2008

Royal Vopak
Annual Report 2008

Key Data

Income from rendering of services **EUR 923.5 million**
Net profit attributable to shareholders **EUR 213.2 million**
Earnings per ordinary share **EUR 3.40**
Employees **3,669**
Terminals **80 (in 32 countries)**
Global storage capacity **27,067,400 cbm**

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Royal Vopak
Annual Report 2008

This English version of the Annual Report contains the report of the Executive Board, the financial statements and other information. In the event of textual inconsistencies between the English and Dutch versions, the latter prevails. Copies of the Dutch and the English versions of the Annual Report can be obtained from Royal Vopak, Corporate Communication & Investor Relations:

T +31 10 400 27 78
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E investor.relations@vopak.com

The Annual Report is also available on the Internet: www.vopak.com

Forward-looking statements
This document contains statements of a forward-looking nature, based on currently available plans and forecasts. Given the dynamics of the markets and the environments of the 32 countries in which Vopak renders logistic services, the company cannot guarantee the accuracy and completeness of such statements. Unforeseen circumstances include, but are not limited to, exceptional income and expense items, unexpected economic, political and foreign exchange developments, and possible changes to IFRS reporting rules. Statements of a forward-looking nature issued by the company must always be assessed in the context of the events, risks and uncertainties of the markets and environments in which Vopak operates. These factors could lead to actual results being materially different from those expected.

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Profile

With a history spanning almost four centuries, Vopak is the global market leader in the independent storage and handling of liquid oil products, chemicals, vegetable oils, and liquefied gases. Vopak has terminals in the world's most strategic ports. It operates specialized facilities including product tanks, jetties, truck loading stations and pipelines, and provides access to road and rail networks. In many instances, it stores its customers' products for extended periods at these terminals, often under highly specified conditions such as controlled temperature. The company also blends components according to desired specifications. Vopak's terminals play a key role in product transit from the producer plant via tank terminals to end-user locations, either by ship, tank truck, railcar or pipeline.

Vopak's independent tank terminal network is responsible for a number of logistic functions in the product's flow from producer to end-user. Vopak operates three types of terminals:

1. Import-Export-Distribution Terminal
The logistical chain in bulk liquid import and export often involves transport by oceangoing vessel. For Vopak's customers, the terminal can serve as a point of origin for inland distribution by inland shipping, pipeline, tank truck, or rail. Or alternatively it serves as collection point for small parcels, originating from an inland production facility, to create a large parcel for overseas export.

2. Hub Terminal
A hub terminal combines the tasks of an import-export-distribution terminal with that of a meeting point for trade. It is, in other words, a location that provides access to a market. The Vopak network comprises hubs in the Amsterdam-Rotterdam-Antwerp (ARA) Region in Europe, Houston in the US, Fujairah in the United Arab Emirates, and Singapore in Asia.

3. Industrial Terminal
The industrial terminal is a logistical center integrated via pipelines to every major petrochemical facility within an industrial complex. Within the complex, it supports product flows and the supply and export of feedstock and finished products.

Vopak's terminals help optimize the reliability and efficiency of our customers' logistical processes.
From these terminals, Vopak offers its customers - including state-run oil companies and the producers and traders of oil products and chemicals - high-quality operations worldwide. Vopak develops its services with product, market and functional requirements in mind, always in collaboration with customers and strategic partners. At present, Vopak operates 80 tank terminals in 32 countries with a total storage capacity of more than 27 million cubic meters (cbm).

The nature of the business requires a long-term investment in strategic locations, therefore Vopak invests in long-term relationships with customers, strategic partners, governments, shareholders and employees.

Sustainability is an integral part of Vopak's business processes and operations. This is reflected by our consistent application and enforcement of strict standards, rules, codes and procedures such as concerning Safety, Health, Environment & Quality (SHEQ). Vopak's standards are in keeping with the most trendsetting oil and petrochemical companies, which constitute a major part of Vopak's customer base. Of course, the Vopak standards comply with local legislation and regulations.

Vopak is organized into five divisions:
- Chemicals Europe, Middle East & Africa
- Oil Europe, Middle East & Africa
- Asia
- North America
- Latin America

The units within our global organization work closely with one another to share their knowledge, expertise, and best practices. All of this enables Vopak to respond rapidly, creatively and correctly to changing customer needs and market developments. Vopak continually seeks to improve and expand its terminal network, particularly in strategically located ports.

At year-end the Vopak workforce comprised 3,669 employees in the group companies and 1,574 employees in tank storage joint ventures.

Key Figures

	2008	2007
Results (in EUR millions)		
Income from rendering of services	923.5	853.0
Group operating profit before depreciation (EBITDA)*	429.3	369.5
Group operating profit (EBIT)*	320.4	272.9
Group operating profit (EBIT)	322.2	292.2
Net profit attributable to shareholders	213.2	182.9
Net profit attributable to holders of ordinary shares	212.0	181.1
Cash flow from operating activities (net)	316.7	263.2
Investments (in EUR millions)		
Total investments	799.8	445.7
Average gross capital employed	2,572.2	2,251.7
Average capital employed	1,497.6	1,162.7
Capital and financing (in EUR millions)		
Shareholders' equity	933.0	809.7
Interest–bearing loans	972.1	672.2
Net interest-bearing debt	996.7	561.9
Ratios		
Return On Capital Employed (ROCE, %)*	21.6	23.7
Return On Capital Employed (ROCE, %)	21.5	25.1
Net debt : EBITDA	2.54	1.71
Interest cover (EBITDA : net finance costs)	10.9	8.5
Key figures per ordinary share (in EUR)		
Earnings per ordinary share*	3.24	2.62
Earnings per ordinary share	3.40	2.90
Diluted earnings per ordinary share*	3.24	2.62
Diluted earnings per ordinary share	3.40	2.90
Company data		
Number of employees at year-end in subsidiaries	3,669	3,564
Number of employees at year-end including joint ventures	5,243	4,669
Total Injury Rate subsidiaries (per million hours worked)	5.8	6.2
Storage capacity including joint ventures at 100% (in cbm)	27,067,400	21,834,200
Storage capacity subsidiaries (in cbm)	17,520,400	16,663,400
Occupancy subsidiaries (average rented storage capacity in %)	95%	96%
Estimated market share global independent tank storage	12%	13%
Contracts > 3 years (in % of income)	39%	33%
Contracts > 1 year (in % of income)	80%	71%

* Excluding exceptional items

Letter from the Chairman of Vopak's Executive Board to Our Customers, Employees, Shareholders and Partners

Executive Board, from left to right: Frans de Koning, John Paul Broeders, Jack de Kreij

Growth Through Engagement

2008 was another good year for Vopak. Over the past year, we were able to accelerate the implementation and execution of our three-pronged strategy - consisting of Growth Leadership, Customer Leadership, and Operational Efficiency Leadership - and all with great success. This resulted in a higher level of customer intimacy, a further improvement of the quality of our service proposition and a considerable increase of our worldwide storage capacity, which in turn has been reflected in a 17% improvement in operating profit. Our strategy, which we have been implementing since 2006, has helped us focus our operations and allowed us to achieve our ambitious goals. Many of our customers have acknowledged this unique focus and have rented storage capacity from us many years in advance. This is clear proof that more and more businesses regard us as the preferred supplier to facilitate their storage needs resulting from the growing international product streams. Everyone at our company agrees with the focus on customers, understands the strategy and is willing to go the extra mile. A global Vopak Employee Survey has revealed this high involvement in the company as well as the enthusiasm to further strengthen our leading position.

Accelerated Expansion of Our Global Terminal Network

One of our strategic objectives is to grow our network of storage terminals at those key locations that best support our customers' logistic needs and business success. The expansion of the total storage capacity, at existing terminals, through mergers and acquisitions, and by building new terminals, has been significant in the past year. We increased our worldwide storage capacity by a record 5.3 million cubic meters (cbm), amounting to more than 27 million cbm and we are proud that we have been able to keep the utilization rate at 95%, which means that we continue fulfilling the immediate need for storage of our customers across the world. Another milestone in the history of the company is the entrance into a new market - the storage and transshipment of Liquefied Natural Gas (LNG) - through the joint venture with Gasunie in Gate terminal, the first Dutch LNG terminal. We have started with the construction of this facility, which will be operational in 2011. Our main focus is a timely commissioning of Gate terminal within budget in order to service the 4 major European energy companies that have signed long-term throughput arrangements for a total of 12 billion cubic meters per year.

During the year Vopak teams around the world have been able to realize over 30 expansion projects including acquisitions and joint ventures. A few important developments are:

– Vopak formed a successful partnership with First Reserve Corporation, a US based leading private equity company, specializing in the energy industry. After a successful acquisition, we added a large terminal in the Bahamas to our terminal network. This provided an extra 3 million cbm of storage capacity.
– In Estonia, we joined forces with Russian infrastructure services company N-Trans and established a new joint venture between Pakterminal and Estonian Oil Services, called Vopak E.O.S. This effort combines a number of storage terminals in the Port of Tallinn, Estonia, to form a total capacity of 740,000 cbm. An additional capacity of 200,000 cbm in total has been commissioned in December 2008 and January 2009.
– In Jakarta, Indonesia we are building the Vopak Jakarta Terminal together with joint venture partner AKR Corporindo. This new storage terminal for oil products is located at Tanjung Priok Port. The first phase, 250,000 cbm of storage capacity, will be completed in the second half of 2009.
– In June, we were delighted by the presence of Dutch Economic Affairs Minister Maria van der Hoeven who gave the go-ahead for the construction of Gate terminal, the first LNG terminal in the Netherlands. Vopak took this initiative together with Gasunie, an independent gas transport provider whose network is connected to much of Europe. Increasing market demand has given us cause to investigate possibilities for similar terminals at other locations around the world.
– Our new Linkeroever (Left Bank) chemical terminal in Antwerp, Belgium is now operational. We have also taken over terminals in Japan, Malaysia, Indonesia and the US and we are expanding storage capacity at many existing terminals around the world.

So, it's clear to see that our growth strategy is progressing well. Right now, we provide storage services at 80 terminals in 32 countries and we are planning to enter new and developing markets such as Turkey. Our ongoing business development activities have resulted in a pipeline filled with many new opportunities.

Service - Our Main Product

This past year, we conducted a worldwide customer survey for the first time to get more specific insights about our overall performance and our customers' needs. The results proved to be an excellent source for points of improvement. It offered us many useful insights and reaffirmed our strong belief that we can further distinguish ourselves as a service company. The culture of continuous improvement at our company will enable us to show that we can further strengthen our overall service performance based on the explicit desires of our customers. We have already translated this new knowledge into a concrete plan of action which we are now implementing across the company. The key element is that everyone at Vopak thinks and acts in accordance with two basic principles; first, that our main product is service and, second, that excellent service lies at the foundation of future growth. The Vopak Principles on Service that have been introduced within the company as part of the overall service approach provide practical guidance in our day-to-day work. These principles describe the standards our service must meet, the form our preferred communications take, and our behavior in relation to customers - both internal and external.

Practical Process Improvements through Operational Efficiency Program

To ensure that our customers continue to benefit from our storage services in the most effective and efficient way, we implemented several strategic corporate programs in 2008. We are an integral part of our customers' supply chains. This means that highly efficient operational processes have a direct impact on the overall performance of our customers. In addition to service, operational efficiency is the second area where we aim to create a sustainable competitive advantage. For this reason, we started our global Operational Efficiency Improvement program. This monitors the operational processes at our terminals in a way that allows us to implement practical process improvements. In addition the program focuses on cost consciousness and efficiency improvements in our day-to-day activities. The preliminary results were very positive and we will continue the program in 2009 and 2010. However, process improvements have to result in more than increased efficiency. As the world leader in our sector, we aim to conduct our operational processes in a sustainable fashion, taking people and the environment into account. This means that energy efficiency forms an integral part of the program.

Depending on Each Other to Maintain Safe Operations

We want to ensure and keep stressing that everyone of us at Vopak integrates safety into every aspect of his or her daily behavior. For this reason a comprehensive training program has been developed about our operational safety policies and standards. To emphasize the worldwide character of this important topic, we organized the first global SHE (Safety, Health and Environment) Day on 19 March, 2008. For the first time in the company's history all my fellow Vopak colleagues, contractors, and partners focused their collective attention on this subject at each and every Vopak terminal around the world, all on the same day.

The continuous focus on safety in our everyday activities will always remain our top priority. We are sorry to say that incidents still do occur at our terminals. In November 2008 one of our colleagues passed away after an accident during operations at our Vietnamese terminal. This tragic event touched us very deeply and we extend our condolences to his family, friends and colleagues. It also reconfirmed how quickly the smallest problem can get out of hand and how much we must depend on each other to maintain safe operations everywhere, all the time.

Our People Make the Difference

As a service company we aim to execute our strategic corporate programs and projects quickly and decisively so that we seize every opportunity. We can only achieve this by creating and sustaining an environment in which people can express their entrepreneurial spirit and put their full weight behind it. Looking back over the past year, one thing is clear: nothing succeeds like success! It was fascinating to see how, the more we achieved, the more our people wanted to achieve. There was a wonderful sense of motivation among our employees around the world. We all feel inspired by the Vopak mission, goals, and company values - the Vopak Values. A worldwide Employee Survey, held in the second half of October 2008, underlined this involvement in the company. The survey, in which 86% of all Vopak employees participated, provided an in-depth understanding of their opinions concerning a variety of work-related themes.

The outcome revealed that greater job satisfaction results from personal development, therefore we want to focus on continuous improvement and become a learning organization. We are encouraging people to take on greater responsibility more quickly and stimulating them to learn from their actions by evaluating their own behavior regularly through on-the-job coaching assisted by their managers. In addition learning networks have been established which will allow colleagues in different places and positions to share their knowledge and best practices.

Confidence in the Future

The year ahead will be both tough and exciting for everyone at Vopak due to the worldwide economic circumstances. On the short term this means that we are focusing on mitigating the possible impact of the economic crisis by further improving our service to customers and by lowering our cost base. Nevertheless, prospects remain positive. Thorough data analyses and indications from customers show a significant global imbalance between supply and demand. In fact the current economic situation will cause it to grow. What's more, there is still a shortage of storage capacity to support all the regional and worldwide product flows. It means we can continue to be positive on the long term. In recent years Vopak has transformed itself successfully into a provider of the best-available storage services based on its critical and extensive infrastructure. We are no longer a storage provider supporting speculative trade or offering overflow capacity for producers; our services have become an integral part of our customers' supply chains. For this reason, we will continue to implement our strategy and focus on customer service, operational efficiency, and on expanding storage capacity at locations important to our customers. We have a sound financial basis which will allow us to continue to invest in growth and we are well positioned to pursue all the projects and related investments we have announced so far.
On behalf of the Executive Board I want to thank all our colleagues for their hard work. I also thank our shareholders, customers and partners for their support and confidence.

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John Paul Broeders
Chairman of the Executive Board
Koninklijke Vopak N.V.

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This photo combination is one of the expressions of the new Vopak visual identity which was introduced in 2008

Report of the Supervisory Board

Financial Statements

It is our pleasure to present the 2008 consolidated financial statements of Royal Vopak as prepared by the Executive Board. The financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union. The financial statements have been audited by the external auditors, PricewaterhouseCoopers Accountants N.V., and discussed with them on the basis of their report. The unqualified auditors' report is included on page 141.
We approved the financial statements at our meeting on 12 March 2009 and recommend that you adopt them during the Annual General Meeting of Shareholders of 23 April, 2009.

We concur with the proposal of the Executive Board, after the distribution of EUR 1.2 million on the financing preference shares in Royal Vopak, to distribute EUR 1.10 as a stock dividend to holders of ordinary shares unless a shareholder expressly requests payment in cash, resulting in a gross amount of EUR 68.7 million and to add the remaining EUR 143.3 million to Other reserves.

Corporate Governance

In consultation with the Executive Board, we submitted the corporate governance structure and the corporate governance policy and a limited number of deviations from the best practice provisions of the Dutch Corporate Governance Code (the 'Code') for discussion during the Annual General Meeting of Shareholders in April 2008. The number of deviations has not changed. The main points of Vopak's corporate governance structure are set out in a separate section of this Annual Report. Corporate Governance structure and policy on this matter will be discussed during the Annual General Meeting of Shareholders as part of the consultation of this Annual Report. This report on the activities of the Supervisory Board in the past year and in the period up to the publication of this Annual Report has been prepared in accordance with the provisions of the Code.

Supervision

The Supervisory Board met on seven occasions during the year under review. None of the Supervisory Board members was frequently absent from the Board meetings. Mr. Van Loon was absent with notice during a number of meetings due to illness. As part of the Supervisory Board's supervision responsibilities, the operational and financial objectives of the company were discussed at regular scheduled meetings. Safety, Health and Environmental issues were among the topics discussed during each of these meetings. The Supervisory Board visited the new terminal at Linkeroever, Antwerp, Belgium. Other topics discussed regularly and in depth included strategy, budget, financing of the company, interest rate and foreign currency policy and internal and external quarterly, half-year and annual financial reports. Particular attention was given in 2008 to the impact on Vopak of the turmoil on the financial markets and the possible effects of an economic downturn. The Supervisory Board also considered the progress being made on ongoing projects and the launch of new projects, such as the new joint venture with First Reserve Corporation in the Bahamas, including the financing aspects thereof. The various investment proposals related to expansion and Greenfield projects in nearly every part of the world where Vopak operates. The results of the first worldwide customer survey were discussed as well as the current developments in respect of biofuels and business developments in China. The competitive position of Vopak was discussed as well as the possibilities of continuing growth of the company in a changed market environment.

The external auditors were present during the meetings on the annual results and the unaudited half-year results. The interim report and auditors' report issued by the external auditors were also discussed during those meetings. The minutes of all the meetings of the Audit Committee were also considered and discussed in subsequent meetings of the Supervisory Board. In addition to reviewing the ICT policy, the Supervisory Board discussed the results of the Executive Board's review of the design and operation of the company's risk management and control systems. At a meeting not attended by Executive Board members, the Supervisory Board discussed the proposals of the Remuneration Committee, its own performance and that of the Executive Board. The Supervisory Board also considered its required profile, composition and competencies.

Core Committees

During 2008, the Supervisory Board had an Audit Committee, a Selection and Appointment Committee and a Remuneration Committee. The composition of these committees is given on page 147 and 148 of this Annual Report.

Audit Committee

The Audit Committee met on five occasions in 2008. All of these meetings were attended by the external auditors. A core task of the Audit Committee was an extensive review of the financial reports and the budget before their consideration by the full Supervisory Board. The Committee also discussed the financing structure, analyses of the financial ratios, pension issues, insurance, taxation, reports on the risks associated with the company's operational, commercial, financial and other activities and management reporting. The Audit Committee also considered the findings of the Internal Audit department, the progress realized by management teams to implement recommendations from audits and the internal Audit work plan and approved the update of the Internal Audit Charter. The Committee also discussed the scope of the audits, recommendations in the management letters and the current and future relationship with the external auditors. The Audit Committee monitored the auditor independence when non-audit services were provided. In compliance with the Code one meeting has been held with the external auditor without presence of the Executive Board members. Finally, the Audit Committee assessed its own performance throughout the year and its regulations.

During 2008, Mr. Cremers again acted as financial expert as meant by the relevant best practice provisions of the Code. The Supervisory Board decided to change the composition of the Audit Committee. As from 24 April, 2008, Mr. Van Loon is no longer a member of the Audit Committee. The Audit Committee consisted as from this date of the Chairman, Mr. Cremers and Mr. Van der Vorm.

Selection and Appointment Committee
The Selection and Appointment Committee met on two occasions, when the profile and composition of the Supervisory Board were discussed. The changes in the composition of the subcommittees of the Supervisory Board were prepared. The Supervisory Board decided to change the composition of the Selection and Appointment Committee. As from 24 April, 2008, Mr. Van den Driest is no longer a member of the Selection and Appointment Committee. The Selection and Appointment Committee consisted as from this date of the Chairman, Mr. Van Rossum and Mr. Van der Vorm.

Remuneration Committee
We set out below the way in which the Remuneration Committee implemented the remuneration policy for the Executive Board in the financial year 2008 and how we intend to implement the remuneration policy for the Executive Board in 2009.

Implementation of the remuneration policy for the Executive Board in 2008
The Remuneration Committee held five scheduled meetings in 2008 during which it discussed the recurring matters set out in its annual plan. There was an extra meeting in January to set the targets for the bonus year 2008 and adopt the Remuneration Committee's report for the financial year 2007. The Remuneration Committee also held an extra meeting in October to discuss a remuneration analysis of a peer group it had selected.

The composition of the Remuneration Committee changed in 2008. After Mr. Bax retired following the Annual General Meeting in April 2008, Mr. Van Rossum took his place as a member of the Remuneration Committee. At the same time, Mr. Van den Driest took over Mr. Cremers' seat and also became deputy chairman of the Remuneration Committee.

In chronological order, the Remuneration Committee discussed the following subjects in 2008. Proposals on these points were developed and submitted to the Supervisory Board for approval.

In the first quarter, achievement of the financial (Return on Capital Employed, ROCE and growth in Earnings Per Share, EPS) and personal targets agreed in advance for the 2007 annual bonus was evaluated. In view of the company's excellent results and the full achievement of the agreed personal targets, the Supervisory Board, on the recommendation of the Remuneration Committee, granted the maximum annual bonus for 2007 to the Chairman and members of the Executive Board. This resulted in the following gross annual bonuses for 2007: Mr. Broeders (Chairman) EUR 275,000, Mr. De Kreij EUR 253,125 and Mr. De Koning EUR 235,000.

The annual bonus plan for 2008 was also adopted in the first quarter. The following changes were made to the annual bonus plan compared with the 2007 plan, which were approved by the Annual General Meeting in April.
For competitive reasons, it was decided to adjust the potential annual bonus for the Chairman of the Executive Board from 45% to 50% of annual salary for on target performance and 70% for performance at or above the agreed maximum. The potential annual bonus for members was not changed in 2008.
Based on the company's agreed budget and various scenario calculations, it was decided to raise the threshold for the ROCE financial criterion to a minimum bonus for ROCE from 14% to 18%, an on target bonus for ROCE from 16% to 19% and a maximum bonus for ROCE from 18% to 20% or more. The EPS targets remained unchanged.
In view of the policy on exceptional items as monitored by the Audit Committee in past years, it was decided to use the financial figures excluding the limited definition of exceptional items, as presented in the annual report. This change applies retroactively to 2007, for both the short-term and the long-term bonus plans.
Personal targets were agreed with the individual members of the Executive Board and make up 50% of the basis for the annual bonus at target level. The remaining 50% of the annual bonus is for achieving financial targets. When discussing the personal targets, more attention, compared with previous years, was given to specific targets for the Executive Board as a whole and personal targets for the Chairman and each member in his specific areas of responsibility. While setting the personal targets, the Remuneration Committee worked on the principle that targets should be ambitious but also feasible.

Considerable attention was given in the first quarter to evaluating the remuneration policy applied in the previous year followed by an update of the policy. Both the Remuneration Committee's report for 2007 and the remuneration policy for 2008 were published on the company's website and form the basis of the Remuneration Committee's report in the annual report.

The first conditional grant of Performance Shares under the Long-term Incentive Plan developed in 2007 and approved by the Annual General Meeting was made in February 2008. The directors were conditionally granted performance shares as follows: Mr. Broeders (Chairman) 5,536, Mr. De Kreij 4,330 and Mr. De Koning 4,020 (total 13,886). Depending on Vopak's financial results in the period 2008 to 2010, there will be an unconditional grant in 2011 ranging from 0% to 150% of the conditional shares granted, at 150% this involves up to 20,829 Vopak shares.

Under the Share Ownership Plan, which is also part of the Long-term Incentive Plan, the members of the Executive Board added the following numbers of Vopak shares to their restricted shares deposit for their own account in 2008: Mr. Broeders (Chairman) 4,530, Mr. De Kreij 3,837 and Mr. De Koning 3,561 (total 11,928). Depending on Vopak's financial results in the period 2008 to 2012, Vopak will match the shares contributed by the Board members in 2013 in the range from 0% to 200% of the contributed shares, at 200% this involves up to 23,856 Vopak shares.

The Remuneration Committee has evaluated the pre-determined 2008 annual bonus targets in the first quarter of 2009. Based on the results for the personal and financial targets, the Supervisory Board has decided to award following bonus amounts for 2008:

Annual bonus

in EUR (gross)

	Broeders	De Kreij	De Koning
2008	314,688	252,890	226,980

Developments in the remuneration policy for the Executive Board in 2009

In the second half of 2008, the Remuneration Committee re-evaluated the remuneration policy for the Executive Board. A key criterion for this was the development of the whole remuneration package for the Chairman and Members of the Executive Board against the background of the challenges that the company faces in the next few years. The overall remuneration package consists of the annual base salary, annual bonus, long-term bonus plan (Performance Share Plan and Share Ownership Plan) and annual pension contribution.

To get a good picture of whether the overall remuneration package is in line with the market, it was decided, in addition to normal remuneration surveys, to carry out an annual specific remuneration analysis for a peer group of Dutch companies similar to Vopak in terms of international coverage, capital intensity, revenue and profitability.
The median of this peer group will be taken as a reference for the remuneration for Vopak directors. This benchmark has been used to compute various scenarios which have been used for a proposal to slightly raise the fixed and variable part of the remuneration for 2009.

After approval of the Supervisory Board, the following annual salaries will be granted from January 2009:

Annual salary

in EUR (gross)

	Broeders	De Kreij	De Koning
2008	475,000	418,000	388,000
2009	500,000	425,000	400,000

In April 2009, the Annual General Meeting will be requested to approve changes in the potential annual bonus and the financial criteria for both the short-term and long-term bonus plans. The proposed changes make the remuneration package more competitive and simplify the various plans. An important criterion is and will continue to be that the Executive Board is encouraged to pursue a policy that focuses on sustainable profitable growth for the company and is rewarded for that policy if it is successful on the long term.

The proposed changes to the possible short-term and long-term bonus opportunities can be summarized as follows:

Possible bonus as a % of the gross annual salary

	Chairman		Members	
	2008	**2009**	**2008**	**2009**
Annual on target bonus	50.0%	50.0%	40.0%	45.0%
Annual maximum bonus	70.0%	75.0%	62.5%	67.5%
On target performance shares	45.0%	50.0%	40.0%	45.0%

It is proposed to leave the annual bonus opportunity for the Chairman unchanged and to raise it to 45% for members. Depending on the achievement of pre-agreed personal and financial targets, the annual bonus can be up to 75% for the Chairman and 67.5% for the members. In this way, the maximum level is set at 1.5 times the on target level for the entire Executive Board.
For the conditional grant of Performance Shares, as part of the long-term bonus plan, it is proposed to raise the percentages of the underlying value used in 2008 to 50% for the Chairman and to 45% for the members.
As in the Long-term Incentive Plan 2008, the number of Performance Shares granted unconditionally after 3 years under the Long-term Incentive Plan 2009 can range, depending on the financial results on pre-agreed targets, from 0% to a maximum of 150% of the conditional shares granted.

