



EURONAV



Half year report '16

Discover our highlights

26 Jan 2016

Euronav takes delivery of the *Alice*, the second vessel of the four VLCCs which were acquired as resales of existing newbuilding contracts in June 2015.



12 May 2016

The Annual General Meeting of Shareholders approves the 2015 full year gross dividend of USD 1.69 per share as proposed by the Board of Directors.



2 June 2016

On 2 June 2016 Euronav announces the formation of a commercial joint venture with Diamond S Management LLC and Frontline Ltd. under the name Suezmax Chartering. The aim of the joint venture is to create a single point of contact for cargo owners to access a large fleet of 43 modern Suezmax vessels, including newbuildings, operated on the spot market.

24 Mar 2016

Euronav takes delivery of the *Alex*, the third vessel of the four VLCCs which were acquired as resales of existing newbuilding contracts.



13 May 2016

Euronav takes delivery of the *Anne*, the fourth and last vessel of the four VLCCs which were acquired as resales of existing newbuilding contracts.





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1. Highlights and activity report for the first half of 2016

On 13 May 2016 Euronav took delivery of the *Anne*, the fourth and last vessel of the four VLCCs which were acquired as resales of existing newbuilding contracts.

JANUARY

On 15 January 2016 Euronav sold the VLCC *Famenne* (2001 – 298,412 dwt), one of its two oldest VLCC vessels, for USD 38.4 million. The capital gain on that sale of about USD 13.8 million was recorded at delivery on 9 March 2016.

On 26 January 2016 Euronav took delivery of the second vessel of the four VLCCs which were acquired as resales of existing newbuilding contracts as announced on 16 June 2015: VLCC *Alice* (2016 – 299,320 dwt).

As reported on 26 January 2016, Euronav has bought back 500,000 of its own shares in several transactions from 15 January until 25 January 2016 at an average price of EUR 9.5256 per share.

MARCH

On 24 March 2016 Euronav took delivery of the third vessel of the four VLCCs which were acquired as resales of existing newbuilding contracts as announced on 16 June 2015: VLCC *Alex* (2016 – 299,445 dwt).

MAY

On 12 May 2016 the Annual General Meeting of Shareholders approved the gross dividend of USD 0.82 per share as proposed by the Board of Directors.

On 13 May 2016 Euronav took delivery of the fourth and last vessel of the four VLCCs which were acquired as resales of existing newbuilding contracts as announced on 16 June 2015: the VLCC *Anne* (2016 – 299,533 dwt).



On 20 May 2016 Euronav announced that it had agreed with Bretta Tanker Holdings, Inc. to terminate its Suezmax joint ventures. The joint ventures covered four Suezmax vessels: the *Captain Michael* (2012 – 157,648 dwt), the *Maria* (2012 – 157,523 dwt), the *Eugenie* (2010 – 157,672 dwt) and the *Devon* (2011 – 157,642 dwt). Euronav has assumed full ownership of the two youngest vessels, the *Captain Michael* and the *Maria*, and Bretta has assumed full ownership of the *Eugenie* and the *Devon*.

JUNE

On 2 June 2016 Euronav announced the start of a commercial joint venture with Diamond S Management LLC and Frontline Ltd. under the name Suezmax Chartering. The aim of the joint venture is to create a single point of contact for cargo owners to access a large fleet of 43 modern Suezmax vessels, including newbuildings, operated on the spot market.

