter in the area of the environment and sustainability. This is apparent from the above-mentioned projects such as the focus on the realisation of an LNG breakbulk terminal (the use of LNG in the transport sector results in a considerable reduction in emissions compared with currently used fuels) and the Energy Infrastructure Delta Plan. The objective is to heat greenhouses, homes and offices in the Westland, The Hague and Leiden using the residual heat from industry in the port area. This results in energy savings of 20 P.J. is 20% of the objective of the National Energy Agreement and a considerable reduction in the emissions of CO₂ within the region.

FINANCE

Turnover in the first half of 2014 increased by € 8.6 million compared to the first half of 2013. This is primarily due to an increase in revenues from contracts (+5%), particularly for sites on the Maasvlakte 2. In addition, the port dues (0%) stayed the same due to a small increase in throughput combined with a moderate pricing policy. Operating expenses, on a half-yearly basis, are slightly lower than in 2013 (€ 9.6 million) primarily due to lower personnel (-4%) and operating expenses (-9%). This is offset by higher depreciation and financial expenses. The higher depreciation is due to the high investment volume in prior years. The increase in financial expenses is primarily due to a decrease in the capitalisation of interest during construction compared to last year due to the commissioning of the Maasvlakte 2. Preparation costs were incurred for the new participating interest in Brazil (€ 4 million) which, among other things, caused the result from

participating interests in the first half of 2014 to become negative. Together these developments caused the net result in 2014 to increase somewhat in comparison to the first half of 2013 (€ 1.8 million). The development of the result is in line with expectations and provides the solid financial basis required to be able to realise investment ambitions and meet commitments.

Due to the construction of the Maasvlakte 2, the Port of Rotterdam Authority's level of investment has been very high in recent years, particularly in 2010 - 2013.



Total investments are expected to drop from € 263 million in 2013 to approximately € 203 million in 2014. This brings the investment level back to what it was prior to the construction of the Maasvlakte 2. Widening of the Amazonehaven, approximately € 200 million, one of the largest investments in the existing Rotterdam area was fully completed for use in April 2014. The Port Authority's goal is to continue to invest vigorously in the port area.

A healthy cash flow is needed to be able to meet commitments and to continue to be able to invest in the port's infrastructure. Due to a growth in the operating result the operating cash flow has increased (€ 177.2 million) in the first half of 2014. Payments related to investment (€ 99.3 million) and the dividend (€ 87.4 million) constitute the largest part of the cash flow from investing activities and financing activities in the first half of 2014. On balance, the total cash and cash equivalents have decreased in comparison to the beginning of the financial year (€ 27.6 million). In the first half of 2013 there was an increase (€ 69.4 million) which was primarily due to the drawdown of a loan in the amount of € 450 million. A large part of this amount at the time was used for investments. In addition a repayment (€ 295 million) has been made of contribution received in 2011 and 2012 of the State. The cash flow is expected to improve in the second half of 2014 in comparison to the first half of 2014.

2014 HALF-YEARLY FIGURES

BALANCE SHEET AS AT 30 JUNE 2014

(before result appropriation)

| ASSETS | 30 JUN 2014 | 31 DEC 2013 |
|---------------------------------|------------------|------------------|
| (AMOUNTS ROUNDED OFF X € 1,000) | | |
| Fixed assets | | |
| Tangible fixed assets | 3,627,710 | 3,611,144 |
| Financial fixed assets | 56,780 | 51,952 |
| | 3,684,490 | 3,663,096 |
| Current assets | | |
| Inventories | 588 | 578 |
| Accounts receivable | 129,641 | 124,791 |
| Cash and cash equivalents | 102,301 | 129,946 |
| | 232,530 | 255,315 |
| TOTAL ASSETS | 3,917,020 | 3,918,411 |
| LIABILITIES | | |
| Shareholders' equity | 2,209,938 | 2,177,689 |
| Provisions | 53,314 | 54,908 |
| Long-term debts | 1,397,925 | 1,419,590 |
| Short-term debts | 255,843 | 266,224 |
| TOTAL LIABILITIES | 3,917,020 | 3,918,411 |