With respect to the bonus criteria, it is proposed to make earnings per share (EPS) the only measure of the company's financial results for both the annual bonus plan and the Long-term Incentive Plan 2009. These changes to the bonus criteria will be submitted to the Annual General Meeting in April 2009 for approval. The table below summarizes the proposed changes:

	Short-term bonus plan		Long-term bonus plan			
	Annual Bonus Plan		Performance Share Plan		Share Ownership Plan	
	2008	**2009**	**2008**	**2009**	**2008**	**2009**
Bonus criteria	ROCE & EPS	EPS growth	ROCE & EBITDA	EPS growth	EPS growth	EPS growth

Early 2009, the Supervisory Board set specific EPS targets for both the Annual Bonus Plan and the Long-term Incentive Plan 2009. The other elements of the remuneration package will remain unchanged in 2009.

Remuneration of the Supervisory Board for 2009 and 2010

The remuneration of the Supervisory Board, like that of the Executive Board, has to be competitive and in line with the expected work and increased responsibilities of the Chairman and members of the Board.
The peer group analysis for the remuneration of the Executive Board also addressed the competitiveness of the remuneration of the current members of the Supervisory Board. Based on this and in line with the practice of changing the remuneration every two years, a proposal will be put forward to the Annual General Meeting in 2009 to increase the remuneration for 2009 and 2010 as follows:

Gross remuneration

in EUR per year

	Chairman		Members	
	2008	**2009**	**2008**	**2009**
Supervisory Board	45,000	60,000	33,000	42,500
Audit Committee	7,500	10,000	5,000	6,000
Remuneration Committee	6,000	7,500	4,000	5,000
Selection and Appointment Committee	3,500	5,000	2,500	3,500

The remuneration of the Supervisory Board was last increased in January 2007.

Composition of the Supervisory Board

The Supervisory Board appointed Mr. A. van Rossum as Chairman of the Supervisory Board, effective 25 April, 2008. The terms of office of Mr. M. van der Vorm and Mr. F.J.G.M. Cremers as members of the Supervisory Board were extended for four years during the Annual General Meeting. The term of Mr. J.P.H. Broeders as Chairman of the Executive Board of Vopak was also extended for four years during this meeting.

Finally, we would like to express our sincere appreciation to the Executive Board and all the company's employees for their efforts in 2008 and for the corresponding improvement in the results.

The members of the Supervisory Board have signed the financial statements in order to comply with the statutory obligation pursuant to article 2:101 paragraph 2 Dutch Civil Code. This provision provides that the members of the Supervisory Board should sign the financial statements.

Rotterdam, 12 March 2009

The Supervisory Board

A. van Rossum (Chairman)
M. van der Vorm (Vice-chairman)
F.J.G.M. Cremers
C.J. van den Driest
R.M.F. van Loon


GRIMALDI LINES

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Strategic Framework of Vopak

Vopak's Mission Statement

Vopak is the world's leading storage provider for bulk liquids. It is our aim to contribute to optimizing the reliability and efficiency of our customers' regional or global supply chain processes by leveraging on our network of storage terminals around the world, our 400 years of experience, our partners, our logistics and storage related know-how and solution-driven and agile attitude.

We aspire to be the world's most highly respected independent storage terminal company, admired by:
- our customers, because we contribute to their commercial success in an environmentally conscious and socially responsible way;
- our employees, as Vopak offers them equal opportunities for self-development;
- our shareholders, because we bring long term return;
- our partners, because we are a trustworthy and reliable long-term business partner.

We believe that we can only achieve our ambition by living and acting according to the Vopak Values that address the economic, social, and environmental responsibilities of business and society. These include integrity, professionalism, improvement, ownership, service, passion, and agility.

Strategy: Proactive Response to Market Developments

We made significant progress in implementing our strategy in 2008. We took some important steps to increase our customer focus, to communicate our unique brand values, and strengthen operational efficiency. Our most measurable progress came in the expansion of our tank terminal network, at existing locations, by effecting takeovers, and by entering into partnerships. All of this has worked to create a healthy company which is ready to take on any challenge that the future brings our way and seize every possible opportunity.

In addition we are working to further increase our attention to sustainability. We are looking at new and innovative ways to ensure the safety of our staff and our neighbors, to reduce energy consumption, and consider environmental care in all our operations. This year we are taking the extra step of reporting on more of these aspects and we plan to expand this even further in years to come.

The result of all these efforts is reflected in our strong financial performance and a healthy balance sheet that provides access to credit facilities.

In 2008, we benefited from company-wide growth in the demand for bulk liquid storage. General economic growth served as a stimulus together with other important structural drivers for demand:

- Geographical imbalances in production and consumption are increasing. New world-scale oil and bulk chemical production capacity is being built in places such as the Middle East and Singapore for export to the rest of the world.
- Some previously closed economies are liberalizing and opening local markets to world trade; for example Indonesia.
- More and more countries and states are setting distinct specifications for products such as gasoline. This creates the need for blending services as well as separate gasoline storage and the storage of special fuel components.
- The growing demand for environmentally friendlier fuels requires the storage of more biofuels.

The challenge we face is to proactively translate them into specific storage solutions in specific locations around the world. It is a combination of:

- meeting various customer needs by increasing flexibility, providing speedy ship turnaround, setting high standards for quality and safety and offering special services, like blending;
- offering the highest quality infrastructure, a wide array of tank types and sizes, jetty capacity, truck and rail loading stations;
- offering deep water access, inland connections, land availability, and operating permits to handle a variety of oil products and chemicals.

Relying securely on our robust strategy these structural trends offer us a strong foundation on which to take on the challenging period ahead of us. Our customer focus and our efforts to maximize operational efficiency give us our licence to operate and will allow us to drive further company growth in the time to come.

At Vopak, we maintain a three-pronged strategy to fulfill our mission to become the world's most admired provider of bulk liquid storage:

1. Customer Leadership
2. Operational Efficiency Leadership
3. Growth Leadership

Bulk liquid storage can be perceived as a commodity. In contrast, our high-level customer services should not be viewed as such. Excellent customer service is the key to growth and to building long-lasting relationships with customers.

To provide consistent service and a flawless operation, we are harmonizing and standardizing our operational, commercial and managerial business processes. In our view, operational excellence will lead to the efficiency leadership that Vopak needs to maintain its strong position. It will also put us in a stronger position to weather a potential economic downturn. Our long-term aim of efficiency leadership comes down to consciousness-raising: developing an operating style focused on continuous improvement.

Our strategy is a proactive response to anticipated long-term market developments, specific customer requests and the actions of our competitors. Instead of consolidating our activities, we are aiming to grow and further improve our market position. We want to grow faster than the market in specific strategic locations by extending our network together with our international customers - our global and strategic accounts.

Customer Leadership

Service is at the core of our offering to our customers and they rank it higher than many other deliverables. A higher level of customer service offers Vopak the opportunity to further distinguish itself from the competition.

Our Aim

It is Vopak's aim to provide our customers with a unique service experience that paves the way for long-term customer relationships. We are working to attain network-wide excellence in service and become the preferred storage service provider for our strategic accounts.

For the first time in its history, Vopak commissioned a worldwide customer survey this year. The results showed just how important excellence in service is to our customers. More than 800 customer representatives were interviewed to improve our understanding of their needs. We then followed this up by discussing the results with our customers, thereby allowing us to strengthen our ties with them. Taken as a whole, Vopak received high marks from its customers, especially in terms of the accessibility of our employees, and our ability to apply high levels of safety, health and environmental standards.

The study also provides an excellent source of information for improvements and has offered us many useful insights which we can use. We have already taken our first steps following the introduction of Vopak's Service Principles. This is a set of standards for our service, our communication, and behavior toward our customers.

Service Improvement Program

Vopak has begun implementing a global service improvement program which should result in standardized service processes worldwide. This is especially important to the companies we work with at multiple locations around the world. We are backing up this program with an easily accessible, automated customer relationship management system which will provide even greater transparency by standardizing our commercial processes.

Operational Efficiency Leadership

At Vopak, we believe that operational excellence is the key to attaining the efficiency leadership our company needs. We can only achieve efficiency leadership by working continuously to create structural improvements in our operating methods. This will come from creative and innovative improvements as proposed by empowered employees at each terminal and by using the operational know-how available throughout our global network to reconfigure our value chain. We are convinced that competitors will find it difficult to match this operational excellence, since it is built on Vopak's own unique competencies, experience, know-how, and global network.

Our Aim
It is our aim to position ourselves as a cost-efficient supplier compared to key competitors and to increase our ability to endure all economic conditions. The company plans to improve its operations continuously and to work more innovatively - commercially, operationally, and financially.

Operational Efficiency Programs
In 2008, Vopak defined many new standards based on best practices available throughout the company. This is an excellent basis on which to further lower the economic break-even point at each terminal by introducing standardized working processes, more efficient customer relationship processes, standardized terminal designs, process automation and greater energy efficiency. These standards are also aimed at shortening the required time to engineer and build new tank terminals and expansions.

Standardizing Designs and Engineering Practices
In the past, Vopak's decentralized structure made it difficult to concentrate all of the company's knowledge of terminal layout and detailed engineering efficiently. Currently, a team of in-house experts channels the company's knowledge from around the world into a centralized database for best design and engineering practices. The resulting designs have already been taken on board at several locations, including our Bahamas terminal and the Indonesian oil terminal currently under construction. This approach saves us significant lead time in the project development phase. The result is a more flexible and quicker response to market demands and lower development costs.

Standard Operating Practices - The Vopak Way
We are applying the same methodology to our operational practices. Once again, Vopak is optimizing its approach to operations by drawing on its vast knowledge and experience under the program, The Vopak Way. This places special emphasis on safety, environmental awareness, and efficiency. As an example, we are exploring ways to use energy more efficiently, thereby saving money for Vopak and its customers.

Operational Efficiency Improvement
Vopak's worldwide Operational Efficiency Improvement (OEI) project focuses on simplifying processes so as to reduce operational costs. The project also teaches us how to handle process improvements and expenditures better as an organization. By working continuously on improvements, cost controls and operational efficiency will be even more firmly embedded in the Vopak business culture.

The OEI project began in 2007 with a pilot program in Houston, Texas (USA). The terminals in Deer Park and Galena Park make Houston Vopak's hub location in North America. The test case surpassed all expectations in terms of cost savings and process improvements. The full-fledged project commenced in 2008 in Brazil, the Netherlands (involving chemical terminals and a vegetable oil terminal), Spain, and China. A total of 15 terminals completed the OEI project by the end of the year. The entire project will be completed in 2010.

Growth Leadership
Given the long-term global market demand for storage services, we can see some significant growth opportunities ahead. The key to this growth will come from better serving our global and strategic customers and from enhancing our position accordingly as a leading global tank storage provider. We see growth opportunities in new and existing locations. We will strengthen our position as market leader in existing locations and expand into new locations so that we may participate in future product flows created by shifting - and increasing - imbalances in supply and demand. We also aim to develop terminals for new products or markets such as Liquefied Natural Gas (LNG) and biofuels.

Our Aim
At Vopak, we aim to pursue and strengthen our leadership position in key locations and invest in commercial relationships with strategic customers. The company will increase its global presence and storage capacity at strategically located ports by:
- expanding existing terminals;
- developing new terminals in new and existing geographical areas;
- developing terminals for new products or markets such as LNG and biofuels;
- effecting mergers and acquisitions.

In 2008, Vopak increased its total storage capacity by 5.3 million cubic meters (cbm) globally, reaching a total capacity of more than 27 million cbm.

Major Capacity Expansions
United Arab Emirates - Fujairah
The Vopak Horizon Fujairah joint venture added 380,000 cbm of storage capacity to the terminal. This will further reinforce Vopak Horizon Fujairah's position as a bunkering center and fuel oil trade hub in the Middle East. Vopak Horizon Fujairah is already working on the next phase of expansion.

The Netherlands - Rotterdam (Europoort)
The Europoort terminal in Rotterdam is one of Vopak's largest hub locations. Last year, we built 200,000 cbm of new storage capacity for jet fuel and fuel oil, bringing the total storage capacity to 3.3 million cbm.

Singapore - Banyan and Sebarok
The Banyan terminal in Singapore expanded its capacity by 324,100 cbm to a total of 861,000 cbm. The Sebarok terminal commissioned 223,400 cbm of new storage capacity, which brought the terminal's capacity to

Strategic Analysis

Strengths

- We are the global market leader, present in all major port locations.
- We are financially robust and have access to long-term financing facilities.
- Our excellent reputation rests on our level of service and safety record. This has resulted in a reliable, dependable global brand.
- We operate according to a single independent business model and global standards.
- We are highly diversified in terms of geography, products, and market categories.
- Our portfolio of long-term contracts affords us greater visibility.

Opportunities

- We can benefit from the increasing distances between locations where oil and chemical products are produced and where they are consumed.
- A number of countries are liberalizing their economies.
- Increasingly distinct market specifications are creating a need to blend components in stored products and store components for blending. This includes the growing demand for biofuels.

Challenges

- We are under-represented in the US oil market.
- The company is integrating and unifying its many acquisitions and mergers to create a single network of terminals operating under the same standards and using the same expertise.
- The insufficient recruitment of qualified personnel could cause delays in business projects.
- There is a scarcity of land available in strategic ports.
- Some customers in the chemical industry are suffering from the recession.

Independence and Size Offer Competitive Advantages

Vopak is the world's single largest operator of tank terminal storage with a storage capacity of 27 million cubic meters (cbm). We currently estimate the world market for independent tank storage at about 220 million cbm, indicating that Vopak's holdings represent a 12% market share.

Our company has to contend with competition from many companies, most of which are locally or regionally focused. Many operate other businesses besides storage such as shipping, pipeline operation, or trading. Almost all producers use local storage only for their own captive use and do not provide tank capacity to third parties. For that reason, we do not include these production storage facilities in our definition of the market.

Vopak has the largest spread of terminals in the world and operates these independently of any other business interest. Our size and independence offers clear and competitive benefits. We can focus fully on our customers' best interests while utilizing our scale to bring cost efficiency to our customers and other stakeholders.

1.26 million cbm. All the new capacity at these two terminals is already being utilized.

Other Capacity Expansions Across the Vopak Network of Terminals

We have many new projects under construction around the world at present. These are listed on pages 26 and 27 and will bring an additional storage capacity of 2.5 million cbm in the years to come.

New Terminal

Belgium - Antwerp

In Belgium, the new Vopak Linkeroever Terminal in Antwerp has gone into operation. The first phase of this newly built chemical distribution terminal consists of 60 tanks with a total capacity of 100,000 cbm. The terminal has space for growth to 400,000 cbm in the next few years.

Acquisitions and Joint Ventures

Bahamas - Joint Venture with First Reserve Corporation

Vopak and First Reserve Corporation jointly acquired the Bahamas Oil Refining Company (BORCO) oil storage terminal in Freeport, Bahamas. The terminal is the largest oil storage facility in the Caribbean with a total capacity of more than 3 million cbm and expansion possibilities of up to 5 million cbm for the storage of crude oil, bunker fuel oil and various other petroleum products.

The terminal is expected to become a key international hub for crude oil and petroleum products for major oil companies. Vopak is positioning the facility as a best-in-class storage and trading platform for the region.

Malaysia - Acquisition of Pasir Gudang Terminal

Vopak acquired a storage terminal with a capacity of 20,600 cbm in the port of Pasir Gudang in southern Malaysia. The region is seeing rapid growth in the production and export of palm oil and related oleochemical products, biodiesel and petrochemical products.

Estonia - Tallinn

Following the establishment of the Vopak E.O.S. joint venture in April 2008, our storage capacity in Tallinn increased by 435,000 cbm. This brings our total storage capacity in the Baltic region to 740,000 cbm. Around year-end 2008 an additional 211,000 cbm of storage capacity has become available. The port of Tallinn is a strategic location for the global export of oil products from this region to the rest of the world.

Japan - Moji and Nagoya

Nippon Vopak acquired two terminals in Japan, the largest chemicals market in Asia. The distribution terminals are located in Moji and Nagoya and have a combined capacity of 84,700 cbm. The Japanese terminal network now consists of five terminals with a total storage capacity of 219,600 cbm.

USA - South Wilmington, North Carolina

Vopak acquired a terminal in South Wilmington, which our company has operated on behalf of its former owner since 1991. The operation serves as a storage facility for oil and chemical products and comprises 49,700 cbm of storage capacity. The port of Wilmington is an important location for the distribution of fuels on the American East Coast. The terminal is Vopak's second location in this port.

Indonesia - Java

Vopak entered the Indonesian storage market by acquiring a chemical import terminal at the Merak Port in West Java, one of the country's petrochemical hubs. The terminal has a total storage capacity of 76,900 cbm. The Vopak-AKR Corporindo joint venture is currently building the Vopak Jakarta Terminal, a new storage terminal for oil products at Tanjung Priok Port in Jakarta. The first phase, involving 250,000 cbm of storage capacity, will be completed in the second half of 2009.

New Market

Liquefied Natural Gas (LNG) is a New Market for Vopak

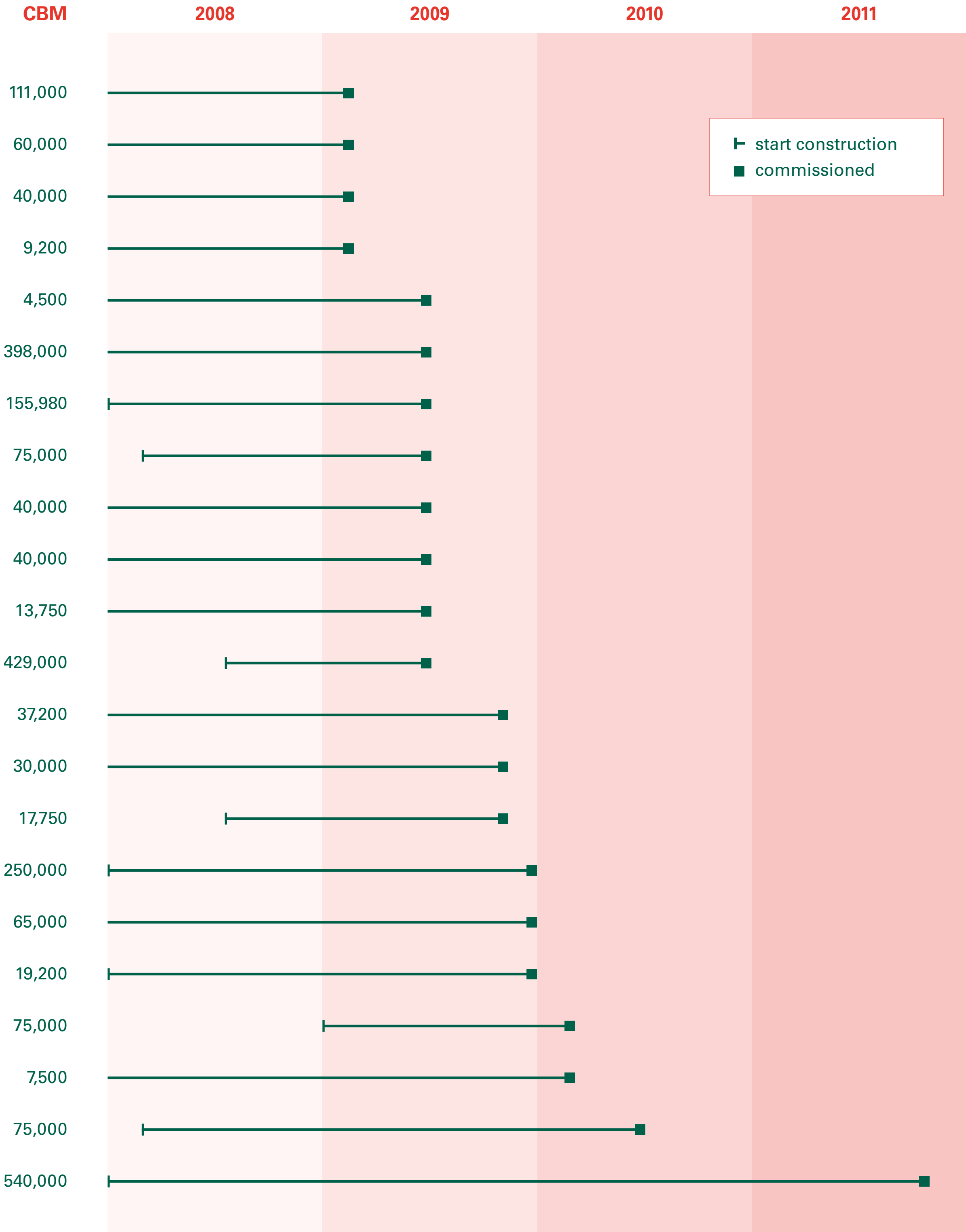
Natural gas burns cleanly and efficiently, and it is in abundant supply. These facts have created enormous demand for the product. The technology to transport gas in liquefied form is readily available and gas producers and consumers alike are exploring ways of tapping into the world trade in LNG, also as a means of strategic diversification. A few years ago, Vopak anticipated the growing need for independent operators in these markets to develop large-scale infrastructure especially for the import of LNG into specific areas, including connections to gas pipeline networks for inland transport.

LNG - Gate terminal Rotterdam, the Netherlands

In June 2008, Dutch Minister of Economic Affairs Maria van der Hoeven gave the official go-ahead for the construction of the first independent LNG import terminal in Rotterdam, the Netherlands. Gate terminal is a joint venture initiated by Vopak and Gasunie. The terminal will have an initial annual throughput capacity of 12 billion cbm and is expected to be fully operational by the second half of 2011. The terminal will consist of three tanks with a total storage capacity of 540,000 cbm. The first customers to sign long-term throughput agreements were DONG Energy in Denmark, EconGas in Austria, E.ON Ruhrgas in Germany, and Essent in the Netherlands.

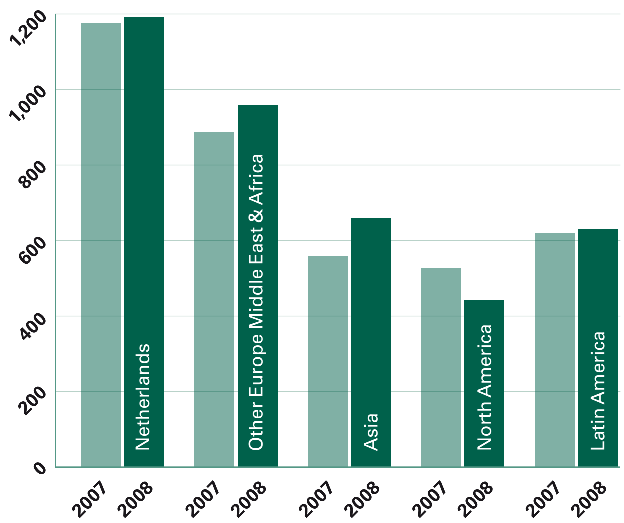
Growth Perspective

Division	Location	Country	Ownership	Type	Products
OEMEA	Tallinn	Estonia	50%	Expansion	Oil products
OEMEA	Gothenburg	Sweden	100%	Expansion	Oil products
CEMEA	Teesside	United Kingdom	100%	Expansion	Chemicals and Biofuels
Latin America	San Antonio	Chile	100%	Expansion	Chemicals
North America	Houston	United States	100%	Expansion	Chemicals and Biofuels
Asia	Banyan	Singapore	69.5%	Expansion	Oil products and Chemicals
CEMEA	Rotterdam	The Netherlands	100%	Expansion	Chemicals and Biofuels
CEMEA	Vlaardingen	The Netherlands	100%	Expansion	Biofuels and Vegetable oils
Asia	Ho Chi Minh City	Vietnam	100%	Expansion	Chemicals
CEMEA	Antwerp	Belgium	100%	Expansion	Chemicals
Asia	Port Qasim	Pakistan	50%	Expansion	Chemicals
North America	Grand Bahamas	Bahamas	20%	Expansion	Oil products
Latin America	Alemoa	Brazil	100%	Expansion	Oil products and Chemicals
North America	Savannah	United States	100%	Expansion	Oil products
Latin America	Cartagena	Colombia	100%	Expansion	Chemicals
Asia	Jakarta	Indonesia	49%	Greenfield	Oil products
Asia	Penjuru	Singapore	69.5%	Expansion	Chemicals
CEMEA	Tarragona	Spain	50%	Expansion	Chemicals
Asia	Zhangjiagang	China	100%	Expansion	Chemicals
Asia	Banyan	Singapore	69.5%	Expansion	Chemicals
Asia	Sydney	Australia	100%	Expansion	Oil products
LNG	Rotterdam	The Netherlands	40%	Greenfield	LNG


CBM
2008
2009
2010
2011
111,000
60,000
40,000
9,200
4,500
398,000
155,980
75,000
40,000
40,000
13,750
429,000
37,200
30,000
17,750
250,000
65,000
19,200
75,000
7,500
75,000
540,000
start construction
commissioned

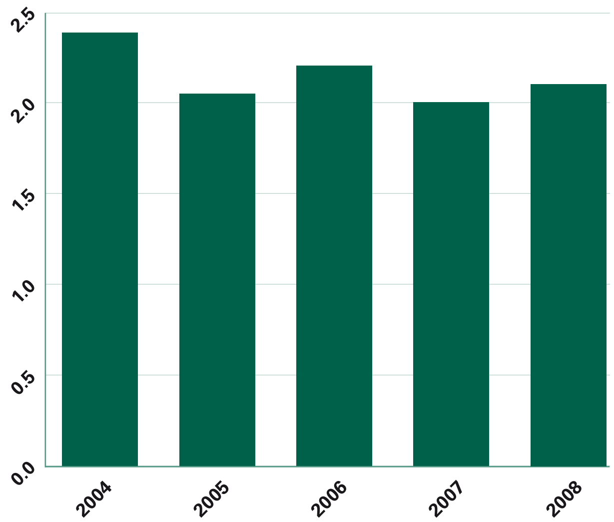
Employees subsidiaries by region

Average over the year



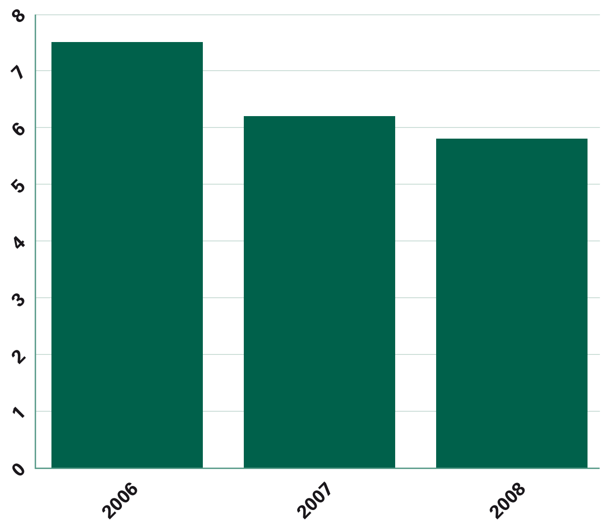
Sickness absenteeism

As a percentage



Safety own employees (Total Injury Rate)

Total Injuries per 1 million hours worked



Corporate Social Responsibility

Ensuring Sustainability

Vopak and Sustainability

For Vopak, sustainability means generating added value for all our stakeholders without causing negative social or environmental impacts. Vopak is moving from a Safety, Health and Environment (SHE) strategy to a comprehensive sustainability strategy. We are committed to optimize our energy and water consumption and reduce emissions to soil, air, and surface water. We are also aware of the need to minimize any impact on communities close to our operations while maximizing the positive impact wherever possible.