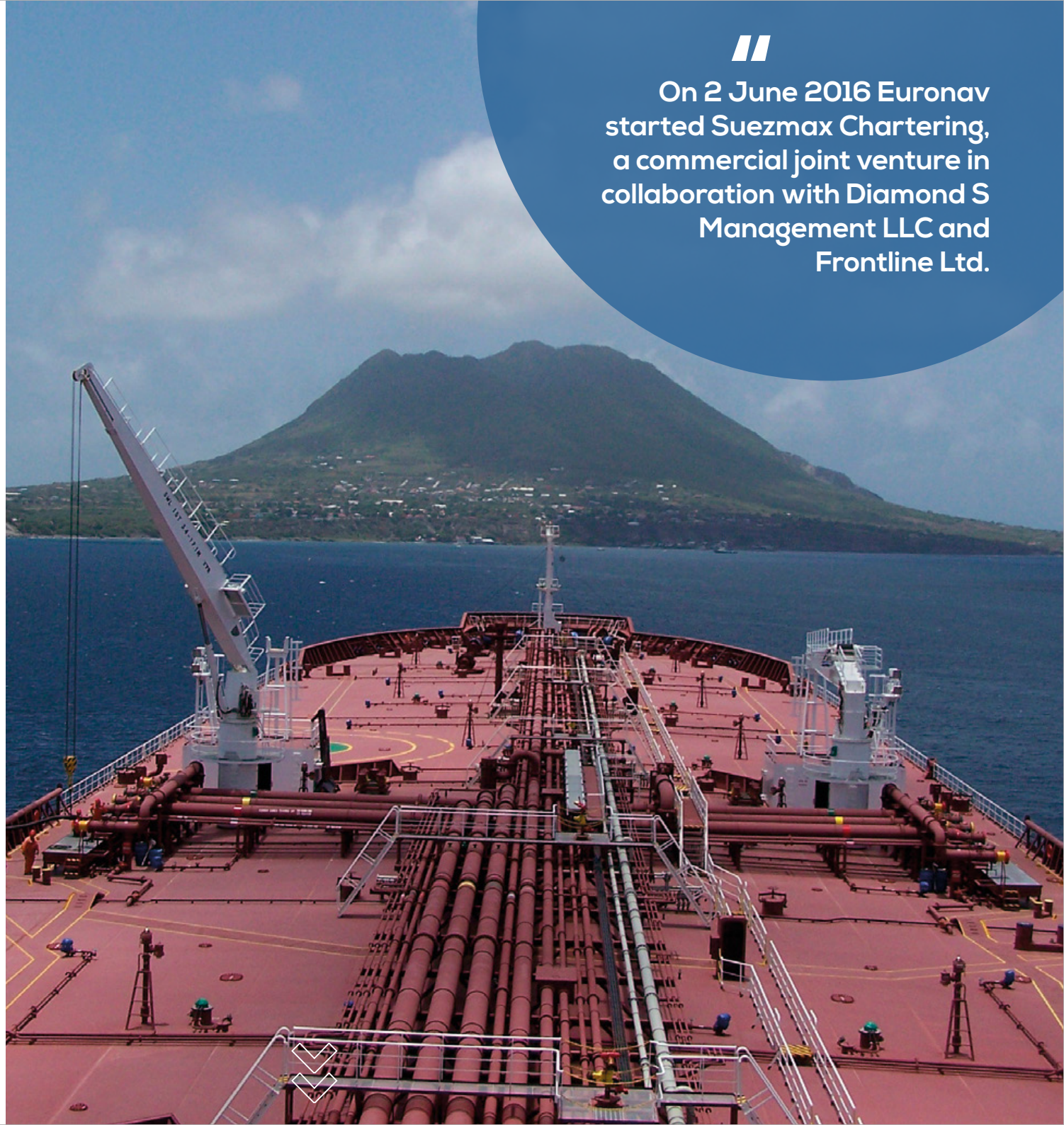
As reported on 1 July 2016, Euronav has bought back 192,415 of its own shares in transactions on 24 June 2016 and 27 June 2016 at an average price of EUR 7.9423.

EVENTS OCCURED AFTER THE SIX-MONTH PERIOD, ENDED 30 JUNE 2016:

On 16 August 2016 the Group entered into a binding agreement for the acquisition through resale of two VLCCs which are completing construction at Hyundai Heavy Industries for an aggregate purchase price of USD 169 million or USD 84.5 million per unit.



On 2 June 2016 Euronav started Suezmax Chartering, a commercial joint venture in collaboration with Diamond S Management LLC and Frontline Ltd.





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2016 global oil demand is forecast by the International Energy Agency to increase by 1.28% in comparison to 2015 to 95.94 million barrels per day.

2. World economy, oil demand and bunker costs

Global GDP growth is expected to be at 3.2% for 2016, which is in line with last year's levels but lower than initially anticipated. This growth is mainly driven by emerging markets and developing economies, such as India, with advanced economies' growth being rather flat.

Despite China's decelerating growth, emerging economies continue to improve, with Russia having a lower inflation and India a solid growth momentum helped by a low oil price and monetary reform, which has been in place for the last three years. Some OECD countries however, particularly in Europe, are facing more challenging times, especially after the Brexit referendum which has created further uncertainty. The U.S. has increasing employment which positively impacted the growth in the consumer market.