CHANGES IN SHAREHOLDERS' EQUITY FIRST HALF OF 2014

| EQUITY CAPITAL (AMOUNTS ROUNDED OFF X € 1,000) | ORDINARY SHARE CAPITAL | SHARE PREMIUM RESERVE | STATUTORY RESERVES | OTHER RESERVES | RESULT FOR APPRO- PRIATION | TOTAL FIRST HALF OF 2014 | TOTAL FIRST HALF OF 2013 |
|---|------------------------------|-----------------------------|-----------------------|-------------------|-------------------------------------|--------------------------------|--------------------------------|
| 1 JANUARY | 900,000 | 391,200 | 22,073 | 637,827 | 226,589 | 2,177,689 | 2,038,492 |
| Profit in year under review | | | | | 119,394 | 119,394 | 117,561 |
| 2013 Dividend paid | | | | | -87,427 | -87,427 | -85,714 |
| 2013 Net income | | | | 139,162 | -139,162 | | 0 |
| Exchange rate reserve | | | 282 | | | 282 | 0 |
| Reserve for participating interests | | | 2,841 | | -2,841 | | 0 |
| TOTAL MOVEMENTS | 0 | 0 | 3,123 | 139,162 | -110,036 | 32,249 | 31,847 |
| 30 JUNE | 900,000 | 391,200 | 25,196 | 776,989 | 116,553 | 2,209,938 | 2,070,339 |

STATEMENT OF INCOME FIRST HALF OF 2014

| STATEMENT OF INCOME | JAN-JUN 2014 | JAN-JUN 2013 |
|---|----------------|----------------|
| (AMOUNTS ROUNDED OFF X € 1,000) | | |
| Total operating income | 324,217 | 315,649 |
| Total operating expenses | 101,748 | 111,385 |
| EARNINGS BEFORE INTEREST, DEPRECIATION AND TAXES | 222,469 | 204,264 |
| Depreciation of tangible fixed assets | 66,680 | 62,040 |
| INCOME FROM NORMAL OPERATIONS | 155,789 | 142,224 |
| Financial income and expenses | -35,924 | -28,840 |
| Results from participating interests | -471 | 4,177 |
| NET INCOME | 119,394 | 117,561 |

CONDENSED CASH FLOW STATEMENT FIRST HALF OF 2014

| CASH FLOW STATEMENT | JAN-JUN 2014 | JAN-JUN 2013 |
|---|-----------------|-----------------|
| (AMOUNTS ROUNDED OFF X € 1,000) | | |
| INCOME FROM NORMAL OPERATIONS | 155,789 | 142,224 |
| Depreciation and amortisation and changes in provisions | 56,267 | 54,602 |
| Changes in working capital | -4,560 | -18,586 |
| CASH FLOW FROM OPERATING ACTIVITIES | 207,496 | 178,240 |
| Interest received and interest paid | -30,287 | -31,646 |
| CASH FLOW FROM OPERATING ACTIVITIES | 177,209 | 146,594 |
| Cash flow from investing activities | -99,336 | -143,981 |
| State contribution, grants and other changes | -297 | -285,555 |
| CASH FLOW FROM INVESTING ACTIVITIES | -99,633 | -429,536 |
| CASH FLOW FROM FINANCING ACTIVITIES | -105,221 | 352,388 |
| NET CASH FLOW | -27,645 | 69,446 |
| Balance of cash and cash equivalents as at 1 January | 129,946 | 42,458 |
| Balance of cash and cash equivalents as at 30 June | 102,301 | 111,904 |
| CHANGE IN CASH AND CASH EQUIVALENTS | -27,645 | 69,446 |

NOTES TO THE 2014 HALF-YEARLY FIGURES

GENERAL

OPERATING ACTIVITIES

The Port of Rotterdam Authority aims to enhance the competitive position of the port of Rotterdam as a logistics hub and a world-class industrial complex. Its shareholders are the Municipality of Rotterdam (70.83%) and the State (29.17%). The Port of Rotterdam Authority invests in the development and maintenance of new and existing port sites, in public infrastructure such as roads within the port area, and in customer-specific infrastructure, such as quay walls and jetties. The Port of Rotterdam Authority's key revenue streams consist of rental income and port dues.