Integrity and Ethics

At Vopak, we have a responsibility to the investors, employees and business partners to operate ethically and with integrity in every facet of our activities. Integrity has been and will continue to be the key to establishing and maintaining our reputation. It is an asset, no less than our employees, facilities, and the service we provide. Vopak's business principles, based on integrity, are laid down in our Code of Conduct.

Human Rights

Vopak respects human rights as described in the United Nations Universal Declaration of Human Rights. We have a responsibility to ensure that our local subsidiaries respect human rights while conducting business in our name.

Fair Treatment of Employees

Vopak endorses the principles of the United Nation's International Labor Organization. We have long been committed to providing a safe and healthy environment for employees. This feeling is deeply rooted in our daily activities, policies and monitoring structures.

Community

Vopak is committed to engaging with the communities close to our operations. We work to minimize the negative impact of our operations. We also aim to support employees, their families, and local communities with assistance and expertise.

Sustainable Suppliers and Customers

Vopak collaborates with customers and suppliers to maintain long-term partnerships and ensure continuous improvement in our approach to sustainability. We aim to be the supplier of choice based on the quality of our performance and our sustainability initiatives.

Sustainable Services

Vopak develops its services in accordance with stringent safety and environmental standards and in cooperation with the communities in which we operate. By continuously assessing the "health" of our terminals, we maintain the highest level of quality for our customers.

People, Planet, Profit

For Vopak, sustainability means striking the right balance between the three P's of business - People, Planet and Profit. People refers to the impact a company has on employees and society in general. Planet indicates that companies have a responsibility to reduce environmental impact. Profit comprises such traditional indicators as sales and turnover as well as less traditional indicators.

People

At Vopak, we see it as our responsibility to provide a safe and healthy environment for our employees. Constantly improving the working conditions and monitoring the effectiveness of controls form the groundwork for our health and safety policy. What is more, we feel a strong responsibility to respect human rights. For this reason, we endorse the principles of the International Labor Organization and the United Nations Universal Declaration of Human Rights. We also wish to enter into long-term relationships with our employees by maintaining a correct balance between factors that they regard as important in their work, such as job satisfaction, personal development, competitive employment conditions, and work-life balance.

High Engagement by Employees

Due to the increase of the number of tank terminals and terminal expansions the number of employees in subsidiaries increased from 3,564 to 3,669, and the total number of employees including joint ventures increased from 4,669 to 5,243.
A company wide employee survey revealed a very high engagement level and great enthusiasm by our workforce. The strategy is understood and welcomed by a very high number of our employees.
We are also proud to have an average employee sickness absence at the low level of 2.1%.

Safety Remains as Top Priority

The number of accidents related to the number of labor hours, the Total Injury Rate (TIR) for own employees decreased further to 5.8 in 2008 from 6.2 incidents per million hours worked in 2007. It is with great sorrow that we have to report one fatality in these numbers. It underlines again the importance of safety as the top priority in our operations. The pursuit of zero incidents will be continued relentlessly.

Planet

Our company does not produce products. We provide conditioned storage services and, as such, we are responsible for our terminals and the products we store. Our methods have always focused on safe processes to prevent spills and emissions and compliance with operating permit requirements and legislation. We are working to standardize our approach globally so that we may better understand any environmental and operational impact we cause. In this way, we will have the insight to manage the environmental impact including the carbon footprint of our activities. It is for this reason that we have committed ourselves to creating a thorough waste management system, reducing our energy consumption and emissions into the soil, air and surface water, and limiting our collection and consumption of water - all of which combines to form our sustainable approach to operations.

More Attention to Preventive Measures

An important measure for the safety of our processes as well as environmental care is the number of spills that occur at our tank terminals. The number has increased slightly to 103 per year (2007: 97). This is a good result when taken into account the major expansions and additional operations that have been included in our worldwide network in 2008. Further attention will be focused on implementing the Vopak minimum standards around the world and to pay even more attention to preventive measures.

Focus on Energy Reduction

We further enlarge the reporting within our sustainability policy by publicizing data on energy usage (both from indirect and direct sources) as well as CO_2 emissions. We hardly generate CO_2 from our operating processes, only for some heating purposes, but the energy we use in our operations does generate CO_2. Energy is mainly used for pumping, heating or cooling of products stored in our tanks. We can report a decrease in both the energy consumption per unit of storage capacity as well as a decrease in the calculated CO_2 emission per unit of storage capacity. This decrease is the result of a greater focus in the last years on energy reduction. This successful effort will be extended in the next years.

Profit

Vopak needs to be profitable to be a sustainable company on the long term. For this reason, we maintain a course that follows "traditional" indicators such as profit, cash flow, and shareholder return. However, we also emphasize other indicators including the prevention of corruption and bribery, support for local communities, total tax contribution, sponsoring, innovation, customer satisfaction, and fair pricing.

At the end of 2008 the company is in good shape to grasp future opportunities as well as challenges. The next chapter will discuss the financial performance in detail.

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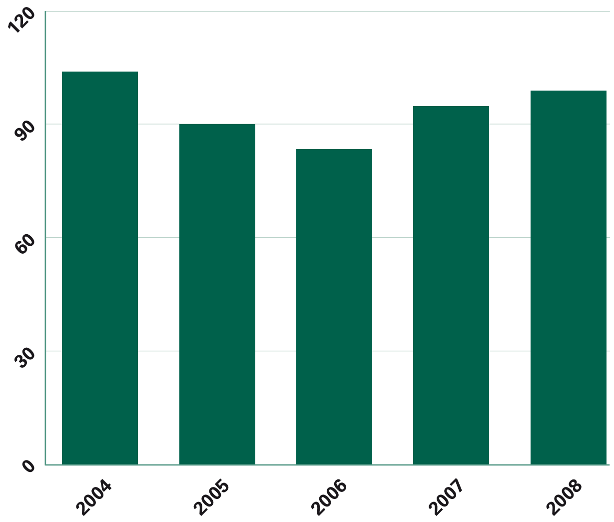
Number of spills reported



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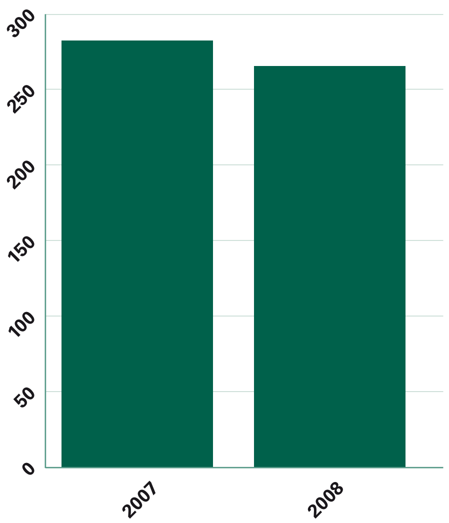
Direct and indirect energy use of subsidiaries

Total energy in megajoule per cbm storage capacity



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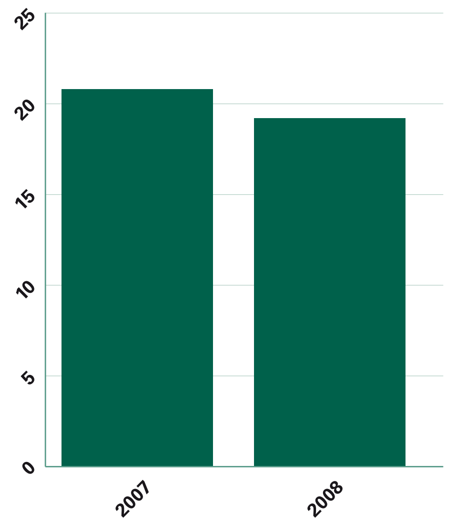
Direct and indirect greenhouse gas emission of subsidiaries

Kg CO_2 per cbm storage capacity



Implementation and Timelines

At Vopak, we have thought carefully about our sustainability activities and we want to implement our plans at the right time and in the right way. For this reason, we have created the Vopak Sustainability Strategy divided into three phases:

Phase 1 Defining Basic Processes (2008-2009)
- laying down our sustainability policy in a mission statement and policy document setting out our short-term goals
- assembling a reporting manual
- developing a step-by-step plan for implementation

Phase 2 Embedding Policies (2009-2010)
- implementing our sustainability policy and measurement systems
- increase external reporting
- determining long-term quantitative sustainability goals

Phase 3 Realizing Ambitions (2009-2012)
- final roll-out of the sustainability strategy
- continuous monitoring and evaluation of results
- further improve external reporting

Our website will report on our latest status

The corporate social responsibility section on the Vopak website (www.vopak.com) gives more information about our sustainability program. It will be updated regularly with progress reports and can serve as the main source for your information.

Financial Performance

Income from rendering of services

In 2008, Vopak generated income from rendering of services of EUR 923.5 million, an 8% increase on 2007 (EUR 853.0 million), including a currency translation loss of EUR 22.2 million. The OEMEA and Asia divisions in particular made positive contributions to the rise in income from rendering of services, which came from a combination of increased capacity at existing terminals, development of new terminals and an increase in revenue per cubic metre of storage capacity as a result of rate adjustments and a change in product mix. The CEMEA and North America divisions disposed of activities in 2007 and 2008, leading to a fall in income from rendering of services. Excluding the effect of the disposals, these divisions also saw a rise. Long-term contracts increased to 80% of income from rendering of services (2007: 71%).

Group operating profit rose by 10% to EUR 322.2 million (2007: EUR 292.2 million). Excluding exceptional items, group operating profit rose by 17% to EUR 320.4 million (2007: EUR 272.9 million). Compared with 2007, this includes a currency translation loss of EUR 7.3 million. If the group operating profit for 2007 is also adjusted pro forma for disposed activities and the effect of the currency translation, the increase is 25%. The improvement in the result came from the strategic focus of all divisions on growth in storage capacity at existing terminals, development of new terminals, a major focus on the requirements of our customers and improvements in operating efficiency.

Group operating profit before amortization and depreciation (EBITDA) including joint ventures and associates and excluding exceptional items rose by 16% to EUR 429.3 million (2007: EUR 369.5 million). This increase in EBITDA takes Vopak closer to its target range of EUR 475-550 million, as set out in the five-year plan in 2006.

Increased capital requirements because of new storage capacity caused ROCE excluding exceptional items to fall to 21.6% (2007: 23.7%), but earnings per share rose thanks to the significant improvement in group operating profit.

Exceptional items recognized in 2008 were gains on sales resulting from the merger of Pakterminal with E.O.S. terminals in Estonia and the transfer of barging activities to the Interstream Barging joint venture. Certain exceptional losses associated in part with impairments of activities that are not related to tank storage were recognized in the fourth quarter.

Income from rendering of services

In EUR millions	2008	2007	Δ %
Chemicals Europe, Middle East & Africa	313.1	311.7	–
Oil Europe, Middle East & Africa	251.7	205.9	22
Asia	166.3	136.8	22
North America	118.2	130.4	- 9
Latin America	69.9	63.7	10
Non-allocated	4.3	4.5	
Income from rendering of services	**923.5**	**853.0**	**8**

Group operating profit

In EUR millions	2008	2007	Δ %
Group operating profit including exceptional items	**322.2**	**292.2**	**10**
-/- Exceptional items	1.8	19.3	
Group operating profit excluding exceptional items	**320.4**	**272.9**	**17**
-/- Group operating profit of disposed activities		8.5	
-/- Currency translation loss		7.3	
Group operating profit [1]	**320.4**	**257.1**	**25**

[1] Pro forma group operating profit for 2007 computed at 2008 exchange rates

Group operating profit excluding exceptional items

In EUR millions	2008	2007	Δ %
Chemicals Europe, Middle East & Africa	89.7	86.1	4
Oil Europe, Middle East & Africa	108.1	82.9	30
Asia	95.5	78.8	21
North America	34.4	31.1	11
Latin America	22.0	21.1	4
Non-allocated	- 29.3	- 27.1	
Group operating profit excluding exceptional items	**320.4**	**272.9**	**17**
Depreciation and amortization	108.9	96.6	13
Group operating profit before depreciation and amortization (EBITDA)	**429.3**	**369.5**	**16**

Net finance costs

The net finance costs amounted to EUR 37.6 million (2007: EUR 42.9 million). The fall is mainly attributable to lower variable interest rates, currency effects, higher capitalized interest on capacity expansion projects and the measurement of hedging instruments for limiting risk. The average interest rate on interest-bearing loans at year-end 2008 was 5.4% (2007: 6.3%).

Income tax

Income tax expense for 2008 amounted to EUR 54.9 million (2007: EUR 51.2 million). In 2008, there was exceptional income of EUR 8.2 million following the settlement of prior-year tax positions, bringing the effective tax rate to 19.3% (2007: 20.5%). The effective tax rate excluding exceptional income was 22.2% (2007: 20.5%). The increase in the effective tax rate for 2008 was mainly because non-recurring items reduced the effective tax rate in 2007.

Net profit attributable to holders of ordinary shares

Net profit attributable to holders of ordinary shares rose by 17% to EUR 212.0 million (2007: EUR 181.1 million) as a result of higher group operating profit, lower financing costs and lower tax charges as definitive assessments provided certainty on the amount of the tax provisions.

The increase led to a 17% improvement in earnings per ordinary share to EUR 3.40 (2007: EUR 2.90). Excluding exceptional items, earnings per ordinary share rose by 24% to EUR 3.24 (2007: EUR 2.62).

Non-current assets

Total investment in 2008 was EUR 799.8 million, EUR 456.0 million of which was invested in property, plant and equipment and the remainder included the acquisition of subsidiaries and joint ventures (in 2007 EUR 445.7 million, of which EUR 389.9 million in property, plant and equipment). EUR 268.8 million of the property, plant and equipment (2007: EUR 197.2 million) was invested in expanding existing terminals.

Shareholders' equity attributable to holders of ordinary shares

Shareholders' equity attributable to holders of ordinary shares rose by EUR 123.3 million, due mainly to the net profit, balanced by items taken direct to shareholders' equity and a total dividend of EUR 61.0 million paid in 2008.

Interest-bearing loans

As a result of the investment program, total interest-bearing loans were EUR 972.1 million at year-end 2008 (31 December 2007: EUR 672.2 million). Net interest-bearing debt, therefore, rose to EUR 996.7 million (2007: EUR 561.9 million), leading to a Net debt/EBITDA ratio of 2.54 (2007: 1.71), which is well below the maximum ratio agreed with lenders.

Vopak has certain significant financing programmes giving access to credit, some EUR 0.7 billion of which is still available. EUR 549.3 million was drawn under US Private Placements with an average remaining term of 8.5 years. A further EUR 301.5 million was drawn under a credit facility of EUR 1.0 billion with a remaining term of 3.5 years. Regular repayments of long-term loans will be EUR 50.0 million during 2009 and the repayment obligation is limited to EUR 25.3 million in 2010.

Group operating profit and ROCE

In EUR millions	EBIT	Average capital employed	ROCE
Chemicals Europe, Middle East & Africa	94.1	377.5	24.9%
Oil Europe, Middle East & Africa	113.2	311.8	36.3%
Asia	91.2	550.9	16.5%
North America	34.4	191.2	18.0%
Latin America	22.0	86.3	25.5%
Non-allocated	- 32.7	- 20.1	
Total including exceptional items	**322.2**	**1,497.6**	**21.5%**
-/- Exceptional items	1.8		
Group operating profit excluding exceptional items	**320.4**		**21.6%**

Vopak consolidated including proportionate consolidation of joint ventures in tank storage activities

In EUR millions	2008	2007
Income statement		
Income from rendering of services	1,067.9	956.1
Group operating profit before depreciation and amortization	474.0	420.8
Group operating profit	337.5	305.8
Net profit attributable to shareholders	213.2	182.9
Net profit attributable to holders of ordinary shares	212.0	181.1
Balance sheet		
Non-current assets	2,598.1	1,879.7
Current assets	370.3	387.9
Total assets	2,968.4	2,267.6
Non-current liabilities	1,401.0	932.5
Current liabilities	558.4	455.2
Total liabilities	1,959.4	1,387.7
Total equity	**1,009.0**	**879.9**
Financial ratios		
Interest cover	9.9	8.5
Net debt : EBITDA	2.70	1.75

Net investments by division

In EUR millions	2008	2007
Chemicals Europe, Middle East & Africa	121.1	119.3
Oil Europe, Middle East & Africa	174.3	119.0
Asia	228.6	130.9
North America	123.8	9.9
Latin America	20.7	17.1
Non-allocated	13.9	- 27.2
Net investments	**682.4**	**369.0**

Net investments

In EUR millions	2008	2007
Intangible assets	5.7	4.6
Property, plant and equipment	456.0	389.9
Joint ventures and associates	40.4	4.3
Loans granted	109.1	7.4
Acquisition of subsidiaries including goodwill	59.1	35.5
Acquisition of joint ventures and associates	127.8	1.9
Other non-current assets	1.7	2.1
Investments	**799.8**	**445.7**
Intangible assets	0.2	0.1
Property, plant and equipment	2.6	0.7
Joint ventures and associates	3.4	4.8
Loans granted	66.9	29.6
Subsidiaries	0.2	34.2
Assets held for sale	44.1	7.3
Disposals	**117.4**	**76.7**
Net investments	**682.4**	**369.0**

Pensions

About 82% of Vopak's pension obligations for defined benefit plans relate to pensions for former and present Dutch employees. The pension scheme is administered by Stichting Pensioenfonds Vopak. The developments on the financial markets in the final months of 2008 caused the cover ratio of Stichting Pensioenfonds Vopak to drop substantially to about 97% at year-end 2008, which is below the minimum required level of 105% set by the Dutch pensions act. In early 2009, Vopak increased the indexation reserve of the pension fund by means of a one-off maximum contribution of EUR 10 million which had an immediate positive effect on the cover ratio of Stichting Pensioenfonds Vopak. Given the current low cover ratio, Vopak is also obliged to pay the maximum contribution of 30% of total salaries per year (2007: 17.5%).

The pension fund will submit a recovery plan to De Nederlandsche Bank by 1 April 2009 listing measures to restore the cover ratio to the minimum required level within five years. The plan also has to state how the cover ratio can be returned to the required level of approximately 116% within 15 years, allowing for the risks in the pension fund portfolio.

Under IFRS, the lower cover ratio did not directly affect the income statement during 2008. The adverse developments will become apparent in the income statement for 2009 as a result of a higher charge of EUR 13.8 million for the defined benefit plans (according to IAS 19), which is a direct effect of the lower value of the global plan assets combined with higher amortization of unrecognized actuarial losses. Under IFRS, the one-off contribution of EUR 10 million does not affect Vopak's income statement and has a neutral effect on the balance sheet.

Dividend proposal

A dividend of EUR 1.10 per ordinary share, an increase of 16% (2007: EUR 0.95), will be proposed to the Annual General Meeting of 23 April 2009. This is equivalent to 32% of earnings per ordinary share (2007: 33%). Adjusted for exceptional items, the payout is 34% of earnings per ordinary share (2007: 36%). Barring exceptional circumstances, the dividend policy of Vopak intends to distribute dividend in cash. Given the special circumstances in the financial markets and to support the continuation of the growth strategy of Vopak, the dividend over 2008 will be paid in ordinary shares unless a shareholder expressly requests payment in cash.

Outlook

- For 2009, Vopak expects a group operating profit before depreciation and amortization (EBITDA) of at least EUR 450 million, in line with the earlier indicated outlook.
- The projects under construction will add 2.5 million cbm of storage capacity in the years 2009 to 2011. These expansions are based largely on rental contracts already entered into. The total investment for Vopak and partners in these projects will involve capital expenditure of some EUR 1.5 billion. This means net capital expenditure of some EUR 0.2 billion for Vopak for 2009 and subsequent years.

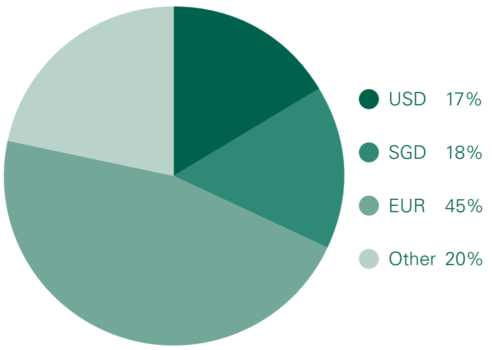
Funding

In EUR millions	2008	2007
Cash and cash equivalents	49.3	136.4
Non-current portion of interest-bearing loans	- 922.1	- 624.6
Current portion of interest-bearing loans	- 50.0	- 47.6
Bank overdrafts	- 73.9	- 26.1
Net interest-bearing debt	**- 996.7**	**- 561.9**
Derivative financial instruments (currency)	- 18.7	- 41.4
Credit-replacement guarantees	- 19.8	- 13.9
Cash not at free disposal	–	- 7.9
Net debt for ratio calculation	**- 1,035.2**	**- 625.1**
Net debt : EBITDA	**2.54**	**1.71**
Interest cover	**10.9**	**8.5**

Abridged cash flow statement

In EUR millions	2008	2007
Cash flows from operating activities (gross)	386.9	334.5
Net finance costs paid and received	- 33.1	- 34.7
Income tax paid	- 37.1	- 36.6
Cash flows from operating activities (net)	**316.7**	**263.2**
Investments	- 799.8	- 445.7
Disposals	117.4	76.7
Cash flows from investing activities	**- 682.4**	**- 369.0**
Cash flows from financing activities	**232.6**	**131.3**
Net cash flows	**- 133.1**	**25.5**

EBIT in 2008 by currency



Exchange rates

	USD		SGD	
Per EUR 1.00	2008	2007	2008	2007
Average exchange rate (translation rate income statement)	1.47	1.37	2.08	2.06
Year-end exchange rate (translation rate balance sheet)	1.40	1.46	2.00	2.10