Despite a decrease in some regions such as the European Union, Canada or Japan, 2016 global oil demand is forecast by the International Energy Agency (IEA) to increase by 1.28% in comparison to 2015 to 95.94 million barrels per day (bpd). Demand in the non-OECD countries is expected to remain strong with India's demand expected to increase by almost 9% compared to 2015, China by 3% and Africa by the same amount. In 2016 domestic production in China is expected to fall and China is expected to boost its strategic petroleum reserve this year with close to 100 million barrels of crude. This would boost imports even without growth in oil demand. In total, these changes are likely to make the shipping requirement feel like the demand for oil in China has grown far more than the 350,000 bpd of consumer demand growth. In the U.S. the import of crude oil will be highly dependent on the global oil price. If prices remain at or around USD 50, shale oil production will likely remain flat. In case oil prices rise above that mark, domestic output growth should be stimulated.

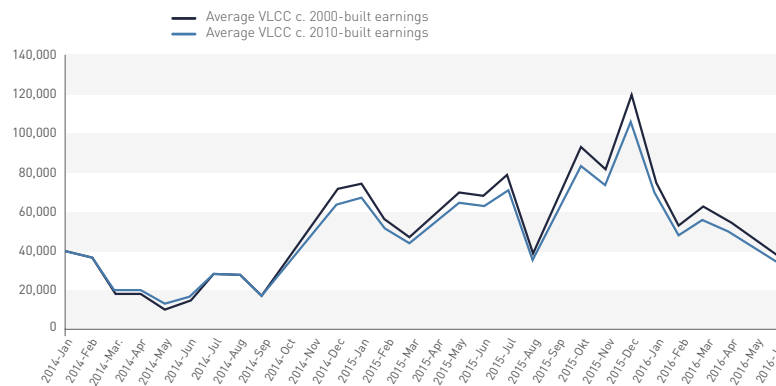
The price of crude oil has been gradually increasing since the beginning of the year which was mainly due to a global demand growth acceleration. For the first semester of 2016 the average price per barrel was USD 39.70 for Brent crude and USD 39.33 for West Texas Intermediate (WTI) crude, with the maximum price not going above the USD 52 per barrel mark. In the first semester of 2015 oil prices were higher at USD 57.81 per barrel for Brent crude and USD 53.25 per barrel for WTI crude on average. Bunker prices have followed the same upward trend but remain historically low improving freight returns. For the first semester of 2016 bunker prices were on average at USD 195 per ton in Fujairah, USD 174 in Rotterdam and USD 194 in Singapore, compared to USD 346, USD 306 and USD 339 respectively in the first semester of 2015.



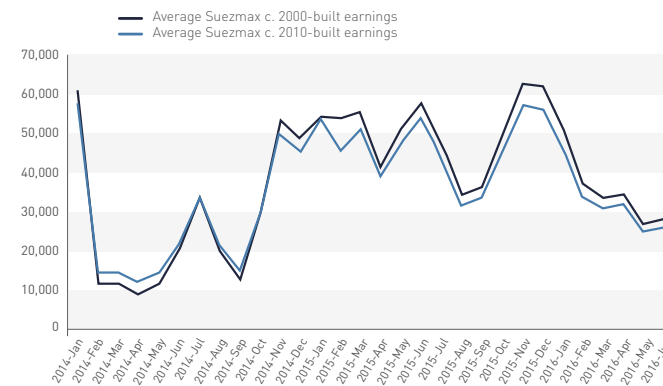
3. Tanker market

The supply and demand scenario remains constructive in our view for both VLCC and Suezmax markets albeit with higher volatility expected.

AVERAGE VLCC EARNINGS



AVERAGE SUEZMAX EARNINGS



Overall, for the first semester of 2016, average rates on the tanker market remained good albeit with higher volatility. Rates on the TD20 route from West Africa to the European Continent were estimated at USD 27,757 per day (first semester 2015: USD 46,706 per day) and rates on the TD3 route from the Arabian Gulf to Japan were estimated at USD 50,161 per day (first semester 2015: USD 63,299 per day). Rates have been under pressure most particularly toward the second part of the semester with major output disruptions, due to: militant attacks in Nigeria, wildfires in Canada and labour disputes in France. Also, an unusually mild winter season resulting in lower demand for oil reduced the level of congestion at various load ports which increased the amount of tonnage available on the market. All of these factors have created negative pressure on rates.