The Harbour Master provides for effective, safe and efficient handling of shipping in the ports and the offshore approaches to the ports. The Harbour Master also is the National Harbour Master and is accountable to the Minister of Infrastructure and the Environment. In addition, the Harbour Master performs tasks in the ports of Rotterdam, Schiedam, Vlaardingen, Dordrecht, Papendrecht and Zwijndrecht. He is accountable to the Municipal Board of the relevant municipal authority.

ACCOUNTING POLICIES FOR PREPARING THE HALF-YEARLY REPORT

The half-yearly figures have been prepared in accordance with the financial reporting requirements of Part 9 Book 2 of the Dutch Civil Code and the statements in the Dutch Guideline for Annual Reporting (394) on Interim Reports issued by the Dutch Accounting Standards Board. As provided for in the Dutch Guideline 394, this interim half-yearly report does not contain all of the information required to be provided in the full financial statements and therefore must be read in conjunction with the 2013 Annual Report/Financial Statements. With the exception of the change in accounting policies described in the 'Changes in Accounting Policies and Accounting Estimates' section, the same accounting policies used to prepare the 2013 Financial Statements were used to prepare the half-yearly figures.

EXEMPTION FROM CONSOLIDATION OBLIGATION

As of 2009, the Port of Rotterdam Authority has made use of the exemption from the obligation to consolidate the details of participating interests, if the participating interests jointly have a financial significance in the consolidation which is negligible to the Port of Rotterdam Authority as a whole (Dutch Guideline 217.304).

CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Effective 1 January 2014, a reasonable share of the indirect personnel expenses is capitalised on the basis of the attributable hours required for the manufacture of an asset (Dutch Guideline 212.302). The Port of Rotterdam Authority has opted for this approach in order to acquire even greater insight into the actual manufacturing costs of an asset and to be able to apply more effective management control. It is practically impossible to adjust the comparative figures because the administrative systems required to record these hours were not yet operational in 2013. The impact on the carrying value of assets under construction is € 1.6 million. Adjustment of the comparative figures would have resulted in an increased valuation of the tangible fixed assets and correspondingly lower personnel costs. In addition, the reported depreciation charges would have been higher. This associated impact is not material in terms of the half-yearly figures in view of the magnitude of the amounts involved and the average depreciation periods (varying from 5 to 40 years).

The Port of Rotterdam Authority already applied the new Dutch Guideline 290 in preparing the 2013 Financial Statements. Based on current knowledge, the Port of Rotterdam Authority concludes no presence of any embedded derivatives that must be valued separately.

OPINIONS AND ESTIMATES

When applying the policies and rules for drawing up the financial statements, the management of the Port of Rotterdam Authority will form certain opinions and estimates. There are no significant changes in the method of forming these opinions and estimates.

INFORMATION ABOUT SEASONAL INFLUENCES

The throughput volumes are to a limited degree subject to seasonal influences, such as an increase in coal throughput in the winter months and the impact of the Chinese New Year (February) on container throughput. The revenues from contracts and the operating costs are not or scarcely affected by seasonal influences.