The World of Vopak

North America

Bahamas
Vopak Terminal Bahamas

Canada
Vopak Terminals of Canada - Hamilton

Canada
Vopak Terminals of Canada - Montreal

United States
Vopak Terminal Deer Park

United States
Vopak Terminal Galena Park

United States
Vopak Terminal Long Beach

United States
Vopak Terminal Los Angeles

United States
Vopak Terminal Savannah

United States
Vopak Terminal North Wilmington

United States
Vopak Terminal South Wilmington

Europe, Middle East & Africa

Belgium
Vopak Terminal ACS - Antwerp

Belgium
Vopak Terminal Eurotank - Antwerp

Belgium
Vopak Terminal Linkeroever - Antwerp

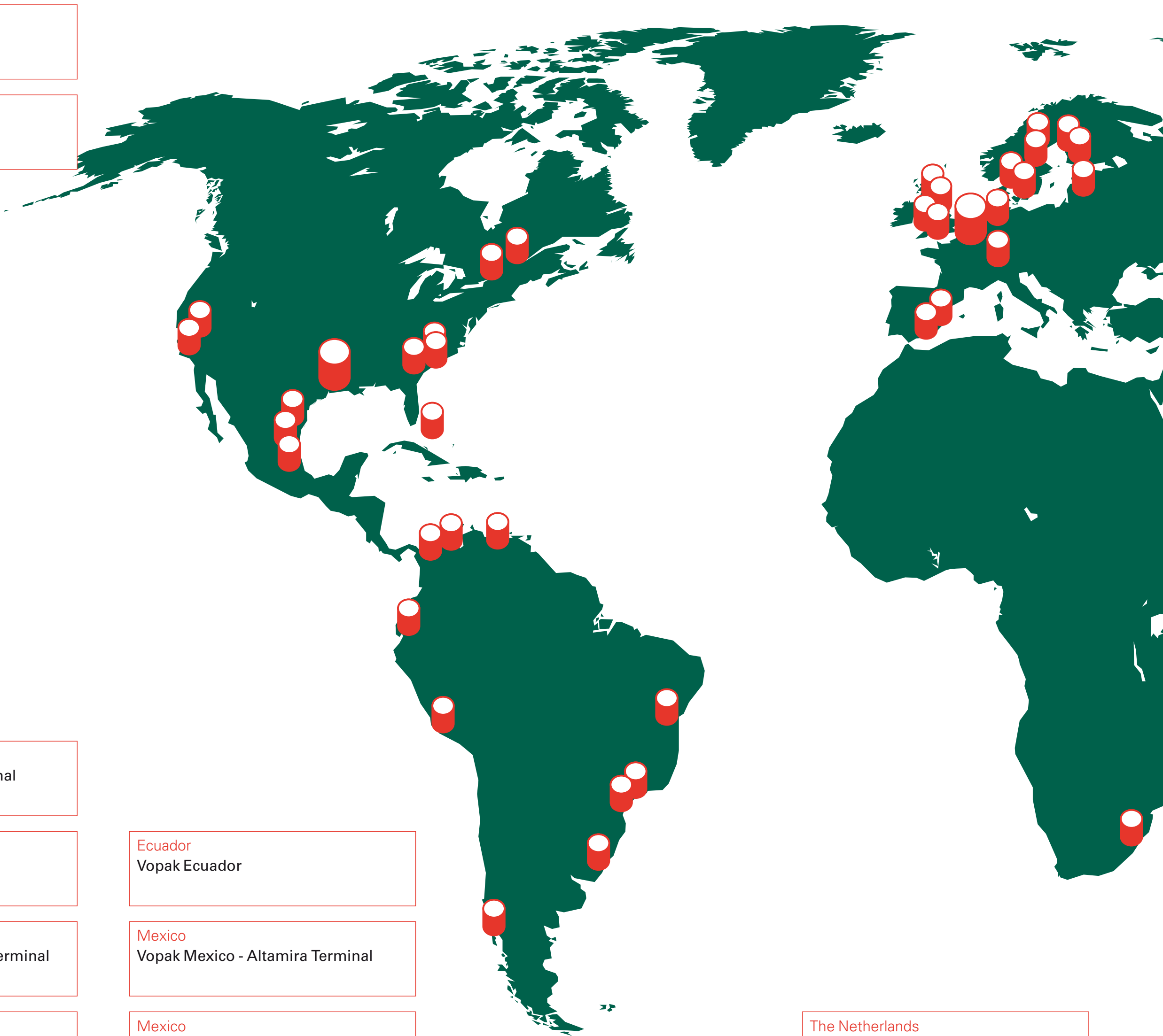
Estonia
Vopak E.O.S. - Tallinn

Germany
Vopak Dupeg Terminal Hamburg - Site Waltershof

The Netherlands
Maasvlakte Olie Terminal - Rotterdam

The Netherlands
Vopak Terminal Amsterdam

The Netherlands
Vopak Terminal Botlek (Noord) - Rotterdam



Latin America

Brazil
Vopak Brazil - Alemoa Terminal

Brazil
Vopak Brazil - Aratu Terminal

Brazil
Vopak Brazil - Ilha Barnabé Terminal

Brazil
União/Vopak Armazéns Gerais

Chile
Vopak Chile - San Antonio Terminal

Colombia
Vopak Colombia - Barranquilla Terminal

Colombia
Vopak Colombia - Cartagena Terminal

Ecuador
Vopak Ecuador

Mexico
Vopak Mexico - Altamira Terminal

Mexico
Vopak Mexico - Coatzacoalcos Terminal

Mexico
Vopak Mexico - Veracruz Terminal

Peru
Vopak Peru - Callao Terminal

Venezuela
Vopak Venezuela - Puerto Cabello Terminal

Finland
Vopak Terminal Hamina

Finland
Vopak Terminal Mussalo - Kotka

Germany
Vopak Dupeg Terminal Hamburg - Site Neuhof

The Netherlands
Vopak Terminal Botlek (Zuid) - Rotterdam

The Netherlands
Vopak Terminal Chemiehaven - Rotterdam

The Netherlands
Vopak Terminal Europoort - Rotterdam

The Netherlands
Vopak Terminal Laurenshaven - Rotterdam

–

Asia

The Netherlands
Vopak Terminal TTR - Rotterdam

The Netherlands
Vopak Terminal Vlaardingen

The Netherlands
Vopak Terminal Vlissingen

Spain
Terquimsa Barcelona

Switzerland
Vopak Terminal Basle

United Kingdom
Vopak Terminal Ipswich

United Kingdom
Vopak Terminal London

United Kingdom
Vopak Terminal Teesside - Middlesbrough

China
Vopak Shanghai - Caojing Terminal

China
Vopak Terminals Shandong Lanshan

China
Vopak Terminal Ningbo

China
Vopak Terminal Tianjin

China
Vopak Terminal Zhangjiagang

China
Xiamen Paktank

Japan
Nippon Vopak - Yokohama Terminal

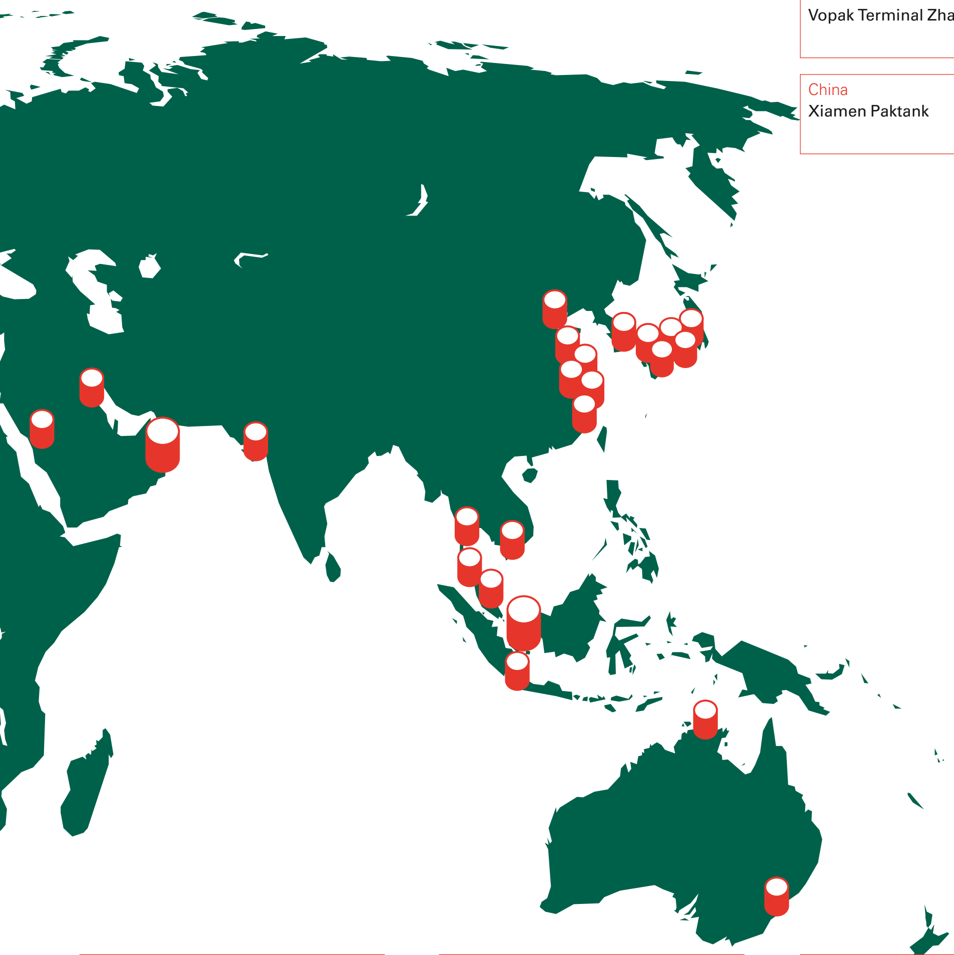
Korea
Vopak Terminals Korea - Ulsan

Malaysia
Kertih Terminals

Malaysia
Vopak Terminal Pasir Gudang

Pakistan
Engro Vopak Terminal

Singapore
Vopak Singapore - Banyan Terminal



Singapore
Vopak Singapore - Penjuru Terminal

Singapore
Vopak Singapore - Sakra Terminal

Spain
Terquimsa Tarragona

Sweden
Vopak Terminal Gävle

Sweden
Vopak Terminals Gothenburg

Sweden
Vopak Terminal Malmö

Sweden
Vopak Terminal Södertälje

United Kingdom
Vopak Terminal Windmill

Saudi Arabia
SabTank - Al Jubail

Saudi Arabia
SabTank - Yanbu

United Arab Emirates
Vopak Horizon Fujairah

South Africa
Vopak Terminal Durban

Indonesia
Vopak Terminal Merak

Japan
Nippon Vopak - Kawasaki Terminal

Japan
Nippon Vopak - Kobe Terminal

Japan
Nippon Vopak - Moji Terminal

Japan
Nippon Vopak - Nagoya Terminal

Singapore
Vopak Singapore - Sebarok Terminal

Thailand
Thai Tank Terminal

Vietnam
Vopak Vietnam

Australia
Vopak Terminal Darwin

Australia
Vopak Terminal Sydney - Site A + B


Transports
Fockedey


170
Vopak
120
C292

Chemicals Europe, Middle East & Africa (CEMEA)

"Solid performance with opportunities for further expansion"

Upward Trend

"The CEMEA division handles a variety of products. These include oleochemicals (derived from vegetable sources), biofuels, fuel components (additives), and vegetable oils (edible oils). Together these account for about half of the division's business. The other half is purely chemical in nature.

The markets in Europe, the Middle East and Africa saw an upward trend throughout most of 2008. During the last quarter of the year a number of chemical producers announced cutbacks in production, most of them short-term. This was due to a sharp drop in demand, especially from the automobile and construction industries. Although the transport industry was affected immediately, the storage industry did not experience any significant change. Even with the lower throughput rates, tank storage continues to comprise a vital link in the supply chain.

The vegetable oil and biofuel markets saw significant increases following requirements on the part of many governments to blend organic components into their fuels. The division will move increasingly toward biofuels in the future, an area in which CEMEA is growing its business rapidly."

Focus on Strategic Locations

"CEMEA has dedicated the past year to focusing on tank storage growth and building new facilities in strategic areas like North-West Europe and the UK. Since 2005, the division has been expanding its existing capacity, increasing throughput, and standardizing its tariff structure. It divested several operations in non-strategic locations - such as the Hemiksem (Belgium) terminal in 2008 - and broadened its efforts to increase capacity and facilities wherever possible.

In 2008, CEMEA completed construction of a Greenfield terminal on the left bank of the river Scheldt in Antwerp. This is the first time the division has built a new terminal in 28 years. CEMEA moved its existing business from the Hemiksem location further inland (which it subsequently sold off) to the new terminal and added vastly modernized facilities, automation and improved service.

In the UK, the London terminal expanded capacity by 45,000 cbm and the Teesside operation will grow by 40,000 cbm early 2009, both to accommodate a variety of products such as biofuels.

Construction of additional 156,000 cbm capacity, especially to meet the growing demand for the storage of imported bio-ethanol, is underway at the Botlek terminal (Netherlands) and will be commissioned in 2009. The Vlaardingen (Netherlands) terminal is undergoing major reconstruction. Small tanks are being dismantled and replaced by taller ones. In this way, they can make better use of the current surface and still accommodate the prevailing parcel sizes which are being imported into the Port of Rotterdam.

Recently, CEMEA acquired a company along with its entire infrastructure in Turkey. The area has space for a Greenfield terminal. Turkey is an important new market for Vopak. The country is clearly one of the world's emerging markets. At the same time, it has no non-captive tank storage space. These factors make it a prime target for Vopak."

Highlights

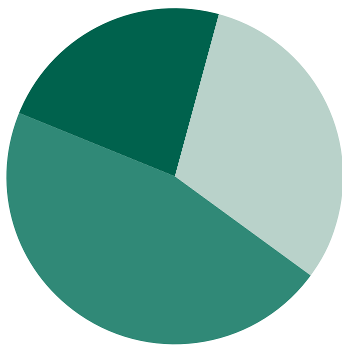
- Growing demand for storage solutions for biofuels
- Opening of Linkeroever terminal in Antwerp, Belgium
- Additional storage capacity in UK terminals
- Acquiring land for greenfield terminal in Turkey

Key figures

In EUR millions	2008	2007
Income from rendering of services	313.1	311.7
Operating profit before depreciation and amortization (EBITDA)	128.2	123.9
Operating profit (EBIT) *	89.7	86.1
Average gross capital employed	726.7	680.9
Average capital employed	377.5	332.3
ROCE	24.9%	27.2%
Storage capacity	3,984,200	3,961,300
Occupancy rate	96%	96%

* Excluding exceptionals

Contract position



Expansions Go Together with Improvements

"In 2008, the division examined several of its terminal and business processes according to Vopak's Operational Efficiency Improvements program. The findings confirmed the division's understanding that expansion and efficiency improvement go hand-in-hand. CEMEA has identified these as its short-term goals. It will include revising terminal facilities to accommodate multiple product types and, in so doing, allow the division to better meet market needs as supply and demand shifts."

Growing Despite Divestments

"The number of leases remained very high in 2008, with an overall occupancy rate of 96%. Our divestments in 2007 and 2008 resulted in a lower base for our financial results. We counteracted the effect by changing the stored product portfolio, changing tariff structures and excellent cost control. Our operating profit, excluding exceptional items, grew with 4% to EUR 89.7 million. Supporting the import of biofuels into European markets will be one of the main themes for the future."

–

Kees van Seventer, Division President CEMEA

Oil Europe, Middle East & Africa (OEMEA)

"Proactive response to global imbalances"

Markets and Trends

"Throughout 2008, the oil markets were constantly in the news. These events resulted in an increasing demand for the storage of crude oil and oil products. Over the last five years, interregional trade flows of oil products have increased by about 5% per annum - a significant figure. What is more, long-term trends are showing that, more often, oil and gas companies will be producing gasoline, diesel, and other products at remote locations from the main markets. They will need storage locations in the import harbors to unload ships and move the products into local markets.

Around the world, specifications for oil products are becoming more and more disparate. As soon as a product has been blended for a specific location, it can no longer be stored with a product blended for somewhere else, so storage facilities must continue to grow and differentiate their services. Furthermore, all this blending calls for ingredients which have to be stored separately."

The Future of Storage Demand

"To better understand our customers' global trends and needs worldwide, the OEMEA division has established a global expertise center to coordinate all our knowledge and service developments for oil products. In this way, we can support and accelerate the growth in these markets throughout Vopak's divisions. This year, we performed a detailed analysis to pinpoint exactly where the demand is. We started with an exhaustive market study. OEMEA brought in a variety of international market research agencies to analyze the worldwide flows of oil and the behavior of existing and future oil hubs. Finally, the division approached its primary customers to learn about their needs and wishes. All of these activities resulted in a clear understanding of future demands for storage locations around the world. This knowledge will give all Vopak divisions a basis on which to develop their growth plans for oil product storage."

Increasing Demand from National Oil Companies

"While we will continue to service the major worldwide oil companies, we have also started to notice increased business activity among the national oil companies that we service. These companies have developed production capacities that extend beyond their national demand and have become exporters to other destinations in the world. They are increasing their marketing capabilities in foreign areas and require storage space to supply their customers. A third group of customers comprises the product traders, some of which have developed into global companies in recent years. They depend less on opportunity trades and focus more on a constant supply to certain markets, often based on importing product from distant destinations."

Increased Storage Capacity to Meet Customer Demand

"OEMEA sees the coming five years as its greatest window of opportunity for growth. In 2008, the division made significant additions to its capacity to meet growing demand from customers in the EMEA region.

- In January, OEMEA completed construction of 380,000 cbm of fuel oil storage capacity in Fujairah (U.A.E.). This will increase the terminal's hub function in this important region.
- In February, 200,000 cbm of jet fuel capacity went into service in Rotterdam, Netherlands. This is the second phase of a project that delivered 240,000 cbm late in 2007 for the storage of fuel oil.

Highlights

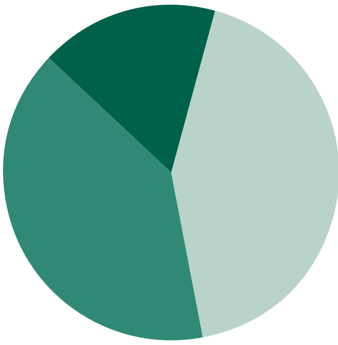
- Growing demand for storage solutions for oil products
- Additional jet fuel storage in Europoort (Netherlands)
- Established Vopak E.O.S. in Tallinn (Estonia)
- Increased fuel oil storage in Fujairah (UAE)

Key figures

In EUR millions	2008	2007
Income from rendering of services	251.7	205.9
Operating profit before depreciation and amortization (EBITDA)	136.4	101.3
Operating profit (EBIT) *	108.1	82.9
Average gross capital employed	571.5	492.7
Average capital employed	311.8	177.0
ROCE	36.3%	47.6%
Storage capacity	11,067,100	9,960,400
Occupancy rate	95%	97%

* Excluding exceptionals

Contract position



- In April, Pakterminal merged its operations with that of the Estonian Oil Service (E.O.S.) in Tallinn (Estonia), starting with a 35% interest which it increased to 50% in July. Both companies' storage terminals in the Port of Tallinn combine to form a total capacity of 740,000 cbm. Another 211,000 cbm is commissioned partly in December and the remaining quantity in January 2009. Vopak has responded adequately to the changes in the Russian oil export."

Health and Safety Remain Top Priority

"The division's growth plans and their execution are very ambitious. They require constant monitoring of contractor performance and all the applicable safety policies. All of this falls under the policy name, 'Building Safely.'
A further enhanced safety awareness program was launched last year. Onsite managers have been showing by example that safety measures take top priority and their example has caught on quickly. Vopak is also requiring these safety measures of its contractors. As a result, personnel safety (in the form of reduced incidents) has improved enormously."

Excellent Results Based on Servicing Customers

"By immediately renting out the new storage capacity to our customers we have been able to keep our occupancy rate at the very high level of 95%. Our efforts lead to a strong financial performance. The operating profit, excluding exceptional items, reached EUR 108.1 million, up by 30%. We continue to serve the energy sector to overcome imbalances in the world."

–
Frank Erkelens, Division President OEMEA

"Expanding tank terminal network delivers results"

Expansion Matched by High Tank Occupancy

"Our activities in Singapore were one of the year's highlights. Expansion in storage capacity was matched by high tank occupancy. This is an exceptional achievement, with Vopak increasing its capacity in Singapore by adding 569,500 cbm of storage capacity this year. Vopak continues to be the largest storage company in Singapore. We also expanded our Asian footprint by developing markets such as Indonesia and Southern Malaysia. We entered the Indonesian market by acquiring a chemical distribution terminal in Merak and we are building a storage facility in Jakarta's Harbor, Tanjung Priok - primarily for gasoline storage - to meet the growing import demands.
In Malaysia, we acquired the Pasir Gudang chemical terminal."

Economic Growth Driving Chinese Storage Market

"Vopak is the largest chemical storage provider in China with six terminals across the country. The Chinese storage market for both oil and chemicals is growing fast, thanks to the expanding Chinese economy. China is set to be the world's largest oil and chemicals market in the coming years. China's oil industry is regulated, leaving limited commercial opportunities for independent third-party oil storage. But the chemicals market is entirely open with a thriving third-party storage industry. Vopak currently operates 1 million cbm of storage capacity and we are committed to growing our position in China by expanding our existing facilities and developing new terminals, both for chemicals and oil."

Capacity Growth across Entire Region

"In 2008, the Asia division added to its capacity at practically all locations to meet growing customer demand in the region.

- In Singapore, 223,400 cbm of additional capacity went into operation at the Sebarok oil terminal; the Banyan terminal expanded its storage capacity by 324,100 cbm for chemical storage, and the Penjuru terminal added 22,000 cbm of new storage capacity.
- The division acquired two chemical terminals from Mitsui in Japan as well as a terminal in Indonesia and one in Malaysia with a total storage capacity of 185,000 cbm.
- We have added a total capacity of 118,000 cbm in Korea, Thailand and Australia.
- In China an additional 84,900 cbm of storage capacity went into operation at the wholly-owned Zhangjiagang terminal, along with another 40,000 cbm at the Shanghai Caojing industrial terminal and 4,000 cbm in Lanshan."

Never Compromise on Safety

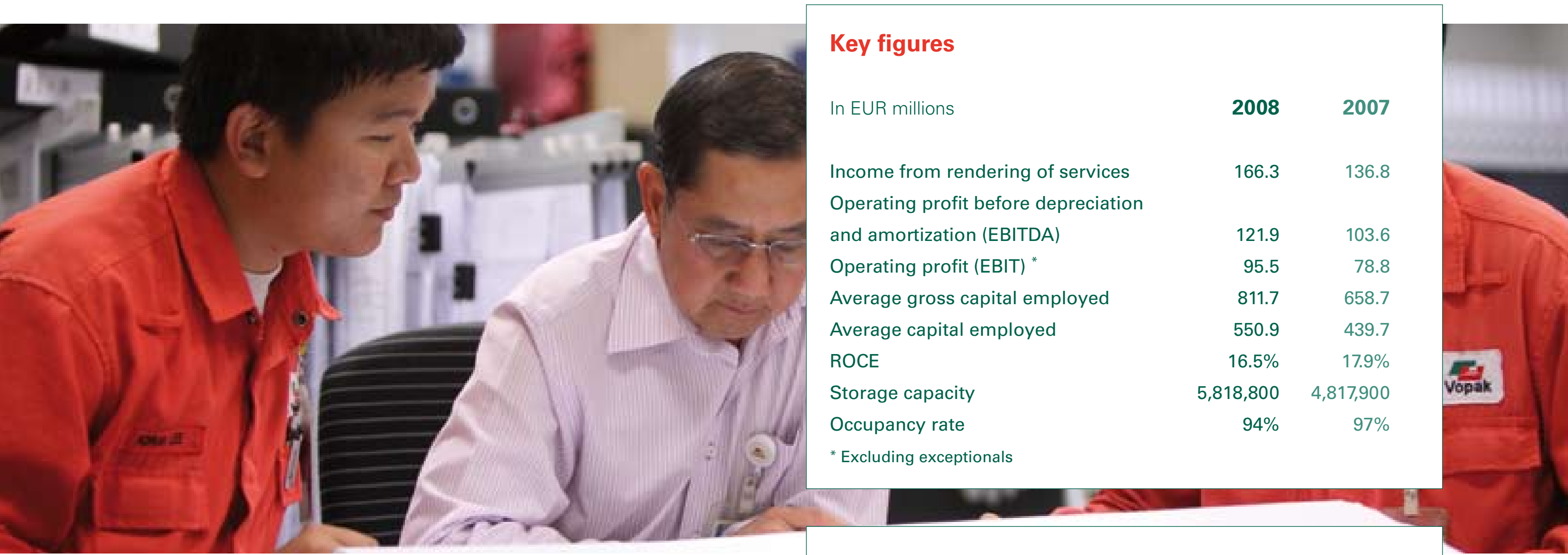
"For Vopak, safety is not negotiable and the company will never compromise on this point. We build all our facilities worldwide according to a single international standard. The company continues to inform and train employees and external contractors about safety policies and measures. It has already launched several improvement programs covering these matters. Despite our stringent safety measures and procedures, we were shocked when an accident took the life of one of our employees in Vietnam. This shows just how important safety is in our everyday work, no matter what we do."

Personal Development

"In order to successfully execute our strategy in Asia, which includes expansions into new locations, we need to pay extra attention to the personal development of our employees. In fact development of staff is critical in order to be able to execute and manage our growth plans well.

Highlights

- Regional demand for storage services grows fast
- Vopak remains leader in Singapore's independent storage market
- Good base and high ambitions for further project development in China
- Many growth projects throughout Asia and Australia

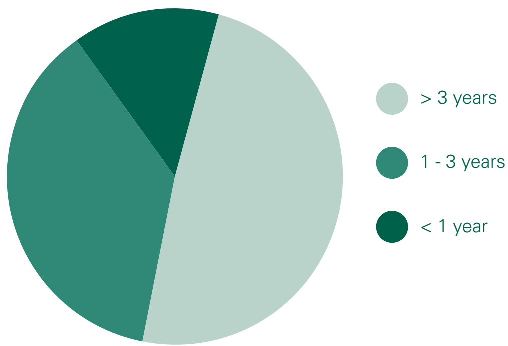


Key figures

In EUR millions	2008	2007
Income from rendering of services	166.3	136.8
Operating profit before depreciation and amortization (EBITDA)	121.9	103.6
Operating profit (EBIT) *	95.5	78.8
Average gross capital employed	811.7	658.7
Average capital employed	550.9	439.7
ROCE	16.5%	17.9%
Storage capacity	5,818,800	4,817,900
Occupancy rate	94%	97%

* Excluding exceptionals

Contract position



To complement existing development programs, we have set up what we call The Learning Network which offers our talented employees across Asia avenues for accelerated career advancement. The Learning Network also supports our cross divisional knowledge exchange. We already have seen positive results from this initiative with a number of people being able to take on more responsibility in our organization."

Expanding the Storage Network Results in more Earnings

"Our occupancy rate of 94% is somewhat lower than last year due to many new storage tanks and extra maintenance. Our increase in total storage capacity to serve our customers remains the main reason for the continuous growth in our operating profit. Excluding exceptional items, our operating results increased with 21% to EUR 95.5 million. We will continue to support governments and our customers in developing a state-of-the-art storage infrastructure to support regional growth."

–

Eelco Hoekstra, Division President Asia
and Jan Bert Schutrops, President China Region

North America

"Focus on tank storage improves results"

Supporting Intraregional Trade

"When it comes to the storage of chemicals, Vopak has a leading footprint in North America. The primary focus of chemical production in the US and Canada is to deliver to the North and South American region. That means that much of the storage intended for chemical products supports intraregional trade. In other words, the storage locations are situated in between two production processes in a chain of production steps.

One of our growth markets is the storage of biofuels, products that require a specific size and type of storage that is a very good fit with the chemical terminals. Most of the biofuels are produced and distributed within the region, and several of the Vopak terminals are well situated to service the production sites and function as a distribution point for buyers.

Vopak used to hold only a limited share of the oil storage market in North America. Yet it is an important market. The rise in consumption means that the import of oil products into the US and Canada is becoming increasingly important. Developing the oil business has been part of Vopak's strategy for many years."

Serving the US through the Bahamas

"In 2008, the North America division entered into a business participation in the Bahamas by acquiring operatorship and a 20% stake in the Vopak Bahamas Terminal. As a result, the division can now play an important role in the North American oil business as the terminal site - sixty miles from American soil - makes it an interesting location for US customers. To begin with, the Bahamas' deep-water ports will accommodate Very Large Crude Carriers (VLCCs) - supertankers that, by dint of their size, cannot enter many US ports. Smaller barge vessels can then deliver the products to the American ports in Florida and other harbors along the East Coast. This is called "break-bulk" service, in which large shipments are divided up for local distribution. US customers are already viewing the Vopak installation as a mature supplier with which to do business.

The installation also provides "make-bulk" services, in which multiple, smaller shipments are pooled and stored together. These can be used to export products from the US Gulf Coast or from the growing number of production locations in Latin America that export crude oil as well as oil products.

Vopak's acquisition in the Bahamas gave it 3 million cbm of storage space. Of this, 2.4 million was available for immediate use and 0.6 million cbm needed repair. This will be fully commissioned in the second quarter of 2009. Furthermore, we are constructing 429,000 cbm of additional storage space. This will be accompanied by a comprehensive program to further increase the knowledge and skills of the professional local staff, so that we can raise our overall service quality and improve our safety, health and environmental performance to the required level."