The average Time Charter Equivalent (TCE) rate obtained by Euronav's owned VLCC fleet in the Tankers International (TI) Pool was approximately USD 54,156 per day for the first semester of 2016 (first semester 2015: USD 53,370 per day).


The average TCE of Euronav's VLCC fleet chartered out on long term was approximately USD 42,461 per day for the first semester of 2016 (first semester 2015: USD 41,705 per day).

The average Time Charter Equivalent (TCE) of Euronav's Suezmax fleet chartered out on long term was approximately USD 29,307 per day for the first semester of 2016 (first semester 2015: USD 37,954 per day).

The average TCE rate obtained by Euronav's Suezmax fleet trading on the spot market was approximately USD 35,729 per day for the first semester of 2016 (first semester 2015: USD 42,364 per day).

The medium to long term supply and demand scenario remains constructive in our view for both VLCC and Suezmax markets particularly in the medium to long term, albeit with higher volatility expected given the factors outlined and increased fleet growth in the second half of the year.





4. Fleet growth

The order book can often be a cause for concern and has recently been referenced as being a threat to freight rates. Some of the shipbuilding yards have come under a lot of pressure in the recent months rendering some of the current order book less certain of timely delivery.

As a percentage, the total of VLCCs and Suezmaxes currently in the order book represent about 16% of the VLCC world fleet and 18% of the Suezmax fleet (which both are higher than last year during the same period). A total of 19 VLCCs and six Suezmax vessels were delivered during the first semester of 2016 (first semester 2015: nine VLCCs and six Suezmaxes). The deliveries should remain manageable provided current oil market fundamentals which are supportive, especially as demand forecasts were recently upgraded for 2016 and 2017 by the IEA to 1.3 million bpd but everything will depend upon the pricing behavior of ship owners.

Euronav is still of the view that there is more value in promptly available tonnage (second hand) rather than new orders at the shipyards and continues to call for further consolidation of the sector.

The outlook remains manageable given current oil market fundamentals which are supportive.



5. FPSO and FPSO market*

According to Energy Maritime Associates (“EMA”), in June 2016, 276 floating production systems and 100 floating storage and offloading units were in service worldwide. In total, eight FPSOs, of which three are new builds and five are conversions, and 56 production floaters were on order with Brazil continuing to dominate the orders.

Most production floaters are fabricated or converted in Asia.

The order book had been steady between 62 and 65 units from the third quarter of 2013 to the first quarter of 2016, before its recent decline which is expected to continue through at least 2017 as deliveries outpace orders.

Currently, a total of 240 offshore projects are in the appraisal (48), planning (138) or bidding/final design (54) stages.

Only one FPSO has been awarded in the past year which is far below historical averages. The Company believes that this is mainly because of the fact that FPSO projects are largely driven by marginal fields or gas/condensate developments,

both of which have faced delays in the current low oil price environment.

According to EMA, 25 to 35 oil FPSOs will be awarded over the next five years as jackup drilling rates are expected to continue to fall and lower cost operators take over more marginal field developments.

One FPSO was scrapped: the 1975-built single hull VLCC *Sourena* offshore Iran.

*Floating storage and offloading / floating production storage and offloading market.





6. The fleet



The majority of Euronav's VLCC fleet is operated on the spot market within the Tankers International (TI) Pool, one of the largest modern fleets worldwide.

On 31 July 2016 Euronav owned and operated a fleet of 53 double hulled vessels (including two chartered-in vessels), consisting of one V-Plus vessel, 30 VLCCs (of which one in 50%-50% joint venture), 20 Suezmaxes and two FSO vessels (both owned in 50%-50% joint venture).

The Euronav fleet has an aggregate carrying capacity of approximately 13.1 million dwt. On 31 July 2016 the weighted average age of our fleet was approximately 7.9 years.

The majority of Euronav's VLCC fleet is operated within the Tankers International (TI) Pool on the spot market. The TI Pool operates one of the largest modern fleets worldwide that is comprised of 36 vessels (as on 31 July 2016). Part of Euronav's Suezmax fleet is chartered out on time charter contracts; the other part of the Suezmax fleet is operated by Suezmax Chartering on the spot market.