OTHER NOTES

TANGIBLE FIXED ASSETS

| TANGIBLE FIXED ASSETS (AMOUNTS X € 1,000) | CARRYING AMOUNT 1 JAN | COMMISSIONING 1 ST HALF YEAR | DEPRECIATION 1 ST HALF YEAR | DISPOSALS 1 ST HALF YEAR | CARRYING AMOUNT 30 JUN |
|--|-----------------------------|--|---|---|------------------------------|
| Lands and infraplus | 1,379,901 | 3,861 | -11,253 | 0 | 1,372,509 |
| Public infrastructure, port basins, etc. | 743,896 | 22,167 | -18,571 | 0 | 747,492 |
| Quay walls, stone slopes, etc. | 1,033,051 | 88,307 | -22,432 | 0 | 1,098,926 |
| Fixed assets and other | 273,419 | 31,209 | -14,424 | 0 | 290,204 |
| 2014 FIXED ASSETS | 3,430,267 | 145,544 | -66,680 | 0 | 3,509,131 |
| | CARRYING AMOUNT 1 JAN | COMMISSIONING | INVESTMENTS | CAPITALISED INTEREST DURING CONSTRUCTION | CARRYING AMOUNT 30 JUN |
| 2014 assets under construction | 180,877 | -145,544 | 81,872 | 1,374 | 118,579 |
| TOTAL TANGIBLE FIXED ASSETS FIRST HALF YEAR OF 2014 | 3,611,144 | | | | 3,627,710 |
| TOTAL TANGIBLE FIXED ASSETS FIRST HALF YEAR OF 2013 | 3,476,642 | | | | 3,576,199 |

In total, € 145.6 million in assets was commissioned in the first half of 2014, such as the widened Amazonehaven and the Port Object Information System. Effective from 2014, part of the internal personnel costs is capitalised as assets under construction. A total of € 1.6 million in personnel charges was capitalised in the first half of 2014.

FINANCIAL FIXED ASSETS

In 2014, the Port Authority granted one of its participating interests, Multicore, a 10-year loan in the amount of € 6 million. The purpose of the loan is to finance activities related to the Multicore Pipeline System.

On 29 April 2014, the Port of Rotterdam Authority and the Terminal Presidente Kennedy Logistica in Vitória, Brazil signed a joint venture agreement for the purpose of developing Porto Central, a new port in Brazil. The agreement formalises the joint venture. In the first half of 2014, a settlement took place between the Terminal Presidente Kennedy Logistica and the Port Authority concerning the preparation costs incurred for the Joint Venture. In total € 4 million in costs was recognised by the 100% participating interest Mainport Holding Rotterdam.

CASH AND CASH EQUIVALENTS

The cash and cash equivalents consist of bank and current account balances that are fully at the Port Authority's free disposal. In addition, € 75 million in 1-month deposits were issued. The cash flow statement includes the movements in cash and cash equivalents.

Due to the increase in the operating result and the improvement of the work capital, the operating cash flow in the first half of 2014 increased by € 30.6 million in comparison to the first half of 2013.

The outgoing net cash flow from investing activities is lower than in the first half of 2013, primarily due to the decrease in expenditures for the Maasvlakte 2 in 2013. The Maasvlakte 2 was commissioned in 2013.

The financing cash flow significantly decreased in comparison to the first half of 2013. In 2013, € 450 million in loans was withdrawn and with that part of the State contribution was repaid.

LONG-TERM DEBTS

The key fluctuations in the first half of 2014 in comparison to year-end 2013 are due to regular repayments of the existing loan portfolio (€ 15.2 million). The short-term portion of the loan portfolio (< 1 year) is € 29 million.

The financing agreements between the Port Authority and financiers include conditions designed to test the Port Authority's financial capacity. These banking conditions apply to the Port Authority's financing. As in previous years, all ratios amply meet the standard values contained in the financing agreements.

| LONG-TERM DEBTS | TOTAL | TOTAL |
|--|--------------------|--------------------|
| (AMOUNTS X € 1,000) | 30 JUN 2014 | 31 DEC 2013 |
| Loans from the Municipality of Rotterdam | 75,391 | 82,085 |
| Bank loans | 1,137,266 | 1,145,746 |
| LOAN PORTFOLIO | 1,212,657 | 1,227,831 |
| OTHER LONG-TERM DEBTS | 185,269 | 191,759 |
| TOTAL | 1,397,926 | 1,419,590 |

OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES

In the first half of 2014, in addition to contingent schemes (€ 1.8 million), multi-year commitments valued at € 9 million were made.