Growth in Other Areas

– In October 2008, Vopak purchased a 49,700 cbm terminal in South Wilmington, North Carolina. The terminal, which Vopak has operated since 1991, serves as a storage facility for chemical products and can be expanded to also serve for oil and biofuels products.

Highlights

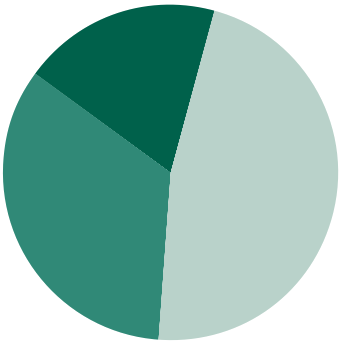
- Vopak Terminal Bahamas acquired to serve the US and international oil markets
- Expansion of Vopak Terminal Bahamas started
- Acquired Vopak Terminal South Wilmington in North Carolina from producer
- Galena Park Terminal in Houston, Texas expanded for biodiesel

Key figures

In EUR millions	2008	2007
Income from rendering of services	118.2	130.4
Operating profit before depreciation and amortization (EBITDA)	45.5	48.5
Operating profit (EBIT) *	34.4	31.1
Average gross capital employed	329.6	294.8
Average capital employed	191.2	140.9
ROCE	18%	26.3%
Storage capacity	5,315,600	2,257,800
Occupancy rate	95%	96%

* Excluding exceptionals

Contract position



- The Galena Park terminal in Houston, Texas is being expanded by 14,000 cbm extra storage intended for biodiesel products.
- The company will commission 30,000 cbm of new storage capacity for gasoline storage in Savannah, Georgia in 2009.

Operational Efficiency

"In Houston, where Vopak has some of its largest chemical operations, the division has initiated an Operational Efficiency Improvement project. It has reorganized its management structure and operating philosophy - all as part of the company's three-pronged approach of Growth, Customer Leadership, and Operational Efficiency. Vopak recognizes the need for technical improvements in that region to accompany its expansion plans for the area. This year, the Gulf Coast area revamped its IT operations, truck loading systems, and tank measurement systems. At Galena Park, the area is removing its drumming business to create more space for storage tanks."

More Focus Creates Higher Results

"With high demand for our services throughout the year the occupancy level remained at around 95%. The high demand and focus on efficiency resulted in a 11% higher operating profit, excluding exceptional items of EUR 34.4 million. We remain the leader of chemical storage in North America and are now able to further extend our services in the oil sector."

—

Pieter Bakker, Division President North America

Latin America

"Continuation of robust performance"

Expansions Based on Growth of Local Markets

"In Latin America, around 80% of Vopak's terminals operate as distribution terminals primarily for vegetable oils and chemicals. Latin America exports soy oil, ethanol, and palm oil on a large scale to various parts of the world. The continent is experiencing an explosive growth in the export of vegetable oils alongside a more gradual increase in chemical production. The network that we have assembled on this continent will allow us to make the best possible use of these trends - all of which is keeping pace with economic developments on that continent.

The rapid growth in vegetable oils in Latin America is attributable to two trends. One is the consistent and increasing demand for and production of biofuels especially in Brazil, Colombia and Peru. The other is the continued interest in better nutrition. As a result, foodstuffs producers are increasingly replacing trans-fats with vegetable oils.

In contrast to other continents, Latin America is only starting to play a role in the production and trade of chemicals. As a result, the sector is showing a stable pattern for imports which remains in line with the development of the gross domestic product (GDP) for most countries. As the economy grows, so does demand. The expansions that Vopak has realized are based on growth of the local markets."

Adding Storage Capacity to Serve the Growth of Our Customers

"The past year saw great interest in the services that Vopak is offering in Latin America. Terminals experienced an average occupancy at about 91%. The division is focusing on two profitable business areas - chemicals and vegetable oils - and took significant steps to promote its activities in these sectors.

In 2008 a few new storage tanks were commissioned:
- In Altamira, Mexico, 30,000 cbm was added for chemicals.
- In Puerto Cabello, Venezuela, 20,000 cbm was added for oil products.
- In Barranquilla, Colombia, also 6,500 cbm was added.

Much of the division's growth will take place in years to come, though it will be based on some important steps taken in 2008. These included the approval of investments for the Cartagena terminal in Colombia and the approval of investments in storage expansions in Brazil and Chile."

Safety Awareness Spreads

"Three key focus areas for Latin America were Safety, Human Resources and ICT. These are areas where the division took steps to improve performance. The safety statistics show that human and environmental safety awareness and behavior is spreading throughout the division. Furthermore, we experienced half as many spills in 2008 as in the previous year."

Consolidation - One Environment

"The division moved in a very short time from thirteen individual terminals to become a full-fledged member of the worldwide Vopak network. This required strong internal communications, the sharing of knowledge and best practices, unification of processes and policy, and execution of that policy. In line with the overall company strategy, consolidation of its efforts toward customer

Highlights

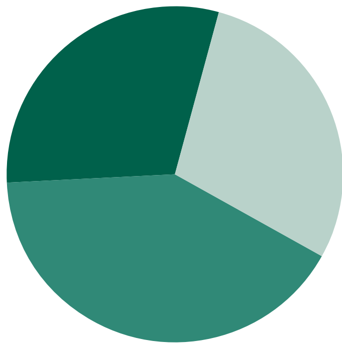
- Continued growth of local markets and high exports of vegetable oils
- Additional storage tanks in Mexico
- Vopak Puerto Cabello Terminal expanded
- New storage tanks commissioned in Barranquilla, Colombia

Key figures

In EUR millions	2008	2007
Income from rendering of services	69.9	63.7
Operating profit before depreciation and amortization (EBITDA)	29.0	27.7
Operating profit (EBIT) *	22.0	21.1
Average gross capital employed	131.6	121.9
Average capital employed	86.3	81.9
ROCE	25.5%	25.7%
Storage capacity	881,700	836,800
Occupancy rate	91%	86%

* Excluding exceptionals

Contract position



leadership and operational efficiency leadership is the next stage of the process. It comprises steps to standardize the value proposition to customers everywhere, which all fall under a single program which is called One Environment. The One Environment program consisted of three related subprograms - One Organization, One Process, One System - which the division completed at the end of the year. It is expected that these efforts will result in better service to our customers through fewer errors, better-trained staff, and better understanding of customers and processes. The program also included aspects of Vopak's worldwide Operational Efficiency Improvement program, specifically in Brazil."

Continuation of a Stable Performance

In a market with strong demand for our services the occupancy rate increased to 91%. Together with storage capacity expansion and cost control measures this resulted in a 4% increase in the operating profit leading to EUR 22.0 million. With the support from all our employees and the announced expansions of our storage capacity we will be able to further improve the service to our customers."

–

Jos Steeman, Division President Latin America

Risks and Risk Management

Introduction

In line with our three-pronged strategy around growth, customers service and operational efficiency, we made further progress in achieving excellence levels in our business processes, procedures, standards, systems and implemented controls that will better safeguard realizing our targets. Many of the implemented improvements have a strong correlation with defined mitigating actions from our risk assessments. Risk Management within Vopak covers risks as well as opportunity losses as both are considered important for realizing our strategic ambitions.

Risk Management Framework

Risk profile

The global spread of our terminals is supportive to our multinational customers and is also diversifying our risks of political and economical instability. Our 80 terminals are located in 32 countries. On behalf of our customers in the oil, biofuels and chemical industries, we store their hazardous oil and chemical products. These products can be dangerous to people and the environment. Therefore safety is our highest priority. In our terminal designs, this focus is already embedded. All terminals must comply with Vopak's internal policies and standards, which are at a minimum equal to local rules and regulations. People are trained on a constant basis to ensure that knowledge and skills are aligned with the requirements. KPI's on compliance and safety performance are monitored monthly and audited through external and internal audits.

Risk opportunity appetite

We are an entrepreneurial, service oriented company with ongoing attention for our customers, our motivated people with an endless drive to perform our activities as safe as possible. Our risk opportunity appetite varies from topic to topic which we will further explain. Our growth strategy requires us to take calculated risks. Any entrepreneurial decision is taken by a robust system of selection, prioritization, internal financial and operational reviews and internal authorization profiles to ensure that risks and opportunity losses can be sufficiently controlled. Our risk profile for taking operational and legal risks is low as we consider the integrity of our core processes a sustaining factor that contributes to our long-term success. We follow a risk policy regarding financing of the company to timely ensure sufficient liquidity for development of our growth projects.

Risk Management and control system

With our risk management and internal control system we aim to keep the right balance between effective, professional entrepreneurship and our preferred risk profile as a company. Our risk management and internal control system is a framework supporting our entrepreneurship in such a manner that it will ensure that our strategic and market risks are identified and properly managed, operational and financial objectives are met and that business is being performed within the requirements for complying with applicable laws and regulations. Vopak applies the COSO Enterprise Risk Management Framework to identify potential risks and opportunity losses at the earliest stage.

Risk Management approach

The Executive Board, under supervision of the Supervisory Board, has overall responsibility for Vopak's Risk Management and internal control systems. The experienced management teams in the Divisions and Operating Companies are responsible to implement the strategic targets, manage the performance, identify the underlying risks and opportunities and the effectiveness of the execution of operations, in line with the policies and standards set by the Executive Board and supported by Corporate departments.

A top down risk assessment is conducted with all functional corporate staff directors. This assessment is used by the Divisions Management Teams to assess the Divisional main risks, opportunity losses and mitigating actions. Terminals use this information to perform risk sessions within their management teams and report and manage their main risks, opportunity losses. The identified risks, opportunity losses and follow up on mitigating actions are included in an automated risk register available for all management layers. Corporate Internal Audit together with Corporate Control & Business Analyses coordinate the process and performs reviews on specific risk themes.

The Executive Board approves the year budget and two plan years from each Division. These budgets contain clear objectives (for each of the 3 strategy pillars), risks and further opportunities, activities, key responsible management and performance indicators. To avoid an execution risk, the Executive Board discusses the enablers with the Divisions.

Quarterly, the Executive Board and the Division Management Team, discuss the progress in implementing the company's strategy, business plans progress, KPI's, quarterly performance and key risks, opportunity losses as well as the progress realized on mitigating actions.

Three times a year so called Stratcom meetings (in which the Executive Board and the Division Presidents participate), are organized to focus and align on the strategy, progress realized by the Divisions and by Management responsible for implementing strategic projects and on specific topics. The divisions as well as the corporate office regularly perform sensitivity analysis of those matters which can have a significant adverse impact on our financial results. Examples of such scenario's are: a world wide recession, aggressive new competition from existing and new players, a collapse of the biodiesel industry, a potential ban on the use of high sulphur fuel oil as marine fuel, a major incident like Buncefield, significant labor unrest or political unrest in the Middle East.

Scenario's are also developped for opportunity assessment, such as the effect of product imbalances in certain regions, changes in product flows and changes in product specifications.

With the identification of such scenarios and the implementation of mitigating steps, we achieve a better position to face the impact of these risks taking place in an early stage. By this strict forward planning we concentrate on realizing opportunities for growth and implementing operational efficiency improvements.

At the end of the year, terminal and division management assess the structure and effectiveness of their risk management and internal control system. The database-functionality used for this Control Risk Self Assessment questionnaire is also used for the internal Letter of Representation. The outcomes of the assessments, the trend towards last year as well as exceptions are discussed with the Executive Board.

The Executive Board, overall responsible for the adequacy and functioning of the risk management and internal control systems, reports and discusses the business performances, KPI's, strategy (updates), and the outcome and effectiveness of the risk management and internal control systems, with the Audit Committee and the Supervisory Board.

Corporate Internal Audit provides additional assurance on the functioning of the risk management and internal control process as described above. The external auditor also provides assurance on the monitoring processes and the adequacy of the financial reporting system as part of their audit procedures relating to the audit of the group's consolidated financial statements. The outcomes are discussed with the Audit Committee.

Financial reporting

Vopak's reliable financial reporting is the result of dependable systems, clear procedures, internal controls, strict integrity reporting, financial analyses and segregation of duties applied by reliable professionals and tested by appropriate audits. Quarterly, the follow up of findings from internal and external audits are discussed with terminal and divisional managers. Vopak devotes considerable attention to all these matters. To improve continuously we use a finance excellence model to support terminals and divisions in their developments for the finance function.

Our reporting structure is characterized by a strict and clearly-defined process with frequent consultation between the various management levels. The cycle consists of a flash report immediately after the end of the month, regular monthly, quarterly reporting and year-end reporting. As part of this cycle, actual results are compared against agreed budgets, latest estimates and last year. The reports and related discussions are not limited to the financial results, but also cover KPI's on operational, human resource and commercial matters. Joint ventures and associated companies participate in this cycle, with, at a minimum, a Vopak representative in the organization and in a supervisory role, paying particular attention to these same aspects.

Vopak has an efficient internal control structure; a number of controls are automated, thereby reducing the risk of deviations and errors. A specific group of corporate financial representatives of all divisions is responsible for the continuous application and optimization of the internal control procedures. Terminal responsible staff are instructed on IFRS and timely updated about IFRS changes. A potential impact is timely assessed. For valuations of acquisitions (with purchase price allocations), external advisors are consulted. Our external auditor tests IFRS accounting and compliance of the main terminals in alignment with IFRS and Vopak's accounting manual.

Main Risks

Strategic Risks

Vopak's main risks derived from both the top down and bottom up risk assessment approach are:

Worldwide recession

Protected by the nature of our type of services, the longer term contract portfolio, the many industry segments served and the spread over many regions in the world have cushioned Vopak for effects from the recession. No signals of future impact are apparent yet. Especially the oil and biofuels storage market conditions are positive. However in case of a prolonged recession affecting many regions in the world, the company may be faced with a decrease in throughput volume and customer (expansion) projects might face delayed completion. Impact on revenue from these effects will be small. In a later stage possibly occupancy rates and prices might be affected, impacting our future revenues. Based on adequate scenario planning we will determine the exact speed of rolling out further growth projects. This changing business environment and an increasing cost of capital could potentially lead to impairments in the future. We are focusing on our working capital to ensure on time payments and to identify early signals of payment defaults. Given the speed of economical developments it is hard to determine the exact potential impact on our company's results. Our mitigating strategy consists of: an increased focus on improving our operational cash flows via good working capital management, implementation of cost saving programs, prioritization of growth investments and risk based maintenance.

Customer satisfaction

The risk that from the perception of the customer there is lack of focus by Vopak to meet or exceed customer expectations is assessed as a strategic risk. Through our focus on excellent service, training, standardization of processes (Customer Relationship Management program, E2E connections), upgrading of our business intelligence systems (customer metrics, Vopak intelligence plaza) we want to reach a high customer satisfaction result which we also test through a yearly global customer survey.

For global customers we offer a high degree of added value through our worldwide Vopak network. The renewed launch of the Vopak brand increased focus on safety and recognizable high-quality services, which is instrumental to our commercial strategy.

Competition

The risk that actions by existing competitors or new entrants to the market adversely affect Vopak's market position is assessed as high and compared to last year an increased risk. Apart from the industry players several private equity and infrastructure funds have entered the tank storage market.

Competition risks are reduced by: a) our full attention to customer satisfaction, b) long-term contracts covering services, service levels and prices, c) effective cost management to ensure competitive pricing, and d) fast growth, ensuring to be at the key (strategic) locations.

Long-term contracts with production and oil distribution companies reduce the dependency on more speculative storage by traders and reinforce our relationship with customers. However, responding to favorable local market conditions with short-term contracts can produce a good reward in terms of higher returns on our entrepreneurial activities.

Capacity, industry risk and market sensitivity

There is a potential opportunity loss if Vopak is unable to meet customer demand because of insufficient storage capacity. With the recession in sight, especially in relation to parts of the chemical industry, the risk of lower occupancy and overcapacity has increased which could potentially lead to a loss of income. The geographical distribution of 80 terminals in 32 countries, the long-term nature of most contracts and the diversification among several industry segments, oil, biofuels and chemicals mitigates this risk to a certain extent.
Capacity changes are the result from a clear strategy based on insight in (the developments of) global product flows, developments at customers, competitors and product developments (biofuels, LNG).
Our growth strategy follows different lines, and includes: a) expansion of existing capacity, b) development of new sites, and c) acquisitions. Management consistently and continually reviews these developments to fine-tune the strategy where necessary. Projects are selected based on clear prioritization criteria.

Human Resources

Recruitment and development of our people at management and operational levels and an appropriate remuneration policy are key priorities to ensure that we will be able to achieve our ambitious strategic targets and to prevent a higher than desirable attrition rate.

We invest heavily in upgrading our human resource organization, processes, training, personnel development, career development, performance management and supportive HR information systems. Succession and staffing plans for senior management are coordinated centrally in close consultation with the divisions.

Sovereign, regulatory and political risks

Changing governments and a delicate political climate along with stricter and increasing regulation might impact financial results or our speed in growth. Also our own capabilities to address the right issues at the right political level might impact our growth. Political developments and changes in legislation and regulations in countries where our terminals or potential new terminals are/will be based are closely monitored.

During quarterly meetings the Executive Board and each division as well as the division and the terminal management review and discuss these political, legislative and regulatory changes. Political developments could turn in an environment where governmental bodies, could enforce changes in concessions and attempted nationalizations.

The Executive Board regularly evaluates the (updated) global risk list using information from internal and external experts. International Protection Agreements apply between the Netherlands and the majority of the countries where Vopak conducts business.

Country risk is always taken into account in the cost of capital when making an investment decision. Potential impairment risks are assessed regularly and in compliance with the IFRS requirements.

Operational Risks

Operational risks are risks inherent in the day-to-day activities of the companies and the implementation of investment programs for existing and new terminals. Vopak identifies the following main operational risks:

Safety and environment

Handling hazardous substances responsibly plays a key role in all of Vopak's business processes. This has implications for people and the environment, for the operating assets of both Vopak and third parties and for the profitability of the company. At a minimum, our own terminals as well as those of joint ventures and associated companies comply with local environmental standards and regulations and Vopak's minimum standards.
In addition, Vopak has implemented a wide range of specific measures aimed at restricting and managing process, personnel safety and environmental risks.
Vopak makes sufficient resources available to mitigate these risks.

Services failure

If Vopak is unable to handle customers' products safely, in time and properly and therefore cannot provide the required service to its customers at the desired level, this could lead to customer complaints, claims, loss of income, market share and impact our reputation.
The inherent service failure risk is managed through ongoing attention for preventive technical and operational measures, such as investing in terminal upgrades, five-year maintenance plans, training and mandatory operational, maintenance standards for the terminals. Compliance with these measures is assessed regularly by Terminal Health Assessments, internal audits and customers' audits. Major financial risks with regard to company property and liability are covered by insurance.

With all measures implemented we noted a year over year decreasing risks from service failures. However, some terminals, such as the European CEMEA terminals, have reached an age of around 40 years which means that infrastructure at these terminals is old and incur a risk to breakdown. In combination with the (very) high activity level of the business at these terminals, a substantial risk is triggered. We mitigate such risks with the general measures as mentioned above and by allocating significant cash for maintenance & repair and sustaining capital expenditures. We developed long-term plans to modernize the infrastructure and to align the infrastructure with commercial and operational standards.

Projects

With our Vopak Project Management (VPM) methodology we structured and standardized our way of working to plan and implement new and often complex projects. An investment procedure with supporting tools, templates and clear responsibilities for the different levels of management in the organization completes the internal governance model for projects. To further mitigate our project risks we will concentrate on finding good, experienced project managers, ensuring to implement the learning from other project post implementation reviews in new projects, and upgrading our pre-qualification standards for contractors as we were faced with some bankruptcies of contractors which impacted the investment costs negatively. For projects we maintain separate risk registers.

ICT

The majority of our companies use the PEPI system, specifically developed for our day-to-day operations. The continuous availability of this system is vitally important for handling customer orders, planning vessels, invoicing and other activities. Vopak has availability, security and data integrity standards and manual emergency procedures and has worked out clear arrangements for the operating departments and suppliers with respect to these standards. Our operational processes are increasingly computerized. As a result, process safety further improved, hence reducing operational risks. Process automation is linked to, but operates independently of PEPI.

We mitigate the inherent risks on IT, being: year over year increasing cost, misalignment between business requirements and IT solutions and the risk of potential unreliable, inconsistent, not available data and/or IT systems, through a professional governance model with good communication platforms, systems, procedures, and people. We are implementing a clearer separation between demand for IT and supply of IT to support realizing the IT opportunities and to further align IT with business processes. As part of the PEPI Lift project we improved the use of PEPI through standardization of processes, functional enhancements and training.

ICT is identified as a key enabler in strategic projects, with ICT performance management, ICT architecture and 'business intelligence' receiving additional attention.

Legislative, Regulation and Tax Risks

Vopak is a decentralized company with a clear network strategy and branches in 32 countries. The company initiates regular local external audits of its compliance with laws and regulations. The impact from increasing regulations is mitigated by transferring the risk exposure; by looking for alternatives, by transferring the risk to customers and by additional focus on environmental solutions.
The Corporate Tax department regularly visits divisional offices and terminals to discuss tax positions, increase awareness and management of these positions and ensure smooth communication between terminals, the division and the Corporate Tax department. A tax policy to provide sufficient guidance for the organization is in place. No material legal claims exist. We are supported by local lawyers. Developments are frequently discussed between terminal, division, corporate staff and Executive Board and the potential impact (if any) is timely accounted for. Our mitigating approach covers insurance, contract templates and standards. Compliance is managed and monitored.

Financial Risks

Currency risks

The primary objective of the currency risk policy is to protect the value of our cash flows. We take account of future cash flows from investments and disposals as well as cash flows from operating and financing activities.

The risks associated with foreign currency transaction positions arising from operating activities are limited, since operating income and expenses are, as a rule, largely denominated in the same currencies. However, in some countries (in particular, in Latin America), a substantial portion of the income flow is in USD whereas the operating expenses are denominated in local currencies. In these countries, the aim is to hedge the transaction risk naturally. Any material net transaction position can be hedged in full by means of forward exchange contracts.

The main currency risk for Vopak is the translation risk arising from the conversion of the results and balance sheet items (mainly Singapore dollar and US dollar) into euros, being our reporting currency. Each quarter, currency risks are identified and the hedging strategy is reviewed and subsequently presented to the Executive Board for approval.

Translation risks

Net investments in foreign activities are, in principle, hedged by loans in the same currency, supplemented by cross currency interest rate swaps and forward exchange contracts where necessary, while applying hedge accounting. The amount of the hedge is determined mainly by the expected net financing position/EBITDA ratio of the subsidiaries for the next three years, taking into account the tax effects and hedging costs. In certain situations, such as in the event of new investments, the decision may be made to hedge more than would be possible on the basis of the optimal net financing position/EBITDA ratio. In such situations, the nominal value of the hedge might exceed the carrying amount of the underlying asset.

The sensitivity to the Singapore dollar (SGD) and the US dollar (USD) is as follows:

– A 10 dollar cent change in the EUR/USD exchange rate approximately affects Vopak's net profit by EUR 2.3 million
– A 10 dollar cent change in the EUR/SGD exchange rate approximately affects Vopak's net profit by EUR 1.5 million.

In line with IFRS 7 we performed a sensitivity analysis on balance sheet items. The overview is included on pages 86-89.

Interest rate risks

Vopak's policy on interest rate risks aims to control the net finance costs resulting from fluctuations in market interest rates, taking into account the long-term profile of the company. Interest rate swaps and interest rate options may be used to achieve the desired risk profile.

Interest rate risks are identified and possible hedges considered when obtaining or providing new financing. The assessment for the year under review is included on page 89 of this report.

Liquidity risks

Vopak is a capital intensive company. The financing policy is directed at establishing and maintaining an optimal financing structure that takes due account of the current asset base and the investment program. Vopak seeks access to the capital markets and flexibility at acceptable finance cost. The treasury department acts as an in-house bank that internally allocates funds that are raised centrally. Operating companies are thus funded by a combination of equity and inter-company loans. Where possible joint ventures and associates are funded optimally with debt on a nonrecourse basis for Vopak with account being taken of local circumstances and contractual obligations.
The objective is to have a borrowing capacity that facilitates financing of investments, possible acquisitions and loan capital repayments.
The liquidity requirements are continuously monitored in different ways and at different reporting instances. Active cash management is a daily responsibility and each quarter the liquidity requirements are identified based on thorough scenario planning. Furthermore the long-term liquidity risk is assessed prior to every major investment obligation.
The current financing policy is reviewed on the basis of this assessment and adjusted where necessary.

The present difficult situation in the financial markets may have an impact on the funding capabilities going forward. We carefully and frequently monitor our core bank group in order to ensure continuity of funding. At this moment in time there are no indications that the present situation will have a material impact. Vopak is in the beneficial position that no material refinancing obligations will occur before 2011. In addition, for all operational joint ventures adequate financing is in place without any major refinancing obligation. For some greenfield activities Vopak is in the process of attracting external financing.

Credit risks

Vopak is exposed to credit risks on receivables, financial instruments and cash and cash equivalents. In addition, Vopak is exposed to the financial strength of suppliers, including construction companies.

The exposure to bad debt risk is usually limited as the value of the product stored for these clients usually exceeds the value of the receivables and Vopak generally has the right of retention. However, other security may have priority ranking over the right of retention in a bankruptcy case. Assessing financial positions of counterparts is part of our credit management and tender process, but will not exclude any credit risk. Given the global financial crisis Vopak has intensified credit management and the monitoring controls on outstanding receivables as well as stored products.
The financial instruments and cash and cash equivalents are as much as possible evenly spread among a select group of financial institutions with daily limiting the cash and cash equivalents within the Group. The exposure per financial institution is assessed on a regular basis and actions required are taken within Vopak's treasury policy.

Due to the worsening economic circumstances the counterparty risk has increased rather significantly for Vopak. Counterparty risk is mainly related to our customers, suppliers, banks and insurance companies. This increased counterparty risk may have an impact on Vopak's business and could adversely impact our operations going forward if certain material defaults or bankruptcies occur within our portfolio of counterparties. We carefully and actively monitor our counterparty risk to limit any potential impact. At this moment in time we have noticed that some of our counterparties show an increased risk profile, but we can not prevent any material event taking place having an impact on our financial performance, other than ensuring timely payments for our services and sound alternative compensating business opportunities when such an adverse event occurs.

Directors Statements

In Control Statement

In the Chapter Risks and Risk Management (page 52 to 56) we described in detail our risks and risk management framework and the responsibilities of the Executive Board.

In accordance with the best practice principles as mentioned in the Dutch Corporate Governance code, and taking into account the limitations outlined below, we confirm that our internal risk management and control systems provide a reasonable level of assurance that the financial reports contain no material errors. We further state that the risk management and control systems have functioned correctly during 2008.