On 31 July 2016 Euronav's tonnage profile including vessels on charter was as follows:

VLCC and V-Plus owned	9,240,621.50 dwt
VLCC chartered in	305,749 dwt
FSO owned	442,000 dwt
Suezmax owned	2,960,583 dwt
Suezmax chartered in	158,574 dwt

Total owned and controlled tonnage	13,107,527.50 dwt
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7. Condensed consolidated interim financial statements

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2016

Statement of financial position

in thousands of USD

	June 30, 2016	December 31, 2015
ASSETS		
CURRENT ASSETS	275,301	375,052
NON-CURRENT ASSETS	2,796,084	2,665,694
Property, plant and equipment	2,593,581	2,382,976
Intangible assets	202	238
Receivables	174,818	259,908
Investments in equity accounted investees	26,721	21,637
Deferred tax assets	762	935
TOTAL ASSETS	3,071,385	3,040,746
EQUITY AND LIABILITIES		
CURRENT LIABILITIES	179,025	179,507
NON-CURRENT LIABILITIES	967,909	955,490
Loans and borrowings	965,056	952,426
Other payables	534	590
Employee benefits	2,114	2,038
Provisions	205	436
EQUITY	1,924,451	1,905,749
Equity attributable to owners of the Company	1,924,451	1,905,749
TOTAL EQUITY AND LIABILITIES	3,071,385	3,040,746