Pending claims and disputes

As stated in the 2013 Financial Statements, at the end of 2011, the Port of Rotterdam Authority was served a summons by a container transshipment company. The company alleges it has been adversely affected by, among other things, the (future) development of Maasvlakte 2. The container company made a number of demands including a claim for damages for future losses. The Port of Rotterdam Authority totally disagrees with both the legal grounds put forward and the qualitative and quantitative substantiation of the claims. The Port of Rotterdam Authority is of the opinion that it has acted prudently and is convinced that, over the past years, it has, in every relevant way, dealt with the company correctly. For these reasons it is, in the opinion of the Port of Rotterdam Authority, extremely improbable that the claims will be upheld. A hearing took place on 27 June concerning the legal proceedings between the container transshipment company and the Port of Rotterdam Authority. Both parties argued their case in court. The court is expected to issue its ruling in the autumn.

RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Port of Rotterdam Authority is risk averse. The Port Authority uses a risk management and control system to identify, document, report and manage risks. The Executive Board has final responsibility for this system. The system makes a distinction between strategic, operational, compliance, project, finance and financial reporting-related risks. The 2013 Annual Report describes the key strategic risks, as well as the risk management policy. The key strategic risks expected to be applicable in the second half of 2014 do not significantly deviate from the strategic risks identified in the 2013 Annual Report.

The Port of Rotterdam Authority's financial instruments, other than derivatives, serve to finance the Port of Rotterdam Authority's operational activities or arise directly from these activities. In addition, the Port of Rotterdam Authority makes use of swaps to hedge any currency, price and interest rate risks, as the occasion arises. For a detailed explanation see the 2013 Financial Statements.

Interest rate swaps

The Port of Rotterdam Authority acted on the recommendation of the Dutch Accounting Standards Board (RJ Statement 2013-15) by applying the revised guideline for Financial Instruments (RJ Statement 2013-12). From this it is evident that the critical characteristics of the interest rate derivatives are not entirely in line with the characteristics of the hedged position. The variance is primarily related to the difference in the principal/reference amount and the term. The Port of Rotterdam Authority consequently performed a quantitative ineffectiveness measurement that at the end of 2013 demonstrated that there is an effective hedge relationship with a limited ineffective portion that does not need to be recognised in the Statement of Income because there is no loss. The same test was performed as at 30 June 2014. The conclusion of this test is in line with the conclusion reached at the end of 2013. The market value of the Interest Rate Swap was -€ 438 million as at 30 June 2014.

TOTAL OPERATING INCOME

| OPERATING INCOME | JAN-JUN 2014 | JAN-JUN 2013 |
|-------------------------------|----------------|----------------|
| (AMOUNTS X € 1,000) | | |
| Net turnover | | |
| Port dues (sea-going vessels) | 144,685 | 143,435 |
| Inland port dues | 6,788 | 7,337 |
| Revenues from contracts | 164,982 | 157,004 |
| TOTAL NET TURNOVER | 316,455 | 307,776 |
| Other operating income | 7,762 | 7,873 |
| TOTAL | 324,217 | 315,649 |

The increase in revenues from contracts (incl. rent, ground lease and quay fees) is primarily due to new contracts, indexation and the expiry of rebates. The item 'Other operating income' primarily concerns the contribution for the Traffic Management System.

TOTAL OPERATING EXPENSES

| TOTAL OPERATING EXPENSES | JAN-JUN 2014 | JAN-JUN 2013 |
|--|----------------|----------------|
| (AMOUNTS X € 1,000) | | |
| Wages, salaries and social insurance charges | 48,895 | 51,090 |
| Operating expenses | 53,076 | 58,514 |
| Other operating expenses | -223 | 1,781 |
| TOTAL | 101,748 | 111,385 |

Effective from 2014, personnel costs are capitalised for investment projects, subject to certain conditions. In 2014, the amount involved was € 1.6 million. The decrease in operating expenses is due to a combination of cost management and a reduction in outsourced services.