Our internal risk management and control systems are, however, unable to offer absolute assurance that the strategic, operational and financial objectives will be fully achieved, or that laws and regulations are always complied with. Furthermore, the systems cannot prevent all human errors of judgments and mistakes. It is also inherent that in business, cost-benefit assessments must be made for the acceptance of risks and the implementation of controls. We continue to further improve and optimize our internal risk management and control procedures.

Executive Board declaration

In accordance with the Financial Supervision Act, section 5:25c paragraph 2 sub c, we declare that, to the best of our knowledge:

a) the annual financial statements on pages 66 to 137 give a true and fair view of the groups assets, liabilities, financial position and its profit or loss; and
b) the annual directors' report on pages 20 to 57 gives a true and fair view of the situation on the balance sheet date, of developments during the financial year of the company and its affiliated entities; and
c) the annual directors' report includes a description of the principal risks the company faces on pages 52 to 56.

Rotterdam, 12 March 2009

The Executive Board

John Paul Broeders (Chairman)
Jack de Kreij (CFO)
Frans de Koning

Information for Shareholders

Information per ordinary share of EUR 1.00

In EUR	2008	2007
Earnings	3.40	2.90
Earnings excluding exceptional items	3.24	2.62
Shareholders' equity *	14.55	12.56
Dividend (proposal 2008)	1.10	0.95
Pay-out ratio	32%	33%

* Following redemption of equity capital relating to financing preference shares

Number of shares outstanding

	2008	2007
Weighted avarage	62,331,686	62,367,231
Weighted avarage, diluted	62,347,028	62,403,855
At year-end	62,450,656	62,450,656

Major holdings

Pursuant to the Major Holdings and Listed Companies Act, a shareholding of 5% or more in a Dutch company must be disclosed. Vopak has received the following notifications concerning such holdings of ordinary shares and financing preference shares.

Royal Vopak shareholders

	Ordinary share-holdings 1)	Total share-holdings 2)	Voting right 3)	Date of notification
HAL holding N.V.	47.74%	39.53%	44.78%	01-11-2006
ING Groep N.V.	5.50%	9.95%	5.50%	21-05-2008
Aviva Plc (Delta Lloyd)	< 5%	6.89%	< 5%	01-11-2006
Ducatus N.V.	< 5%	5.43%	< 5%	01-11-2006
Fortis Utrecht N.V.	< 5%	5.43%	< 5%	06-10-2008

1) Number of ordinary shares divided by total number of ordinary shares outstanding

2) Number of ordinary shares and financing preference shares divided by the total number of ordinary shares and financing preference shares outstanding

3) Number of ordinary shares divided by the total number of votes of ordinary and financing preference shares outstanding

Investor Relations policy

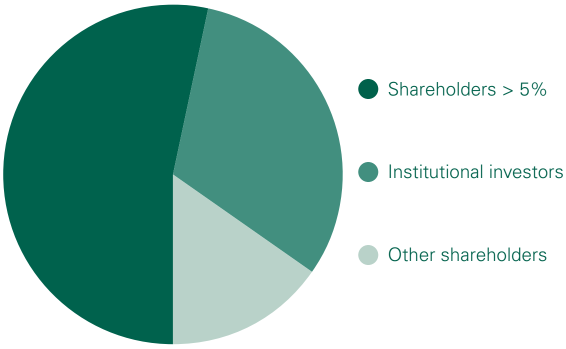
Vopak conducts an open information policy for investors and other parties interested in the status (financial and otherwise) of the company. The purpose is to inform these stakeholders as fully and as promptly as possible about the company's policies and changes within the company. Vopak actively seeks a dialogue with its investors.

This Annual Report is one of the investor relations media. All other relevant information, such as half-year results, quarterly results, press releases and background information, is also available on the website www.vopak.com.

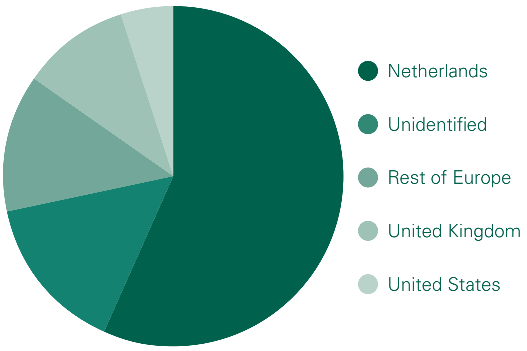
Members of the Executive Board and investor relations department held more than 250 meetings with current or potential investors during 2008. Vopak holds a press conference coinciding with the publication of the annual results. Following the publication of the annual and half-year results, Vopak also holds a meeting with stock market analysts. The first and third quarter results publication is followed by a telephone conference. These sessions can be followed via the company's website in either a video or audio webcast of the conference and the information presented at these meetings is published also on the company's website.

Investors and their advisers can put their questions directly to Ms. Emilie de Wolf, Director Corporate Communication & Investor Relations, telephone +31(0)10 4002777. E-mail: emilie.de.wolf@vopak.com.

Distribution of Vopak shares



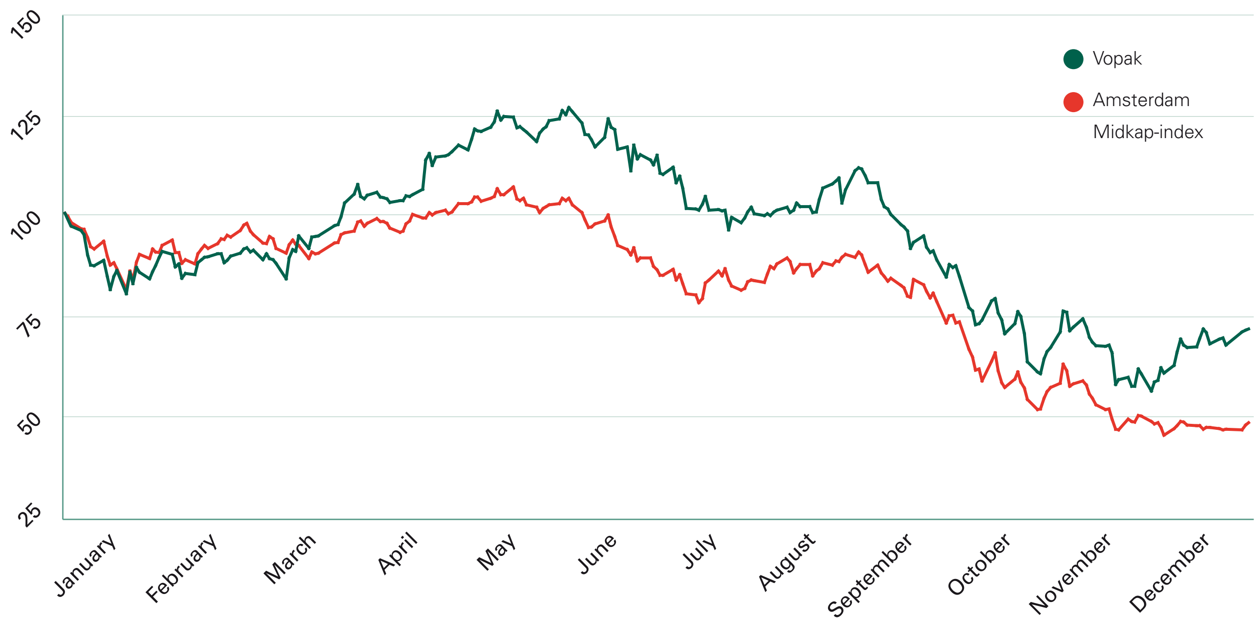
Geographical distribution of holders of shares outstanding



Financial calendar

21 April 2009	Publication of 2009 first quarter results in the form of a trading update
23 April 2009	Annual General Meeting
27 April 2009	Ex-dividend quotation
29 April 2009	Dividend record date
14 May 2009	Publication conversion rate for stock dividend
15 May 2009	Dividend payable
28 August 2009	Publication of 2009 first half year results
13 November 2009	Publication of 2009 third quarter results in the form of a trading update
12 March 2010	Publication of 2009 annual results
27 April 2010	Publication of 2010 first quarter results in the form of a trading update
27 April 2010	Annual General Meeting
29 April 2010	Ex-dividend quotation
3 May 2010	Dividend record date
27 August 2010	Publication of 2010 first half year results
12 November 2010	Publication of 2010 third quarter results in the form of a trading update

Share price movement 2008 (%)



Corporate Governance

Introduction

Vopak complies with the majority of the principles and best practices laid down in the Dutch Corporate Governance Code (the ‘Code’). The number of exceptions to the best practice provisions in 2008 remained unchanged from 2007. The exceptions are explained below. For our stakeholders and in accordance with prior recommendations of the Monitoring Committee Corporate Governance Code (the ‘Monitoring Committee’), we include transparent, specific and concise information on the various risks and the manner in which the organization manages these risks in our external accountability and reporting on risks and risk management. We have closely monitored the results of the consultative sessions on the preparation and effectiveness of the General Meeting of Shareholders (the ‘General Meeting’) recently initiated by the Monitoring Committee as well as the dialogue between the company and its shareholders. We have taken notice of the revised Code as published by the Monitoring Committee on December 10, 2008 and are reviewing what the implications will be for Vopak.

Structure and Policy

Vopak attaches considerable importance to striking a sound balance between the interests of the company’s various stakeholders. Integrity, openness, supervision, transparent reporting and accountability are the cornerstones of Vopak’s corporate governance policy. Vopak also seeks to deal carefully with social issues. Vopak confirms that the principles reflected in the Code are in line with those applied by Vopak.

The Executive Board is responsible for the management of the company and hence for the realization of Vopak’s strategic and other objectives, including those for health, safety, the environment and quality, strategy and policy, and the related development of results.

The Supervisory Board supervises Vopak’s overall performance, including the policies pursued and results achieved by the Executive Board, the company’s financial situation, as well as its financial statements.The Supervisory Board also reviews the strategy of Vopak, as proposed by the Executive Board. Similarly, it approves important proposals for capital expenditures, acquisitions and divestments and changes in financial and other corporate policies and the annual budget. The Supervisory Board also has the responsibility to evaluate the performance of the Executive Board as a whole and of its individual members and proposes to the General Meeting any changes in the composition of the Executive Board. Similarly, the Supervisory Board annually reviews its own performance and proposes to the General Meeting the appointment of new to and departure of existing members from the Supervisory Board. Finally, the Supervisory Board sees to it that the company’s policies are formulated and pursued in the interest of all its stakeholders, including shareholders and personnel and that these policies have a durable and sustainable nature and meet the highest ethical standards.

The members of the Executive Board and the Supervisory Board are appointed by the General Meeting on the basis of a non-binding recommendation by the Supervisory Board. The General Meeting is also authorized to suspend and dismiss members of the Executive Board and the Supervisory Board. Since Vopak qualifies as an international holding company within the meaning of the Large Companies Act, it is exempted from the provisions of that Act.

The Supervisory Board has been carefully selected to ensure inclusion of members with a background and experience in the areas relevant to the core business of Vopak, and with experience in the foreign markets on which Vopak operates. Their experience ranges from economic, financial, technical, operational and social fields, to political and business-related ones. The Supervisory Board, in performing its duties, focuses on the realization of the objectives of the company and the strategy and its implementation.

The Supervisory Board appoints an Audit Committee, a Remuneration Committee and a Selection and Appointment Committee from among its members. In accordance with the provisions of the Code, Vopak has further specified the role and powers of these committees in specific regulations for them. In addition to the power to appoint, suspend and dismiss members of the Executive Board and Supervisory Board, the General Meeting has other key powers such as the passing of resolutions on amendments to the Articles of Association, legal mergers and split-offs, and the adoption of the financial statements and profit appropriation. Furthermore, the General Meeting sets the remuneration policy for the Executive Board, and significant amendments to the policy are subject to its approval. The General Meeting also sets the remuneration of the members of the Supervisory Board. The remuneration of the members of the Executive Board is set by the Supervisory Board on the basis of a proposal from the Remuneration Committee, in accordance with the remuneration policy adopted by the 2008 General Meeting. The 2008 General Meeting approved proposals to amend the remuneration policy. Vopak will continue to facilitate proxy voting. Vopak makes use of the ability provided by its Articles of Association to set a registration date for the exercising of voting and attendance rights.

The Dutch Corporate Governance Code

Vopak has evaluated its corporate governance structure against the Code and concluded that it satisfies the principles and best practice provisions of the Code. The three exceptions below to the best practice provisions of the Code applied in 2008. At present, there is no reason to assume that further exceptions will apply in the near future.

Best practice provision II.1.1. (appointment of Executive Board members for four years)

The term of Mr. De Kreij’s contract of employment is not in accordance with this provision. The contract was concluded for an indefinite period of time and before the Code took effect.

Best practice provision II.2.7. (maximum severance pay)
The contract of employment between Vopak and Mr. De Kreij is not in accordance with this provision. In the event of his dismissal, Mr. De Kreij will be contractually entitled to at least two years' salary. Such severance pay may also become due if Mr. De Kreij cannot reasonably be asked to fulfill his duties any longer as a result of changes in circumstances, for example if a public bid is being made. The contract was concluded before the Code took effect and rights acquired may not be impaired.

Best practice provision III.2.1. (independence of Supervisory Board members)
Two members of the Supervisory Board, Mr. Van der Vorm and Mr. Van den Driest, do not currently satisfy all independence criteria of the Code, which is not in accordance with this best-practice provision. The Supervisory Board and the Executive Board are of the opinion that both gentlemen offer considerable added value to the Supervisory Board. Regarding Mr. Van der Vorm, this added value particularly consists of his capabilities, knowledge and experience in managing and investing in internationally operating companies. For Mr. Van den Driest, his knowledge of logistic services, tank storage activities, the Port of Rotterdam and familiarity with the company, which he acquired over many years in different capacities, as Chairman of the Executive Board upto 1 January 2006, in particular have considerable added value for the Supervisory Board. The General Meeting has approved the (re) appointment of Mr. Van der Vorm and Mr. Van den Driest during the respective General Meetings.

Regulations
Vopak has various sets of regulations in place governing the performance of its various bodies and ensuring implementation of the rules applicable within Vopak. These regulations have been amended in line with the Code, recent legislative amendments and decisions made by the Supervisory Board from time to time. The regulations can be consulted on the Corporate Governance section of the company website: www.vopak.com.

The regulations are:
– Regulations of the Executive Board
– Regulations for the Supervisory Board
– Regulations of the Audit Committee of the Supervisory Board
– Regulations of the Remuneration Committee of the Supervisory Board
– Regulations of the Selection and Appointment Committee of the Supervisory Board
– Regulations for 2008 in respect of the ownership of and transactions in Vopak shares and certain other financial instruments as amended on the basis of the Act on Financial Supervision. Vopak also maintains the Insider Lists specified by this Act
– Regulations on suspected irregularities ('whistle-blower regulation')

The following items also appear on the website:
– Articles of Association
– Information on the members of the Executive Board and Supervisory Board and the composition of the core committees
– Profile of the Supervisory Board
– Retirement schedule for the Supervisory Board members
– Retirement schedule for the Executive Board members
– Code of Conduct
– Remuneration report, containing the main points of the remuneration policy
– Report of Stichting Administratiekantoor Financieringspreferente Aandelen Vopak
– Management Authorization Policy

Anti-takeover Measures
Vopak's principal defense against a hostile takeover is the company's ability to issue cumulative preference shares ('Defensive preference shares') to Stichting Vopak. Such defensive preference shares will be issued, should Stichting Vopak exercise its option right. On 18 October 1999, the General Meeting decided to grant Stichting Vopak the right to take up defensive preference shares up to a maximum nominal amount equal to 100% of the share capital issued at that time to third parties in the form of ordinary and financing preference shares, less one ordinary share.

Vopak and Stichting Vopak further formalized their relationship with regard to the option right in an option agreement of 1 November 1999. This agreement was amended on 5 May 2004, whereby the original put option granted to Vopak was cancelled. The granting of the option to Stichting Vopak has been entered in the Company Registry and is disclosed in this Annual Report. The object of Stichting Vopak is to promote the interests of Vopak and of the enterprises undertaken by Vopak and companies affiliated to the Vopak group, in such a way that the interests of Vopak and of those enterprises, and of all stakeholders are safeguarded to the greatest possible extent and, to the best of its ability, to resist influences which, opposing those interests, could impair the independence and/or continuity and/or the identity of Vopak, and those enterprises, and to undertake all actions relating to or conducive to the above objectives. The Board of Stichting Vopak therefore determines whether and when it is necessary to issue the defensive preference shares. The anti-takeover measures outlined can be taken in, for example, a takeover situation if taking them is in the interests of Vopak to establish its position in respect of the hostile party and its plans, and to create opportunities for seeking alternatives. The anti-takeover measures will not be applied to protect the position of the Executive Board. As necessary, Vopak reviews its anti-takeover measures against implementation acts enacted from time to time pursuant to EU directives.

2008 Financial Statements

Contents: Financial Statements

Consolidated Financial Statements

Consolidated Income Statement

In EUR millions	Note		2008		2007
Income from rendering of services		923.5		853.0	
Other operating income	2	15.8		30.5	
Total operating income			**939.3**		**883.5**
Personnel expenses	3	250.8		245.0	
Depreciation, amortization and impairment	4	109.9		107.3	
Other operating expenses	5	294.8		277.4	
Total operating expenses			**655.5**		**629.7**
Operating profit			**283.8**		**253.8**
Result of joint ventures and associates					
using the equity method	6		38.4		38.4
Group operating profit			**322.2**		**292.2**
Interest and dividend income	7	8.5		7.0	
Finance costs	8	- 46.1		- 49.9	
Net finance costs			**- 37.6**		**- 42.9**
Profit before income tax			**284.6**		**249.3**
Income tax	9		- 54.9		- 51.2
Net profit			**229.7**		**198.1**
Attributable to:					
– Holders of ordinary shares		212.0		181.1	
– Holders of financing preference shares		1.2		1.8	
– Minority interests		16.5		15.2	
Net profit			**229.7**		**198.1**
Earnings per ordinary share	11		**3.40**		**2.90**
Diluted earnings per ordinary share	11		**3.40**		**2.90**

Consolidated Balance Sheet at 31 December

In EUR millions	Note		2008		2007
ASSETS					
Intangible assets	12		38.8		62.6
Property, plant and equipment	13		1,693.0		1,385.0
Joint ventures and associates	14	431.8		204.6	
Loans granted	16	–		15.3	
Other financial assets	17	0.8		0.8	
Financial assets			432.6		220.7
Deferred taxes	18		6.6		16.3
Derivative financial instruments	32		2.6		3.0
Pensions and other employee benefits	28		81.9		75.4
Other non-current assets	19		23.1		17.6
Total non-current assets			**2,278.6**		**1,780.6**
Trade and other receivables	20	189.7		189.1	
Loans granted	16	66.9		0.5	
Prepayments		19.0		17.6	
Derivative financial instruments	32	30.8		3.7	
Cash and cash equivalents	21	49.3		136.4	
Assets held for sale	22	–		5.1	
Pensions and other employee benefits	28	–		0.1	
Total current assets			**355.7**		**352.5**
Total assets			**2,634.3**		**2,133.1**

In EUR millions	Note		2008		2007
EQUITY					
Issued capital	23	81.9		81.9	
Share premium	23	165.2		165.2	
Treasury shares	23	- 3.3		- 0.9	
Other reserves	24	- 21.2		10.9	
Retained earnings	25	710.4		552.6	
Shareholders' equity			933.0		809.7
Minority interests	26		76.0		70.2
Total equity			**1,009.0**		**879.9**
LIABILITIES					
Interest-bearing loans	27	922.1		624.6	
Derivative financial instruments	32	23.8		26.5	
Pensions and other employee benefits	28	47.9		54.5	
Deferred taxes	18	126.4		111.7	
Other provisions	30	20.7		28.9	
Total non-current liabilities			**1,140.9**		**846.2**
Bank overdrafts	21	73.9		26.1	
Interest-bearing loans	27	50.0		47.6	
Derivative financial instruments	32	3.7		22.0	
Trade and other payables	31	321.0		259.4	
Taxes payable		17.6		39.0	
Pensions and other employee benefits	28	2.6		3.3	
Other provisions	30	15.6		9.6	
Total current liabilities			**484.4**		**407.0**
Total liabilities			**1,625.3**		**1,253.2**
Total equity and liabilities			**2,634.3**		**2,133.1**

Consolidated Cash Flow Statement

In EUR millions	Note		2008		2007
Cash flows from operating activities (gross)	34	**386.9**		334.5	
Interest received		8.2		9.9	
Dividend received	7	0.3		0.4	
Finance costs paid		- 41.6		- 45.0	
Income tax paid		- 37.1		- 36.6	
Cash flows from operating activities (net)			**316.7**		263.2
Investments:					
– Intangible assets	5, 12	- 5.7		- 4.6	
– Property, plant and equipment	2, 5, 13	- 456.0		- 389.9	
– Joint ventures and associates	14	- 40.4		- 4.3	
– Loans granted	16	- 109.1		- 7.4	
– Other non-current assets		- 1.7		- 2.1	
– Acquisitions of subsidiaries including goodwill (see page 93)		- 59.1		- 35.5	
– Acquisitions of joint ventures and associates	14	- 127.8		- 1.9	
Total investments			**- 799.8**		- 445.7
Disposals:					
– Intangible assets		0.2		0.1	
– Property, plant and equipment		2.6		0.7	
– Joint ventures and associates		3.4		4.8	
– Loans granted	16	66.9		29.6	
– Subsidiaries		0.2		34.2	
– Assets held for sale		44.1		7.3	
Total disposals			**117.4**		76.7
Cash flows from investing activities			**- 682.4**		- 369.0
Financing activities:					
– Repayment of interest-bearing loans	27	- 149.4		- 113.9	
– Proceeds from interest-bearing loans	27	503.8		346.2	
– Share premium paid to holders of financing preference shares	23	- 13.0		- 13.0	
– Dividend paid in cash	25	- 59.2		- 46.7	
– Dividend paid on financing preference shares	25	- 1.8		- 2.5	
– Repurchase of own shares	23	- 2.8		–	
– Options exercised	33	0.4		0.8	
– Movements in short-term financing		- 45.4		- 39.6	
Cash flows from financing activities			**232.6**		131.3
Net cash flows			**- 133.1**		25.5
Exchange differences			1.3		- 2.8
Net change in cash and cash equivalents due to (de)consolidation			- 2.4		- 0.8
Reclassifications to held for sale			- 0.7		–
Net change in cash and cash equivalents (including bank overdrafts)			**- 134.9**		21.9
Net cash and cash equivalents (including bank overdrafts) at 1 January			**110.3**		88.4
Net cash and cash equivalents (including bank overdrafts) at 31 December	21		**- 24.6**		110.3

Consolidated Statement of Recognized Income and Expense in Equity

In EUR millions		2008		2007
Change in accounting policy (IFRIC 14) at 1 January 2008		**- 1.7**		**–**
Exchange differences and effective portion of hedges on				
net investments in foreign activities	- 2.0		- 5.9	
Use of exchange differences and effective portion of hedges on				
net investments in foreign activities	0.7		1.1	
Effective portion of changes in fair value of cash flow hedges	- 3.9		1.6	
Use of effective portion of cash flow hedges to income statement	1.6		5.4	
Effective portion of changes in fair value of cash flow hedges joint ventures	- 18.4		- 0.4	
Revaluation of assets	–		12.8	
Total income and expense recognized directly in equity		**- 22.0**		**14.6**
Net profit		**229.7**		**198.1**
Total recognized income and expense		**206.0**		**212.7**
Attributable to:				
– Holders of ordinary shares	185.1		198.4	
– Holders of financing preference shares	1.2		1.8	
Total recognized income and expense attributable to shareholders		**186.3**		**200.2**
– Minority interests		19.7		12.5
Total recognized income and expense		**206.0**		**212.7**

Principles

General

Royal Vopak, with its registered office in Rotterdam (the Netherlands), is the world's largest independent tank terminal operator specializing in the storage and transfer of liquid and gaseous chemical and oil products. Upon request, Vopak provides additional services to customers at the terminal.

The consolidated financial statements of the company for the year ended at 31 December 2008 contain the figures of the company and its subsidiaries (jointly referred to as the 'Group'), as well as the interests of the Group in joint ventures and associates (to which the equity method is applied). The financial statements were approved by the Executive Board and the Supervisory Board on 12 March 2009 and are subject to adoption by the shareholders during the Annual General Meeting.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as endorsed by the European Union (EU). The amendments to standards and interpretations were as follows:

(a) Amendments to standards and interpretations effective as from 1 January 2008
IFRS 8 (Operating segments) replaces IAS 14 and is effective as from 1 January 2009 but earlier application is permitted. Under IFRS 8, the segmentation is primary determined on the basis of the information the Executive Board uses internally to assess the performance of the business segments and the allocation of resources to these segments. Vopak's primary segmentation already complies with the new standard since it is based on the Group's internal organization and management reporting structure. Vopak has decided to apply abovementioned requirements already starting from 1 January 2008. As from that date the secondary segmentation ceases to exist.

IFRIC 14 gives specific guidance on how to assess the limit in IAS 19 on the amount of the surplus that can be recognized as an asset. If a pension plan is in deficit on a finance basis (i.e. not on an IAS 19 basis), IFRIC 14 provides an explanation of when a supplementary liability should be recognized for this deficit in addition to the IAS 19 liability/asset. This change in accounting policy will become effective, at the latest, as from the commencement date of its first financial year starting after 31 December 2008. Vopak has decided to apply IFRIC 14 as of 1 January 2008. The change negatively affected shareholders' equity at 1 January 2008 by EUR 1.7 million (after tax) but had no material effect on net profit for 2008.

IFRIC 11, 'IFRS 2 – Group and treasury share transactions', provides guidance on whether share-based transactions involving treasury shares or involving group entities should be accounted for as equity-settled or cash-settled share-based payment transaction in the stand-alone accounts of the parent and group companies. This interpretation does not have an impact on the Group's financial statements.

IAS 23 (Amendment) requires an entity to capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. This has no impact on Vopak's financial statements as Vopak already used the option to capitalize borrowing costs.

The other changes in standards and new interpretations, like IFRIC 12 (service concession arrangements) and IFRIC 13 (customer loyalty programs), effective as from 1 January 2008 will have no significant impact on the Group's basis of consolidation and disclosure requirements or are not relevant to the Group's operations.