Income statement

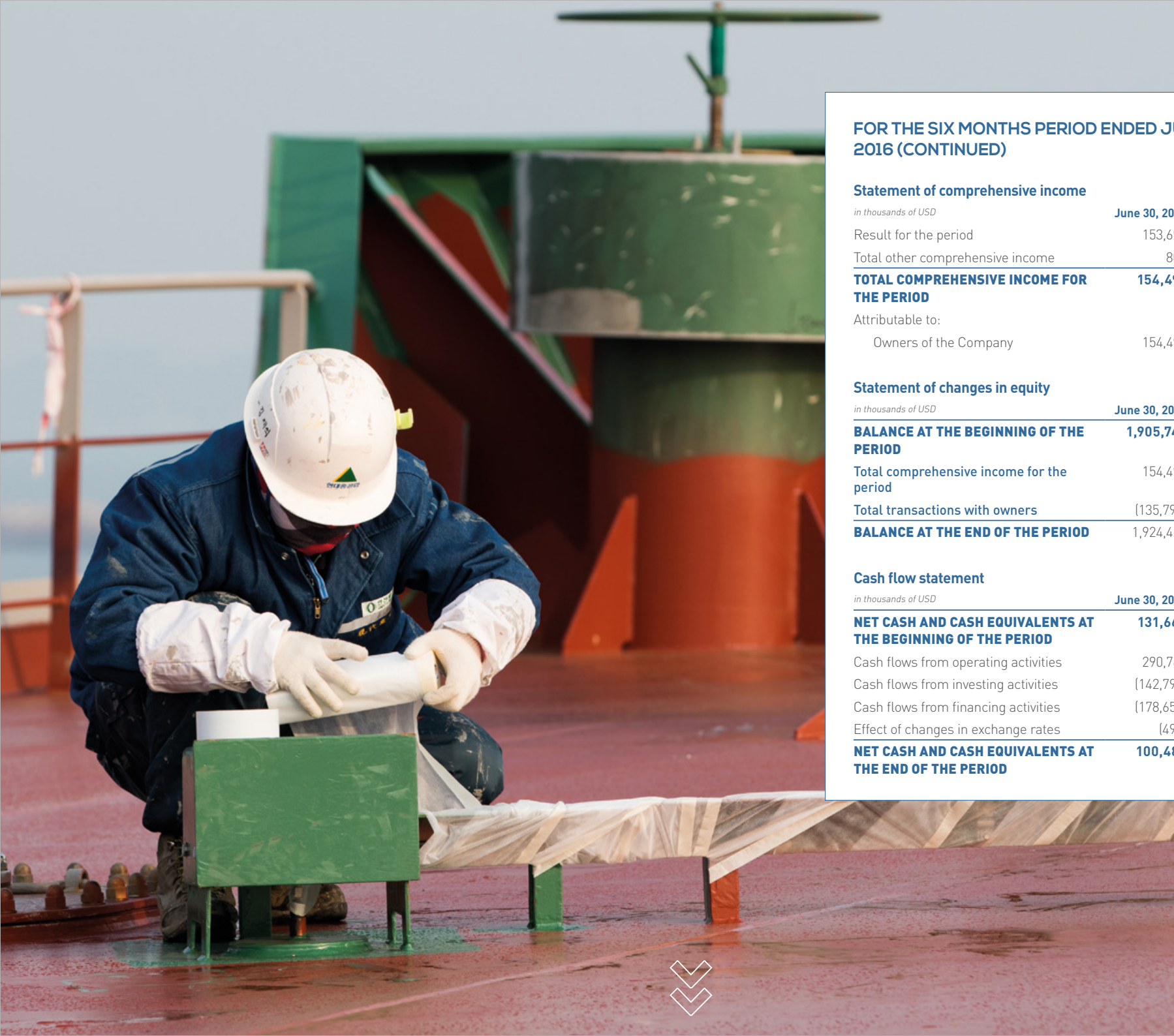
in thousands of USD

	June 30, 2016	June 30, 2015
Revenue	404,450	416,529
Other operating income	3,702	4,296
Voyage expenses and commissions	(24,855)	(37,665)
Vessel operating expenses	(80,091)	(76,779)
Charter hire expenses	(11,010)	(13,726)
Net gain (loss) on disposal of assets	13,819	2,126
Net gain (loss) on disposal of investments in equity accounted investees	(24,150)	-
General and administrative expenses	(21,721)	(21,126)
Depreciations	(109,497)	(101,699)
Result from operating activities	150,647	171,956
Financial result	(19,074)	(27,035)
Share of profit (loss) of equity accounted investees (net of income tax)	22,276	25,015
Result before income tax	153,849	169,936
Income tax benefit (expense)	(159)	3,315
Result for the period	153,690	173,251
Attributable to:		
Owners of the Company	153,690	173,251
Weighted number of shares	158,359,054	153,071,800
Basic earnings per share (in USD)	0.97	1.13
Diluted earnings per share (in USD)	0.97	1.11

Herewith are excerpts from the condensed consolidated interim financial statements of Euronav for the six months ended 30 June 2016. The condensed consolidated interim financial statements were authorised for issue by the Board of Directors on 24 August 2016.

A full version of the condensed consolidated interim financial statements prepared in accordance with IAS 34, including the statutory auditor's review report and management's statement on the true and fair view of the condensed consolidated interim financial statements and the fair presentation of the interim management report, can be downloaded from www.euronav.com.





FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2016 (CONTINUED)

Statement of comprehensive income

<i>in thousands of USD</i>	June 30, 2016	June 30, 2015
Result for the period	153,690	173,251
Total other comprehensive income	804	327

TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	154,494	173,578
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Attributable to:

Owners of the Company	154,494	173,578
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Statement of changes in equity

<i>in thousands of USD</i>	June 30, 2016	June 30, 2015
BALANCE AT THE BEGINNING OF THE PERIOD	1,905,748	1,472,708
Total comprehensive income for the period	154,494	173,578
Total transactions with owners	(135,791)	178,567
BALANCE AT THE END OF THE PERIOD	1,924,451	1,824,853

Cash flow statement

<i>in thousands of USD</i>	June 30, 2016	June 30, 2015
NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	131,663	254,086
Cash flows from operating activities	290,765	184,059
Cash flows from investing activities	(142,791)	(174,457)
Cash flows from financing activities	(178,656)	(114,949)
Effect of changes in exchange rates	(493)	(515)
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	100,488	148,224



8. The Euronav share

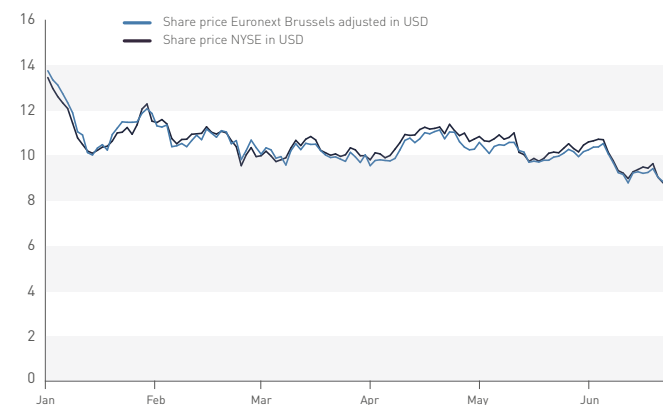
On 31 July 2016 the share capital of Euronav amounted to USD 173,046,122.14 represented by 159,208,949 shares of which 1,042,415 were held as treasury shares. Set forth in the table below is a list of Euronav's shareholders that beneficially own 5% or more of our issued and outstanding shares:

SHAREHOLDER	NUMBER OF SHARES	PERCENTAGE
Saverco NV ¹	17,026,896	10.69%
Victrix NV ¹	9,245,393	5.81%
Euronav (treasury shares)	1,042,415	0.65%
Other	131,894,245	82.85%
Total	159,208,949	100%

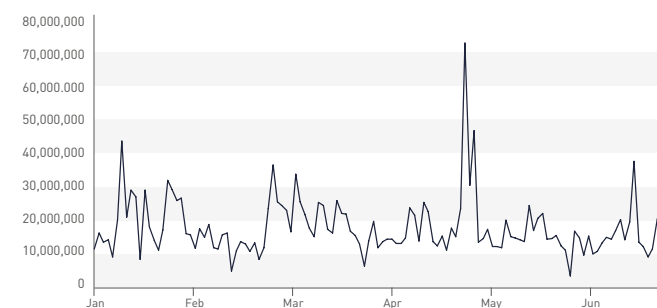
¹ Including shares held directly or indirectly by or for the benefit of the ultimate beneficial owner.

The information in the table above is based on information available to Euronav through notifications and public disclosures made at the time of preparing this report. Please refer to the Company's website, the FSMA's website and/or the SEC's website for updates to information contained in the table above.

SHARE PRICE EVOLUTION FIRST SEMESTER 2016 (in USD)



DAILY VOLUME OF TRADED SHARES FIRST SEMESTER 2016 (in USD) (Aggregate of NYSE and Euronext Brussels)



The above graph reflects an average of volumes traded (on both the NYSE and Euronext Brussels) of more than USD 18.4 million a day throughout the first semester of 2016.



9. Risks and uncertainties

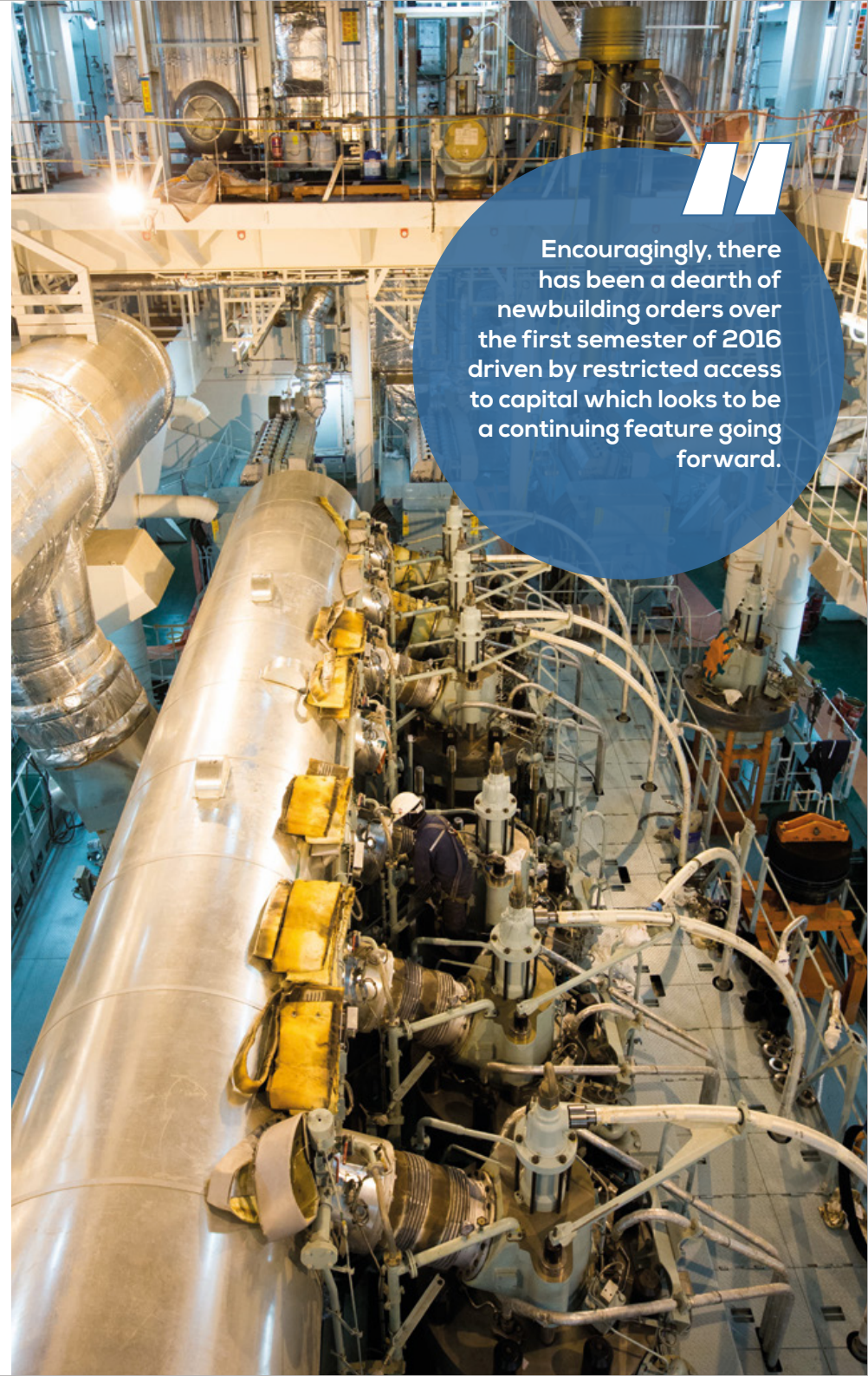
The principal risks and uncertainties to which the Euronav group is exposed for the remainder of the year are those identified in our annual report for the year ended 31 December 2015 (the “annual report 2015”). The principal risks and uncertainties, together with the group’s strategy to manage them, are set out in the section “Internal control and risk management systems” of the annual report 2015.