FINANCIAL INCOME AND EXPENSES

| FINANCIAL INCOME AND EXPENSES | JAN-JUN 2014 | JAN-JUN 2013 |
|--|----------------|----------------|
| (AMOUNTS X € 1,000) | | |
| Income from long-term receivables | 166 | 96 |
| Other interest income | 322 | 2,723 |
| TOTAL FINANCIAL INCOME | 488 | 2,819 |
| Interest charges | -32,398 | -32,021 |
| Calculated interest charges | -5,388 | -5,309 |
| Capitalised interest on tangible fixed assets under construction | 1,374 | 5,671 |
| TOTAL FINANCIAL EXPENSES | -36,412 | -31,659 |
| TOTAL | -35,924 | -28,840 |

Due to lower interest rates and lower average cash balances the interest income earned in the first half of 2014 declined in comparison to the first half of 2013. The average work in progress position in the first half of 2014 was lower than in the first half of 2013. This is the primary reason for the lower capitalisation of interest costs in 2014.

RELATED-PARTY TRANSACTIONS

All group companies and other participating interests, as well as the Municipality of Rotterdam and the State are designated as related parties. All related-party transactions were conducted under normal market conditions. For example, the interest costs include an amount of € 2 million for the Municipality of Rotterdam (first half of 2013: € 2.3 million). In addition, the operating expenses include a regular contribution to Portbase B.V. in the amount of € 3.5 for the first half of 2014 (first half of 2013: € 2.7 million).

Port of Rotterdam Authority

17 July 2014

Executive Board

A.S. (Allard) Castelein

- Chief Executive Officer (CEO)

R. (Ronald) Paul

- Director Infrastructure & Maritime Affairs, Chief Operating Officer (COO)

P.R.J.M. (Paul) Smits

- Director Finance & Information Management, Chief Financial Officer (CFO)

OTHER INFORMATION

APPROPRIATION OF THE RESULT

The net result for the first half of 2014 is € 119.4 million. This is recognised in the 2014 half-yearly figures as 'Result for appropriation', as part of the shareholders' equity. Further to the resolution adopted by the Annual General Meeting of Shareholders in March 2014, the 2013 dividend (€ 87.4 million) was distributed in June 2014 and the remaining profit from 2013 was added to the other reserves.

EVENTS AFTER THE BALANCE SHEET DATE

There were no events after the balance sheet date that provide further information about the actual situation as at the balance sheet date or that are of importance for the users of the financial statements in forming an opinion.

REVIEW REPORT

To: the shareholders and the Supervisory Board of the Port of Rotterdam Authority (Havenbedrijf Rotterdam N.V.)

INTRODUCTION

We have reviewed the accompanying condensed company interim financial information for the period 1 January 2014 to 30 June 2014 of the Port of Rotterdam Authority (Havenbedrijf Rotterdam N.V.), Rotterdam which comprises the condensed Balance Sheet, the condensed Income Statement, the condensed Cash Flow Statement and the condensed overview of Changes in Shareholders' Equity, and the notes. The Executive Board of the Company is responsible for the preparation and presentation of this interim financial information in accordance with the Dutch Guideline for Annual Reporting 394 on Interim Reports. Our responsibility is to express a conclusion on this the interim financial information based on our review.

SCOPE

We conducted our review in accordance with Dutch law, including the Dutch Standard 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Dutch Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information for the period 1 January 2014 to 30 June 2014 is not prepared, in all material respects, in accordance with the Dutch Guideline for Annual Reporting 394 on Interim Reports.

Rotterdam, 17 July 2014

Ernst & Young Accountants LLP

signed J.F.M. Kamphuis