(b) Amendment to standards and interpretations effective as from 1 January 2009
A number of amendments to existing standards and new interpretations have been published and are mandatory for the Group's accounting periods beginning on 1 January 2009. These amendments in standards and new interpretations effective as from 1 January 2009 have no significant impact on the Group's basis of consolidation and disclosure requirements.

(c) Amendment to standards and interpretations effective as from 1 January 2010
In January 2008, the IASB issued a revised version of IFRS 3, 'Business Combinations' ('IFRS 3 R'), and an amended version of IAS 27, 'Consolidated and Separate Financial Statements' ('IAS 27 R'). IFRS 3 R reconsiders the application of acquisition accounting for business combinations and IAS 27 R mainly relates to changes in the accounting for non-controlling interests and the loss of control of a subsidiary.

Under IFRS 3 R, the acquirer can elect to measure any non-controlling interest on a transaction-by-transaction basis, either at fair value as of the acquisition date or at its proportionate interest in the identifiable assets and liabilities of the acquiree. When an acquisition is achieved in successive share purchases (step acquisition), the identifiable assets and liabilities of the acquiree are recognized at fair value when control is obtained. A gain or loss is recognized in profit or loss for the difference between the fair value of the previously held equity interest in the acquiree and its carrying amount.

IAS 27 R also requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control. Transactions resulting in a loss of control result in a gain or loss being recognized in profit or loss. The gain or loss includes a remeasurement to fair value of any retained equity interest in the investee. In addition, all items of consideration transferred by the acquirer are measured and recognized at fair value, including contingent consideration, as of the acquisition date. Transaction costs incurred by the acquirer in connection with the business combination do not form part of the cost of the business combination. These costs will be expensed as incurred unless they relate to the issuance of debt or equity securities, in which case they are accounted for under IAS 39, 'Financial Instruments: Recognition and Measurement'.

IFRS 3 R and IAS 27 R are effective for business combinations in annual periods beginning on or after July 1, 2009, with early application permitted provided that both Standards are applied together. While approved by the IASB, the standards have yet to be endorsed by the EU. The adoption of IFRS 3 R and IAS 27 R might have a significant impact on the Group's consolidated financial statements in case of acquisitions or transactions resulting in a loss of control after 1 January 2010.

The IFRS 5 amendment (Non-current assets held-for-sale and discontinued operations) is part of the IASB's annual improvement project published in May 2008. The amendment clarifies that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control. Relevant disclosures should be made for this subsidiary if the definition of a discontinued operation is met. The Group will apply the IFRS 5 (amendment) prospectively to all partial disposals of subsidiaries from 1 January 2010.

Basis of preparation
The consolidated financial statements are presented in euro's and rounded to hundred thousands. They are based on the historical cost principle unless stated otherwise in the accounting policies stated below.

Preparing the consolidated financial statements in accordance with IFRS means that the Group must use insights, estimations and assumptions that could affect the reported assets and liabilities and the information provided on contingent assets and liabilities as at the balance sheet date as well as the reported income and expenses. The actual results may differ from these estimations.

The estimations and the underlying assumptions are continuously reviewed. Adjustments are made in the period in which the estimations were reviewed if the adjustment affects that period, or in the relevant period and the future periods if the adjustment affects both the current and future periods.

Management insights into the application of IFRS that have a major impact on the financial statements and estimations with a significant risk of a material adjustment in a subsequent year are:

(a) Useful life and residual value of property, plant and equipment
Property, plant and equipment form a substantial part of the total assets of the company, while period depreciation charges form a substantial part of the annual operating expenses. The useful life and residual value determined by the Executive Board based on its estimations and assumptions have a major impact on the measurement and determination of results of the property, plant and equipment. The useful life of property, plant and equipment is partly estimated based on their useful productive lives, experiences related to such assets, the maintenance history and the period during which economic benefits from utilization of the asset accrued to the company. Periodic reviews show whether changes have occurred in estimations and assumptions as a result of which the useful life and/or residual value need to be adjusted. Such an adjustment will be made prospectively.

(b) Estimated impairments
The Group annually reviews goodwill for impairment. This also applies to other assets if there is reason to do so. The principles explained under Impairments of assets (see page 79) are applied.

(c) Pensions and other employee benefits
The pension charges for defined benefit pension plans depend on future assumptions. A sensitivity analysis is included in note 28.

(d) Taxes
Deferred tax assets, including those arising from carry-forward losses, are recognized if it is likely that taxable profit is available against which losses can be set off. In determining this, Vopak uses estimations and assumptions that also affect the measurement of the assets.

(e) Environmental provisions
In accordance with the policies stated under Other provisions, environmental provisions are formed based on current legislation and the most reliable estimate possible of future expenses.

(f) Derivative financial instruments
The fair value of a derivative financial instrument not traded on active markets is measured as the present value of the expected future cash flows under the contract. In determining this value, a valuation model is used that is based on the interest rates and the exchange rates as at the balance sheet date.

The accounting policies based on IFRS, as described below, have been applied consistently for the years 2008 and 2007 by all entities, unless stated otherwise (IFRIC 14 and IFRS 8).

Basis of consolidation

Subsidiaries
The consolidated financial statements incorporate the financial statements of Royal Vopak and its subsidiaries. Subsidiaries are companies over whose policies the Group directly or indirectly exercises control. Control exists when the Group is able to govern the financial and operating policies of a company in order to incorporate the benefits from the activity. This is generally the case if the Group, either directly or indirectly, holds more than half of the voting rights. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is obtained until the date on which control ends.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest and using the accounting policies of the Group. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognized directly in the income statement.

Following the acquisition of minority interests in subsidiaries, the difference between the acquisition costs and the minority interest in equity concerned is recognized as goodwill at the acquisition date.

For a list of the principal subsidiaries, please refer to page 150 of this report.

Determining the fair value of a business combination

Fair value is defined in IFRS as the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. There are three generally accepted approaches for determining the fair value: the market approach, the income approach, and the cost approach.

The market approach measures value based on recent transactions for assets which can be considered reasonably similar to that being assessed.

The income approach is based on the premise that the value of an asset can be measured by the present value of the future earning capacity that is available for distribution to the owners of the asset. The most commonly used approach is the discounted cash flow method. This involves forecasting the appropriate cash flow stream over an appropriate period and then discounting it back at an appropriate discount rate given the time value of money, inflation and the risk inherent in ownership of assets being valued. The Greenfield approach is a derivative of the income approach and is used when valuation of an asset against market value is not possible due to lack of tendering prices. It values an asset by calculating the value of a hypothetical start-up company that starts its business with no assets except the asset to be valued. Since the company has no other assets, the value of the asset under consideration has to equal the value of the start-up company. To apply this method it is necessary to construct a business plan for a hypothetical start-up of the terminal.

The cost approach is based upon the principle of replacement and recognizes that a prudent investor will pay no more for an asset than the cost to replace it. Use of the cost approach results in a concept referred to as depreciated replacement cost where the term depreciated refers to a reduction of utility.

Vopak uses all of these approaches depending on the business rationale. Property, plant and equipment is valued on depreciated replacement cost as there is no active market for this asset. Land and the intangible land use rights are based on market value. Concession rights, licenses and customer relationships are based on the income approach. For the other intangibles at each acquisition the business driver will be determined. The valuation is normally determined by an independent appraiser.

Joint ventures and associates

A joint venture is a contractual agreement under which two or more parties conduct an economic activity and unanimous approval is required for the financial and operating policies. An associate is a company over whose financial and operating policies the Group has significant influence, but no control. This is generally the case if the Group directly or indirectly holds between 20% and 50% of the voting rights.

The results of joint ventures and associates are recognized based on the equity method from the date on which the joint control or significant influence begins until the date on which it ceases. If the share in the losses exceeds the carrying amount of an equity-accounted company, including any other receivables forming part of the net investment in the company, the carrying amount is written down to nil and (to the extent that the Group has not undertaken any further commitments or payments relating to the company in question) no further losses are allocated to the Group.

Under the equity method, goodwill is part of the carrying amount of the investment.

When an interest in a joint venture or associate is acquired, the purchase method of accounting is used. When an interest in a joint venture or associate is sold, the gain on the sale is recognized separately under Result of joint ventures and associates using the equity method.

For a list of the principal joint ventures and associates, please refer to page 150 of this report.

Other financial assets

The other interests in which the Group does not exercise any significant influence are classified under Other financial assets. This is generally the case if the interest is less than 20%. These interests are carried at fair value, unless a fair value cannot be estimated. In the latter case, they are carried at cost. Dividends received are recognized in the income statement.

Elimination of transactions in consolidated financial statements

All transactions between Group companies, balances and unrealized gains and losses on transactions between Group companies are eliminated when preparing the consolidated financial statements. Unrealized gains arising from transactions with joint ventures and associates are eliminated to the extent of the interest of the Group in the equity. Unrealized losses are eliminated in the same manner as unrealized gains, but only to the extent that there is no evidence of impairment.

Segment reporting

We have adopted IFRS 8 as from 1 January 2008. This is a change in accounting policy which has no impact on Vopak's consolidated financial position. Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Board, which is the chief operating decision maker according to IFRS 8.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured in the currency that applies to the primary economic environment in which the entity operates (the functional currency). The consolidated figures are presented in euro's, the company's functional and presentation currency.

Transactions

Transactions in foreign currencies are recognized in the accounting records of the companies at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated in the accounting records of the companies at the exchange rate prevailing on the balance sheet date. Exchange differences arising from transactions in foreign currency and translation differences on monetary assets and liabilities are taken to the income statement.

Financial statements of foreign activities

The assets and liabilities of foreign entities, including goodwill and fair value adjustments at the time of the acquisition, are translated into the presentation currency at the rate prevailing on the balance sheet date. The items of the income statements of foreign activities are translated at the average exchange rates for the reporting period.

There are no foreign activities expressed in a currency of a country with hyperinflation.

Net investments in foreign activities

With effect from 1 January 2004 (option IFRS 1), the exchange differences resulting from the translation of the net investments in foreign activities have been taken to the exchange differences reserve, which is a separate component of equity. The exchange differences on loans drawn and other financial instruments in foreign currencies are also taken to the exchange differences reserve, to the extent that these hedge the exchange risks on net investments in foreign companies and are effective. Due to the application of IAS 39, the currency part of the fair value changes in derivative financial instruments to hedge net investments in foreign activities has also been taken to the exchange differences reserve with effect from 1 January 2005. The exchange differences taken to the exchange difference reserve are recognized in the income statement on a pro rata basis upon sale, liquidation, repayments of share capital or abandonment.

The following main exchange rates are used in the financial statements:

	Closing exchange rate		Average exchange rate	
EUR 1.00 is equivalent to	2008	2007	2008	2007
US dollar	1.40	1.46	1.47	1.37
Singapore dollar	2.00	2.10	2.08	2.06
Chinese yuan	9.54	10.65	10.23	10.42
Brazilian real	3.23	2.60	2.68	2.66

Income

Income from rendering of services

Income from rendering of services is recognized in the income statement to the extent it seems likely that the economic benefits will accrue to the Group and the income from rendering of services can be reliably measured. The income from rendering of services is recognized in the income statement in proportion to the stage of the rendered performance as at the balance sheet date. If the income from rendering of services cannot be reliably measured, only the income up to the level of the expenses to be claimed will be recognized.

Other operating income

Gains on the sale of assets are deemed realized at the time the benefits and the risks of the sale are entirely borne by the buyer and there is no uncertainty as to whether the agreed payment is received. Gains on the sale of subsidiaries are realized at the time control is no longer exercised.

Grants by way of compensation for impairments are recognized under Other operating income.

Interest and dividend income

Interest income from granted loans and dividends from other financial assets (over whose financial and operating policies the Group has no significant influence) are presented under Interest and dividend income.

Interest income is deemed to be realized when it seems likely that the economic benefits will go to the Group and the income can be reliably measured. The income benefits are recognized in the period to which they relate, taking into account the effective interest rate of the loan, unless there are doubts regarding the recoverability.

Dividends of other financial assets are recognized in the income statement as soon as they are granted.

Expenses

Other operating expenses

Losses on the sale of assets are presented under Other operating expenses and are recognized as soon as they are foreseen. Losses on the sale of subsidiaries are realized at the time the subsidiary is offered for sale. Research costs relating to new storage capacity to be built are recognized in the income statement in the year in which the costs are incurred.

Leased assets, of which the benefits and risks remain substantially with the lease provider, are regarded as operating leases. Payments made for operating leases are charged to the income statement on a straight-line basis over the lease term. If an operating lease is terminated early, any financial obligation or penalty owed to the owner will be taken to the income statement in the period in which the lease was terminated.

Government grants are recognized when it is reasonably certain that they will be received and the Group will comply with the applicable conditions. Grants by way of compensation for costs incurred, except for impairments, are deducted from the costs and recognized in the same period in which the costs are incurred.

Finance costs

Finance costs consist of interest and exchange differences on loans drawn and of results on hedging instruments recognized in the income statement.

Interest expense is recognized in the period to which it relates, taking into account the effective interest rate. The interest costs component of finance lease payments is recognized in the income statement using the effective interest method.

Exceptional items

The items in the income statement include items that are exceptional by nature. These exceptional items include impairments, reversed impairments, additions to and releases from provisions for restructuring, results on assets sold, gains on the sale of subsidiaries, joint ventures and associates and any other provisions being formed or released. To increase transparency, these exceptional items are disclosed separately in the notes.

Intangible assets

Goodwill

Goodwill represents the difference between the purchase price and Vopak's share in the fair value of the acquired identifiable assets, liabilities and contingent liabilities of the company acquired at the time Vopak obtains control (purchase method).

Goodwill is expressed in the functional currency of the company concerned and translated into euro's at the rate prevailing at the balance sheet date. Goodwill is carried at cost less accumulated impairments. Goodwill is allocated to cash-generating units, i.e. individual terminals or a group of terminals, and is tested annually for impairment. In the case of associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment in the associate or the carrying amount of the joint venture.

If the difference between the purchase price and the fair value is negative, the difference is recognized directly in the income statement.

Other intangible assets

Software is carried at historical cost, net of straight-line amortization based on its expected useful life and any potential impairment. Software under construction is carried at the costs incurred up to the balance sheet date. The expected useful life of software is subject to a maximum of seven years.

Other intangible assets also comprise contractual customer relationships and favorable leases ensuing from acquisitions. These are carried at their initial market value at the time of the acquisition, net of straight-line amortization and impairments. Amortization is based on a period of five to thirty years, which is the term of the contract or the term of validity.

Other items are mainly licenses that are carried at historical cost, net of straight-line amortization. Amortization is based on a period of five years, which is the term of validity.

Property, plant and equipment

Own assets

Property, plant and equipment are broken down into their components and carried at historical cost, net of accumulated straight-line depreciation based on the expected useful life and taking into account the expected residual value and impairments. Historical cost includes the initial acquisition cost plus other direct acquisition costs (such as unrecoverable taxes or transport) and construction costs that can be allocated directly (such as hours of own employees and advisory fees). To the extent that dismantling obligations exist at the end of the useful life, these and any amendments thereto are included in the cost of the assets.

For investment projects, interest during the construction period is capitalized.

Subsequent expenses are only recognized in the balance sheet if they increase the future economic benefits of the relevant asset item. Costs of repairs and maintenance that do not increase the future economic benefits are regarded as expenses.

Depreciation is computed from the date the asset is available for use using the straight-line method over the expected useful life and taking the estimated residual value into account. The useful life of the main assets is as follows:

– Buildings	10 - 40 years
– Main components of tank storage terminals	10 - 40 years
– IT hardware	3 - 5 years
– Machinery, equipment and fixtures	3 - 10 years

The residual value and useful life are reviewed annually and adjusted if necessary.

Property, plant and equipment under construction are carried at the costs incurred up to the balance sheet date. Replacement material is classified under Property, plant and equipment to which it relates and is carried at the lower of cost and net realizable value.

Grants by way of compensation for costs incurred in connection with investments are deducted from the costs of the assets and carried in the income statement over the life of the assets.

Leased assets

The lease of fixed assets, the benefits and risks attached to the ownership of which are substantially taken over by the Group, are considered finance leases. Assets acquired through finance leases are initially carried in the balance sheet at an amount equivalent to the lower of fair value and present value of the minimum lease payments at the time the lease is entered into. These assets are subsequently carried at their initial value less accumulated depreciation and impairments.

Impairment of assets

General

For the carrying amount of the non-current assets, other than deferred tax assets, assets will be reviewed for possible impairment on each balance sheet date. Should this be the case, the realizable value of the asset must be estimated. If the carrying amount of an asset, either independently or as part of a cash-generating unit, is higher than the realizable value, the difference is charged to the income statement as an impairment.

Goodwill is reviewed for impairment annually, unless there is reason to do so more frequently.

Impairments of a cash-generating unit are initially allocated to goodwill and subsequently allocated to the other assets of the cash-generating unit on a proportionate basis.

Impairments of intangible assets and property, plant and equipment are presented in the income statement under Depreciation, amortization and impairment. For financial assets, the impairments for joint ventures/associates and loans granted are presented under Result of joint ventures and associates using the equity method and Finance costs respectively.

Calculating the realizable value

The realizable value of a non-current asset is the higher of fair value, less expected selling expenses, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects both the current interest rate and the risks specific to the asset.

For non-current assets that do not generate large independent cash flows, the realizable value is determined for the cash-generating unit to which the asset belongs.

Reversal of impairments

Reversal of impairment is effected in the case of indications of a change in realizable value. An impairment of goodwill is never reversed.

The increase in the carrying amount of an asset resulting from the reversal of impairment may never be higher than the carrying amount (after depreciation or amortization) measured if no impairment had been recognized in preceding years.

Derivative financial instruments

Derivative financial instruments are initially carried at fair value and subsequently, for the full term of the contract, carried at fair value based on a market quotation or a derivative financial instrument valuation model.

Accounting of movements in value depends on the nature of the hedged items and to what extent the derivative financial instruments qualify for hedge accounting.

In applying hedge accounting, the link between the hedging instrument and the underlying position, as well as the background of the relevant transaction, is documented when the hedge transaction is entered into. The parameters (term, nominal amount, etc.) of the hedged position and the hedging instrument will, in principle, be identical. In addition, the method of determining effectiveness is also documented at the time the transaction is entered into and thereafter. The frequency of measuring the effectiveness of the hedges runs synchronous to the publication of the Group's results. Hedge accounting is only applied if all of the above requirements have been met and the effectiveness has been demonstrated and documented.

If hedge accounting cannot be applied or is not necessary, all value adjustments are taken to the income statement. With respect to hedge accounting, Vopak makes a distinction between cash flow hedges, fair value hedges and hedges of net investments in foreign companies.

If the aforementioned requirements of hedge accounting are met, recognition is as follows:

Cash flow hedges

The effective part of changes in the fair value of derivative financial instruments that are designated and qualify as cash flow hedges are recognized in the revaluation reserve derivatives component of equity. The profit or loss as a result of ineffectiveness is recognized directly in the income statement. This also applies to the interest component as a result of the time value of the derivative financial instrument.

Accumulated profits or losses are taken to the income statement at the same time as the hedged transaction results in recognition in the income statement. The effects are shown under Finance costs.

If the established agreement or the foreseeable transaction results in a balance sheet item, the accumulated profits or losses are removed from equity and recognized in the initial recognition of the asset or liability.

If a hedging instrument or the hedge relationship is terminated but the hedged transaction is still expected to take place, the accumulated gains or losses will remain in equity at that time and will subsequently be recognized when the transaction takes place. If the hedged transaction is no longer probable, the accumulated gains or losses recognized in equity will be recognized directly in the income statement as finance costs.

Fair value hedges

If a fair value hedge is used, the hedging instrument is carried at fair value and the changes in fair value are taken to the income statement. The hedged position is only recognized at fair value to the extent that the movements in the fair value are caused by the hedged risk. These movements in value are likewise recognized directly in the income statement.

Hedging of net investments in foreign activities
Hedges of net investments in foreign activities take the form of a cash flow hedge. If a debt denominated in foreign currency hedges a net investment in a foreign operation in the same currency, the exchange differences due to translation of the net investment and the debt into euro's are recognized directly in the exchange difference reserve component in equity, to the extent that the hedge is effective. The ineffective part is recognized in the income statement under Finance costs.

If a derivative financial instrument hedges a net investment in a foreign activity, the part of the profit or loss that was determined as an effective hedge will be recognized directly in the exchange differences reserve in equity. The ineffective part of the hedge and the interest component of the fair value movement of the derivative financial instrument are taken to the income statement.

Accumulated exchange losses and gains in equity are recognized in the income statement at the time foreign activities are (partially) disposed of.

Current assets
Trade and other receivables are carried at fair value of the consideration, less impairments. A provision for impairments is formed if there is objective evidence as at the balance sheet date that the Group will not be able to recover the receivables on the original conditions. The amount of the provision is the difference between the carrying amount of the receivable and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is charged to the income statement.

Cash and cash equivalents comprise of cash, cash in bank and short-term deposits. The Group has concluded notional interest pooling contracts with banks stating that interest will be charged on the net balance of the bank accounts. However, there is no right of setoff for these contracts. The debit balances are consequently not set off against the credit balances on the balance sheet.

Assets held for sale and operating activities to be discontinued
Non-current assets held for sale and operating activities to be discontinued are carried at the lower of the carrying amount and fair value less expected selling costs. The assets and liabilities are presented separately under Total current assets and Total current liabilities respectively.

Equity

Share capital
The transaction costs of an equity transaction are recognized as a reduction in equity, net of tax. The financing preference shares qualify as equity under the IAS 32 criteria.

Treasury shares
Shares that are repurchased to cover options and equity-settled share-based payments are included in the financial statements of the Group. The purchase price of the shares is charged to equity. These shares are not taken into account in the calculation of earnings per share.

Dividends
Dividends are recognized as a liability in the period in which they are granted.

Loans granted and drawn
Interest-bearing loans are initially carried at cost, plus or less transaction costs, and are subsequently carried at amortized cost, with the difference between the cost and the redemption value taken to the income statement over the term of the loan, based on the effective interest method. Loans for which the interest rate has been converted from fixed to floating by means of a fair value hedge are revalued for the value adjustment that can be allocated to the risk that is hedged.

Loans sold, whereby the substantial risks and rewards of ownership are neither fully transferred nor directly retained, are carried at the lower of carrying amount or the guarantee amount.

Employee benefits

Pensions and other employee benefits

The pension plans are generally administered by separate company pension funds and partly placed with insurance companies.

The pension charges for defined benefit pension plans are based on actuarial calculations, specifically the projected unit credit method. The effect of this method is that the charges are spread fairly evenly over the service years of employees.

The pension charges for defined benefit plans comprise the relevant part of the movement in the present value of the pension entitlements granted, the interest to be allocated, the expected income from plan assets and refund entitlements, the actuarial results to be allocated, the charges to be allocated in respect of past service and the movements to be allocated in respect of any reductions in or terminations of the plans.

The actuarial results are determined individually for each defined benefit plan and include the effect of the difference between the assumed actuarial parameters and reality, and the changes in assumed actuarial parameters. All actuarial results exceeding a margin of 10% of the fair value of the higher of assets of the fund and the present value of the future liabilities at the beginning of the financial year are recognized in the income statement over the average remaining service years of employees. The Group is applying IFRIC 14 for measuring the limit on a defined benefit asset and the minimum funding requirements with effect from 2008.

To calculate the present value, a discount rate is used based on the interest rates on high-quality corporate bonds with durations approximating the terms of the pension liabilities.

Contributions to defined contribution schemes are taken to the income statement for the year in which they are due.

Multi-employer plans that include defined benefit pension plans but for which insufficient information is available for the Group to make IAS 19 calculations are treated as if they were defined contribution.

Share-based compensation

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments of the Group. The fair value of the employee services received in exchange for the grant of performance shares, matching shares or options is recognized as an expense in the income statement and a corresponding adjustment to equity. The total amount to be expensed is determined by reference to the fair value of the grants measured at the applicable grant date, excluding the impact of any service and non-market performance vesting conditions (like profitability growth targets and remaining an employee of the entity over a specified time period). Non-market vesting conditions are included in assumptions about the number of shares and options that are expected to vest. The total amount expensed is recognized over the vesting period, which is the period over which all of the vesting conditions are to be satisfied. The vesting period starts at the first date of the performance period and ends at vesting date. At each balance sheet date, Vopak determines if it is necessary to revise the expectation of the number of shares and options that are expected to vest based on the non-market vesting conditions. On vesting date Vopak will revise the estimate to equal the number of equity instruments that ultimately vest. Effects of revising the original estimates are recognized in the income statement with an equivalent adjustment in equity.

Other types of remuneration

Long-term remuneration settled in cash that depends on the development of the earnings per ordinary share during a period of three years is allocated to these years based on the latest estimates. Liabilities are recognized via provisions and remeasured at each balance sheet date.

Other provisions

Provisions are formed for legal or constructive obligations that arose in the past, the amount of which, though uncertain, can be reliably estimated and where it is probable that settlement of the obligations will entail a cash outflow. If timing is significant, the size of the provision is based on the expected future cash flows discounted at a pre-tax rate that reflects the current market rate of interest as well as the specific risks associated with the liabilities.

In accordance with current legislation, environmental plans and any other measures to be adopted are agreed with local, regional and national authorities as appropriate. As soon as such plans are approved or other statutory obligations arise, a provision is formed based on the most reliable estimate possible of the future expenses.

A provision for reorganization is formed when Vopak has approved a detailed and formalized reorganization plan and when the reorganization has either commenced or been made public.

Provisions for deferred remuneration other than pensions and other employee benefits, for example, redundancy benefits, anniversary bonuses and long-term remuneration settled in cash, are calculated using the method for defined benefit plans. Any actuarial results arising are recognized immediately as profits or losses. The same applies to any charges relating to past service.

Vopak recognizes a provision for loss-making contracts if the expected benefits to be derived from a contract are lower than the unavoidable costs. The unavoidable costs reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling the obligations under the contract and any compensation or penalties arising from failure to fulfill it.

Vopak is subject to legislation encouraging reductions in greenhouse gas emissions and has been awarded CO_2 emission rights for a limited number of terminals. Emission rights are reserved for meeting delivery obligations and are recognized at cost (usually zero). Revenue is recognized when surplus emission rights are sold to third parties. When actual emissions exceed the emission rights available to Vopak a provision is recognized for the expected additional costs.

Taxes

Taxes on profit or loss for the financial year comprise current and deferred taxes. Taxes are recognized in the income statement unless they relate to items directly recognized in equity, in which case they are recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, with tax rates used as determined by law as at the balance sheet date, plus any adjustments to prior-year tax payable.