During the first half of 2016, the crude tanker market has been more volatile than the same period of 2015. Freight rates for the VLCC fleet have been robust until the last few weeks of the semester. In contrast, Suezmax rates started the year at more modest levels compared to recent history but have been largely stable throughout the first half of the year.

The Company believes that the supply of new additional vessels is manageable albeit there will be pockets of deliveries in the next 12 to 18 months in both the VLCC and Suezmax market which could potentially drive some headwinds for freight rates during these periods. Encouragingly, there has been a dearth of newbuilding orders over the first semester of 2016 driven by restricted access to capital which looks to be a continuing feature going forward.

The Company believes that the tanker sector remains constructively setup supported by recently upgraded demand forecasts, a positive oil price and limited ordering of newbuildings in both VLCC and Suezmax sectors. These positive sector trends should be beneficial to the Company in the medium to long term. Conservatively leveraged, the Company has a strong focus on maximizing returns for shareholders and is disciplined in terms of future growth opportunities.

“Encouragingly, there has been a dearth of newbuilding orders over the first semester of 2016 driven by restricted access to capital which looks to be a continuing feature going forward.”



10. Forward-looking statements

Matters discussed in this report may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements reflect the Company's current views with respect to future events and financial performance

and may include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The Company desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection therewith.

When used in this report, the words "believe", "anticipate", "intends", "estimate", "forecast", "project", "plan", "potential", "may", "should", "expect", "pending" and similar expressions identify forward-looking statements.



The forward-looking statements in this report are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, our management's examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.

In addition to these important factors, other important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the failure of counterparties to fully perform their obligations to us, the strength of the world economies and currencies, general market conditions, including fluctuations in charter rates and vessel values, changes in demand for tanker vessel capacity, changes in our operating expenses, including bunker prices, dry-docking and insurance costs, the market for our vessels, availability of financing and refinancing, charter counterparty performance, ability to obtain financing and comply with covenants in such financing arrangements, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents or political events, vessels breakdowns and instances of off-hires and other factors. We undertake no obligation to publicly update or revise any forward-looking statement contained in this report, whether as a result of new information, future events, or otherwise, except as required by law. In light of the risks, uncertainties and assumptions, the forward-looking events discussed in this report might not occur, and our actual results could differ materially from those anticipated in these forward-looking statements. Please see our filings with the United States Securities and Exchange Commission for a more complete discussion of these and other risks and uncertainties.