Deferred taxes are provided for using the balance sheet liability method, whereby provisions are made for all taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. No deferred taxes are provided for the following temporary differences:
- Goodwill not deductible for tax purposes.
- Initial recognition of assets and liabilities that affect neither accounting nor taxable profit.
- Differences relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future.

The calculation is based on tax rates enacted or substantively enacted, as at the balance sheet date.

Deferred tax assets arising on offsettable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, and available tax losses carried forward are recognized only for the amount for which it is probable that sufficient future taxable profits will be available against which these differences or losses can be set off.

A provision is formed for tax, principally regarding withholding tax, for which a liability might arise in connection with the distribution of retained earnings of mainly subsidiaries if a decision has been made to distribute such earnings.

Trade and other payables

Trade and other payables are generally recognized at amortized cost using the effective interest method.

Cash flow policies

The cash flow statement is drawn up based on the indirect method. Cash flows denominated in foreign currencies are translated at average exchange rates. Exchange and translation gains and losses on cash and cash equivalents (including current liabilities arising from credit facilities) are presented separately. The cash flows in the cash flow statement are shown separately under operating activities, investing activities and financing activities.

Receipts and expenditures relating to interest and dividends received on participating interests of less than 20% are stated under Cash flows from operating activities.

The acquired financial interests (subsidiaries, joint ventures and associates) are included under Cash flows from investing activities.

Dividend distributions are stated under Cash flows from financing activities.

Company income statement

An abridged company income statement is presented in accordance with Section 402 of Book 2 of the Netherlands Civil Code.

Financial Risks and Risk Management

Risks and risk management

The Group is exposed to a number of financial risks inherent in its day-to-day operations. These risks are connected with the effects of movements in exchange rates and interest rates. The Group is also exposed to credit risk and liquidity risk.

Risks are identified by Corporate Treasury, the central treasury department. The Executive Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. Reports on risks and risk management are submitted on a regular basis.

Hedging options are discussed by the Operational Finance Committee, a body comprising representatives from the various financial disciplines at head office, prior to approval for the transactions being requested from the Executive Board.

In order to control the risks attached to fluctuations in foreign currencies and interest rates, Vopak uses derivative financial instruments in accordance with a financial policy approved by the Executive Board. This financial policy is designed to control the effects of such risks on cash flows, equity and results. No speculative positions are adopted.

The main derivative financial instruments used by the Group are forward exchange contracts, interest rate swaps and cross currency interest rate swaps.

Market risks and risk management

Currency risks and risk management

The Group operates internationally and is exposed to foreign currency exchange risk arising mainly from US dollar (USD), Singapore dollar (SGD), Chinese yuan (CNY) and Brazilian real (BRL). Foreign currency exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

The primary objective of the currency risk policy is to protect the value of Vopak's cash flows. Account is taken of future cash flows from investments and disposals as well as cash flows from operating and financing activities. Each quarter, currency risks are identified and the hedging strategy is reviewed and subsequently presented to the Executive Board for approval.

The risks associated with commercial transaction positions arising from operating activities are limited for Vopak, since operating income and operating expenses are, as a rule, largely denominated in the same currencies. However, in some countries (in particular, in Latin America), a substantial portion of the income flow is in US dollar whereas the operating expenses are denominated in local currencies. In these countries, the aim is to hedge the transaction risk naturally. Any material net transaction position can be hedged in full by means of forward exchange contracts.

The main foreign currency risk results from investments in foreign operations whose net assets are exposed to foreign currency translation risk. The group result is also impacted by translating the result of foreign currency operations.

Translation risk arising from the investments in foreign operations

Net investments in foreign activities are, in principle, hedged by loans in the same currency and forward exchange contracts, while applying hedge accounting. The amount of the hedge is determined mainly by the expected net financing position/EBITDA ratio of subsidiaries for the next three years, taking into account the tax effects and hedging costs. In certain situations, such as in the event of new investments, the decision may be made to hedge more than would be possible on the basis of the optimal net financing position/EBITDA ratio. In such situations, the nominal value of the hedge might exceed the carrying amount of the underlying asset. As was the case in 2007, there were no hedges that exceeded the carrying amount of the underlying assets in the 2008 financial year.

In line with the currency risk policy, Vopak has converted fixed-interest loans totaling USD 160 million into fixed-interest loans for the amount of EUR 133.1 million by means of cross currency interest rate swaps (CCIRS) as the USD funding was higher than the related investments and loans in foreign operations. The fair value changes relating to the currency part of the principal of the CCIRS are recognized directly in the income statement offsetting the exchange differences on the hedged loans.

Prospective and retrospective hedge effectiveness tests are performed for hedge accounting purposes at each reporting date. The results of these effectiveness tests should satisfy the effectiveness criterion (between 80% and 125%) as defined in IAS 39. All hedges were effective in 2008 and 2007.

Sensitivity of exchange rate changes of financial instruments

The values of debt, hedging instruments, denominated in currencies other than the functional currency of the entities holding them are subject to exchange rate movements. The sensitivity analysis shows how changes in exchange rates affect net profit and shareholders' equity. The sensitivity analysis for currency risks is based on the following assumptions:

- The translation risk on the foreign currency accounts receivable and accounts payables resulting from commercial transactions is excluded from this analysis as the risk is considered to be immaterial.
- The difference between the highest and lowest exchange rates on the reporting dates for the financial years was calculated to determine the reasonably possible change in exchange rates.
- Scenario analyses were performed in the treasury management system to determine the fair value change of derivative financial instruments.
- The currency risk on intercompany balances is taken into account in the analysis.
- The effect on net profit is measured for a one-year period.
- Showing the sensitivity for exchange differences on net investments is not required under IFRS 7 but is included as the movement of the hedges are offsetted by movements in the net investments.

The US dollar (USD), the Singapore dollar (SGD), the Chinese yuan (CNY) and the Brazilian real (BRL) were the main currencies for which Vopak ran translation risks. The sensitivity to these currencies for the balance sheet positions at 31 December 2008 and 31 December 2007 can be broken down as follows.

Sensitivity of balance sheet items at 31 December 2008

		USD		SGD		CNY		BRL
Closing exchange rate 2008	1.40	1.40	2.00	2.00	9.54	9.54	3.23	3.23
Reasonably possible change [1]	22%	- 22%	15%	- 15%	25%	- 25%	26%	- 26%
Effect on net profit	**0.6**	**- 1.0**	**0.4**	**- 0.6**	**0.7**	**- 1.0**	**–**	**–**
Exchange differences on net investments	- 63.6	99.5	- 16.9	22.7	- 20.8	34.7	- 5.4	9.3
Effective part of hedges of net investments	51.3	- 80.2	14.2	- 18.9	14.0	- 23.4	–	–
Effect on revaluation reserve derivatives	- 0.9	1.4	0.4	- 0.4	–	–	–	–
Total effect on shareholders' equity	**- 13.2**	**20.7**	**- 2.3**	**3.4**	**- 6.8**	**11.3**	**- 5.4**	**9.3**

[1] A negative deviation indicates that the foreign currency has appreciated against the euro

Sensitivity of balance sheet items at 31 December 2007

		USD		SGD		CNY		BRL
Closing exchange rate 2007	1.46	1.46	2.10	2.10	10.65	10.65	2.60	2.60
Reasonably possible change [1]	11%	- 11%	6%	- 6%	6%	- 6%	11%	- 11%
Effect on net profit	**0.3**	**- 0.3**	**0.1**	**- 0.1**	**–**	**–**	**–**	**–**
Exchange differences on net investments	- 16.7	20.8	- 6.8	7.7	- 5.1	5.8	- 3.1	3.9
Effective part of hedges of net investments	12.5	- 15.6	5.6	- 6.3	3.7	- 4.2	–	–
Effect on revaluation reserve derivatives	- 0.6	0.8	–	–	–	–	–	–
Total effect on shareholders' equity	**- 4.8**	**6.0**	**- 1.2**	**1.4**	**- 1.4**	**1.6**	**- 3.1**	**3.9**

[1] A negative deviation indicates that the foreign currency has appreciated against the euro

Sensitivity of exchange rate changes arising from the translation of the results of foreign currency operations

The Group result is also impacted by translating the result of foreign currency operations.

The translation risk of converting the net result of foreign entities into euro's mainly concerns the Singapore dollar (SGD) and the US dollar (USD). The sensitivity to these currencies is as follows:

A 10 dollar cent change in the EUR/USD exchange rate approximately affects Vopak's figures as follows (based on figures for 2008):
- Income from rendering of services would differ by EUR 10.7 million (2007: EUR 11.4 million).
- Group operating profit (EBIT) would differ by EUR 3.6 million (2007: EUR 3.5 million).
- Net profit would differ by EUR 2.3 million (2007: EUR 2.2 million).

A 10 dollar cent change in the EUR/SGD exchange rate approximately affects Vopak's figures as follows (based on figures for 2008):
- Income from rendering of services would differ by EUR 5.8 million (2007: EUR 4.8 million).
- Group operating profit (EBIT) would differ by EUR 2.7 million (2007: EUR 2.2 million).
- Net profit would differ by EUR 1.5 million (2007: EUR 1.5 million).

Interest rate risk and interest rate risk management

Vopak's policy on interest rate risks aims to control the net finance costs resulting from fluctuations in market interest rates, taking into account the long-term profile of the company. Loans granted/Borrowings issued at fixed interest rates expose the group to fair value interest rate risk. Loans granted/Borrowings issued at variable rate expose the group to cash flow interest rate risk.

Interest rate swaps and interest rate options may be used to achieve the desired risk profile. Interest rate risks are identified and possible hedges considered when obtaining or providing new financing.

At 31 December 2008, taking account of interest rate swaps, 61% (2007: 81%) of the total interest-bearing loans of EUR 972.1 million (2007: EUR 672.2 million) was financed at a fixed interest rate with remaining terms of up to fourteen years. The reduced fixed rate portion is a result of increased floating funding via the revolver credit facility. As a consequence the company is both exposed to cash flow risk and fair value interest rate risk.

Hedging fixed USD interest rates to fixed EUR interest rates

As part of the interest rate risk policy, Vopak has converted fixed-interest loans totaling USD 160 million into fixed-interest loans for the amount of EUR 133.1 million by means of cross currency interest rate swaps (CCIRS). The objective of these hedges is to restrict fluctuations in interest rates as a result of a volatile USD. Cash flow hedge accounting is applied.

The hedge effectiveness is measured both prospectively and retrospectively. As a minimum, the tests are performed as at the reporting date. The results of these effectiveness tests should satisfy the effectiveness criterion (between 80% and 125%) as defined in IAS 39. All hedges were effective in 2008 and 2007.

Hedging floating interest rates to fixed interest rates

Vopak converted SGD 147 million of a floating rate bank loan of SGD 200 million into a fixed rate loan. Cash flow hedge accounting is applied to this hedge.

The hedge effectiveness is measured both prospectively and retrospectively. As a minimum, the tests are performed as at the reporting date. The results of these effectiveness tests should satisfy the effectiveness criterion (between 80% and 125%) as defined in IAS 39. All hedges were effective in 2008 and 2007.

Hedging fixed interest rates to floating interest rates

The current interest-bearing debt consists largely of fixed-interest financing in US dollars. In total, USD 100 million of this interest-bearing debt was converted into a floating rate debt through interest rate swaps. Fair value hedge accounting is applied to this hedge.

The hedge effectiveness is measured both prospectively and retrospectively. As a minimum, the tests are performed as at the reporting date. The results of these effectiveness tests should satisfy the effectiveness criterion (between 80% and 125%) as defined in IAS 39. All hedges were effective in 2008 and 2007.

Sensitivity of changes in market interest rates (IFRS 7)

The sensitivity analysis shows how changes in market interest rates affect net profit and shareholders' equity, for which the analysis for interest rate risks is based on the following assumptions:

– The difference in market interest rates at 1 January and 31 December of the financial years was calculated to determine the reasonably possible change in market interest rates. However, due to the volatility of the market interest rates in 2008 Vopak has used a fixed percentage of 25% as a reasonable change at year-end 2008.
– Scenario analyses were performed in the treasury management system to determine the fair value change of derivative financial instruments.
– With non-derivative fixed-rate financial instruments, changes in market interest rates only affect profit if they are carried at fair value. As such, changes in the interest rate have no effect on the fixed-interest financial instruments of the Group as these are all recognized at amortized cost.
– The analysis includes the effect of changes in market interest rates on floating rate non-derivative financial instruments.
– The effect of changes in market interest rates on financial instruments allocated as hedges of a net investment in a foreign entity is recognized in the income statement under Finance costs and taken into account when performing the sensitivity analysis on the assumption that the amount of the hedge remains unchanged.
– The effect of changes in market interest rates on financial instruments allocated as cash flow hedge is recognized in the derivative financial instrument revaluation reserve component of shareholders' equity and taken into account when performing the shareholders' equity sensitivity analysis.
– In the event of a fair value hedge whereby a fixed interest rate is converted into a floating rate through an interest rate swap, the hedging instrument is carried at fair value and the changes in fair value are taken to the income statement. The hedged risk portion of the hedged positions is likewise recognized at fair value and the changes in value are taken directly to the income statement. Since the hedge relationship is virtually 100% effective, the effect of the movement in fair value of the hedging instrument is virtually completely compensated by the movement in fair value of the hedged position and as such do not have an impact on equity. The impact on the income statement is included in the analysis.
– Changes in the fair value of derivative financial instruments not forming part of a hedge relationship as referred to in IAS 39 are accounted for under Finance costs and are taken into account when performing sensitivity analyses.
– The effect on net profit is measured for a one-year period.

Sensitivity of changes in market interest rates for 2008

	EUR		USD	
Closing level 3-month interest rate 2008	2.85%	2.85%	1.54%	1.54%
Reasonably possible change	25%	- 25%	25%	- 25%
Effect on net profit	**- 1.9**	**1.9**	**- 0.2**	**0.2**
Effect on revaluation reserve derivatives shareholders' equity	**15.0**	**- 16.5**	**- 0.2**	**0.1**

Sensitivity of changes in market interest rates for 2007

	EUR		USD	
Closing level 3-month interest rate 2007	4.48%	4.48%	4.69%	4.69%
Reasonably possible change	19%	- 19%	12%	- 12%
Effect on net profit	**- 1.0**	**1.0**	**- 1.0**	**1.0**
Effect on revaluation reserve derivatives shareholders' equity	**2.5**	**- 2.5**	**- 1.3**	**1.3**

Other price risks

The group has no significant equity or bonds which are valued at fair value as available for sale or fair value through income statement.

Other price risks that could affect the value of financial instruments are indices and market prices. At 31 December 2008, financial instruments whose value depends on indices and market prices totalled EUR 0.1 million (2007: EUR 0.3 million).

Credit risk and credit risk management

Vopak is exposed to credit risks on financial instruments amounting to EUR 339.3 million (prior year EUR 348.0 million) (see note 15). Loans granted to joint ventures are not secured by collaterals. Exposure to the risk of bad debt is usually limited as the value of the product stored for these clients usually exceeds the value of the receivables and Vopak generally has the right of retention although other claims may have priority ranking over the right of retention in a bankruptcy case. Assessing the financial positions of counterparties is part of our credit management and tendering process, but cannot exclude all credit risk. In view of the global financial crisis Vopak has intensified credit management and monitoring of outstanding receivables and stored products.

As far as possible, financial instruments and cash and cash equivalents are spread evenly across a select group of financial institutions with daily limiting the cash and cash equivalents within the Group. The exposure to each financial institution is assessed regularly and appropriate action is taken within Vopak's treasury policy.

Liquidity risks and liquidity risk management

Vopak is a capital-intensive company. The financing policy is directed at establishing and maintaining an optimal financing structure that takes due account of the current asset base and the investment programme. Vopak seeks access to the capital markets and flexibility at acceptable finance costs.

Corporate Treasury acts as an in-house bank that internally allocates funds raised centrally. Operating companies are funded by a combination of equity and inter-company loans. The bank loan of Vopak Terminals Singapore Pte. Ltd. (SGD 200 million) is an exception.
Joint ventures and associates, where possible, are funded optimally with debt on a non-recourse basis for Vopak, with account being taken of local circumstances and contractual obligations.

The objective is to have a borrowing capacity that facilitates financing of investments, possible acquisitions and loan capital repayments. Vopak has a revolving credit facility with a remaining term of 3.5 years at year-end 2008. The facility may be drawn in various currencies and with different terms, up to an amount of EUR 1.0 billion. The facility includes an option to raise the amount to EUR 1.2 billion. At year-end 2008 we had drawn a total amount of EUR 301.5 million in multi-currency (see note 27).

The liquidity requirements are continuously monitored in different ways and at different reporting instances. Active cash management is a daily responsibility and each quarter the liquidity requirements are identified based on thorough scenario planning. Furthermore, the long-term liquidity risk is assessed prior to every major investment obligation. The current financing policy is reviewed on the basis of this assessment and adjusted where necessary.

Liquidity risk at 31 December 2008 (IFRS7)

In EUR millions	Note	2009	2010	2011
Available funds and credit facilities at 1 January		**746.7**	**242.2**	**151.2**
Bank overdrafts	21	- 73.9	–	–
Redemption of interest-bearing loans	27	- 50.0	- 25.3	- 180.0
Interest payments		- 55.0	- 65.0	- 75.0
Trade creditors	31	- 47.9	–	–
Other creditors		- 117.2	–	–
Derivative financial instruments outflow		- 79.8	- 91.7	- 52.9
Derivative financial instruments inflow		77.2	91.0	54.2
Investment commitments undertaken	36	- 157.9	–	–
Available funds and credit facilities at 31 December		**242.2**	**151.2**	**- 102.5**

The funds and credit facilities available at 1 January 2009 comprise unused credit facilities, unused bank loans (note 15) and the freely available cash and cash equivalents (note 21). The option to increase the credit facility by EUR 200 million has not been included in the table above.

The table above analyses the Group's derivative financial instruments at 31 December 2008 which will be settled on a gross basis into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Segment Reporting

All amounts are in EUR millions, unless stated otherwise.

General

The segmentation is based on the internal organization of the Group and the management reporting structure as required by IFRS 8. The Group is organized in market regions, divided into five divisions. In these regions, the Group acts as independent tank terminal operator specialized in the storage and transfer of liquid and gaseous chemical and oil products, with complementary logistics services (other activities) provided to customers at its terminals.

Segmentation

	Income from rendering of services		Depreciation and amortization		Result of joint ventures and associates		Group operating profit	
Income statement	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**
Chemicals Europe, Middle East & Africa	313.1	311.7	- 34.1	- 33.6	2.3	2.9	94.1	90.4
of which the Netherlands	*175.1*	*177.9*	*- 19.3*	*- 20.5*	*0.2*	*–*	*56.6*	*49.4*
Oil Europe, Middle East & Africa	251.7	205.9	- 23.2	- 17.0	13.3	7.1	113.2	84.2
of which the Netherlands	*170.8*	*136.3*	*- 16.6*	*- 11.7*	*3.3*	*–*	*84.7*	*64.6*
Asia	166.3	136.8	- 30.7	- 24.8	23.0	24.9	91.2	78.8
of which Singapore	*121.0*	*98.8*	*- 22.2*	*- 17.9*	*–*	*–*	*57.7*	*46.5*
North America	118.2	130.4	- 11.1	- 11.5	2.1	–	34.4	37.0
Latin America	69.9	63.7	- 7.0	- 6.6	1.3	0.6	22.0	21.1
Non-allocated	4.3	4.5	- 2.8	- 3.1	- 3.6	2.9	- 32.7	- 19.3
Total	**923.5**	**853.0**	**- 108.9**	**- 96.6**	**38.4**	**38.4**	**322.2**	**292.2**

Reconciliation with the consolidated net profit		
Group operating profit	322.2	292.2
Net finance costs	- 37.6	- 42.9
Profit before income tax	284.6	249.3
Income tax	- 54.9	- 51.2
Net profit	**229.7**	**198.1**

As the Group neither allocates interest expense to segments nor account for taxes in them, there is no segmented disclosure of the net profit. There are no single external customers with 10 per cent or more of the Group's total income from rendering services.

In addition to amortization and depreciation, impairments totaling EUR 1.0 million were recognized in 2008. The 2008 result of joint ventures and associates included a total impairment of EUR 10.1 million.

The impairment in the Asia division of EUR 4.7 million was on the interest in the joint venture in Xiamen, China. Impairments were also recognized by Chemicals Europe, Middle East & Africa division for the Ipswich terminal, United Kingdom (EUR 0.9 million) and by the Oil Europe, Middle East & Africa division for agency activities in France (EUR 0.1 million). The non-allocated activities showed a total impairment of EUR 5.4 million for Vopak's joint venture interests in real estate interests in Rotterdam (the Netherlands).

As a result of the impairments recognized in 2008, the only loss making operations were the joint venture in Xiamen and the real estate joint ventures.

In 2007 impairments of EUR 10.7 million were recognized in respect of the relocation of the Waltershof terminal to another Vopak location in Hamburg, Germany (EUR 8.3 million), the sale of the Hemiksem terminal in Antwerp, Belgium (EUR 0.9 million) and warehouse operations in Australia (EUR 1.5 million).

Balance sheet	Assets of subsidiaries 2008	Assets of subsidiaries 2007	Joint ventures and associates 2008	Joint ventures and associates 2007	Total assets 2008	Total assets 2007	Total liabilities 2008	Total liabilities 2007
Chemicals Europe, Middle East								
& Africa	614.2	554.6	18.1	18.1	632.3	572.7	- 116.9	- 122.4
of which the Netherlands	*321.4*	*302.5*	*1.5*	*2.1*	*322.9*	*304.6*	*- 60.3*	*- 57.9*
Oil Europe, Middle East & Africa	440.5	417.8	128.4	17.8	568.9	435.6	- 168.7	- 139.1
of which the Netherlands	*337.7*	*251.9*	*5.6*	*2.9*	*343.3*	*254.8*	*- 60.7*	*- 54.3*
Asia	664.6	483.4	179.4	147.6	844.0	631.0	- 224.0	- 131.2
of which Singapore	*421.6*	*296.0*	*–*	*–*	*421.6*	*296.0*	*- 207.1*	*- 117.1*
North America	204.9	179.4	83.6	–	288.5	179.4	- 72.3	- 56.7
Latin America	119.3	112.9	3.9	4.1	123.2	117.0	- 20.6	- 17.1
Non-allocated	159.0	180.4	18.4	17.0	177.4	197.4	- 1,022.8	- 786.7
Total	**2,202.5**	**1,928.5**	**431.8**	**204.6**	**2,634.3**	**2,133.1**	**- 1,625.3**	**- 1,253.2**

Investments [1]	Intangible assets 2008	Intangible assets 2007	Property, plant and equipment 2008	Property, plant and equipment 2007	Other non-current assets 2008	Other non-current assets 2007	Joint ventures and associates 2008	Joint ventures and associates 2007	Total 2008	Total 2007
Chemicals Europe, Middle East										
& Africa	0.6	1.4	133.8	133.2	–	–	–	–	134.4	134.6
of which the Netherlands	*0.5*	*1.0*	*76.2*	*47.9*	*–*	*–*	*–*	*–*	*76.7*	*48.9*
Oil Europe, Middle East & Africa	1.6	1.0	79.3	86.9	–	–	–	–	80.9	87.9
of which the Netherlands	*1.4*	*0.8*	*51.4*	*72.2*	*–*	*–*	*–*	*–*	*52.8*	*73.0*
Asia	0.2	0.5	189.0	126.2	0.7	2.0	16.9	–	206.8	128.7
of which Singapore	*0.2*	*0.2*	*138.3*	*81.8*	*0.7*	*–*	*–*	*–*	*139.2*	*82.0*
North America	0.6	–	33.2	25.9	0.9	–	–	–	34.7	25.9
Latin America	0.1	0.2	20.5	15.8	0.1	0.1	–	–	20.7	16.1
Non-allocated	2.6	1.5	0.2	1.9	–	–	23.5	4.3	26.3	7.7
Total	**5.7**	**4.6**	**456.0**	**389.9**	**1.7**	**2.1**	**40.4**	**4.3**	**503.8**	**400.9**

[1] Excluding loans granted and acquisition of subsidiaries, joint ventures and associates

Changes in Subsidiaries

Subsidiaries

Subsidiaries are fully consolidated from the date on which control is transferred to Vopak and are deconsolidated from the date on which Vopak's control ceases. The changes and the effects on Vopak's financial position were as follows:

			2008		2007
In EUR millions	Acquisitions	Transfer of subsidiary into joint venture	Other movements	Acquisition	Divestments
Intangible assets other than goodwill	–	- 25.3	- 0.1	12.7	- 1.2
Property, plant and equipment	48.1	- 45.0	- 21.3	49.0	- 17.1
Financial assets	–	–	- 7.7	–	–
Other non-current assets	4.0	–	–	–	–
Total non-current assets	**52.1**	**- 70.3**	**- 29.1**	**61.7**	**- 18.3**
Cash and cash equivalents	2.9	- 5.2	- 0.8	2.3	- 3.1
Other current assets	1.0	- 2.4	- 11.0	3.4	- 4.5
Total current assets	**3.9**	**- 7.6**	**- 11.8**	**5.7**	**- 7.6**
Total assets	**56.0**	**- 77.9**	**- 40.9**	**67.4**	**- 25.9**
Interest-bearing loans	1.1	- 13.7	–	12.3	–
Deferred taxes	0.9	- 6.3	–	7.2	–
Other provisions	–	–	- 0.4	–	–
Total non-current liabilities	**2.0**	**- 20.0**	**- 0.4**	**19.5**	**–**
Other current liabilities	0.9	- 3.7	- 5.8	8.4	- 5.3
Total current liabilities	**0.9**	**- 3.7**	**- 5.8**	**8.4**	**- 5.3**
Total liabilities	**2.9**	**- 23.7**	**- 6.2**	**27.9**	**- 5.3**
Net identifiable assets and liabilities at fair value respectively carrying value	**53.1**	**- 54.2**	**- 34.7**	**39.5**	**- 20.6**
Revaluations attributable to the Group	–	6.3	–	- 12.8	–
Retained earnings	–	- 6.3	–	–	–
Increase in investments in joint ventures	–	32.1	–	–	–
Increase in loans to joint ventures	–	20.6	–	–	–
Decrease in investments in joint ventures	–	–	–	- 6.9	–
Minority interests	- 0.5	–	- 0.5	–	–
Use of exchange differences on net investments in foreign entities (to income statement)	–	1.5	–	–	- 1.1
Goodwill on acquisitions	6.5	–	–	14.6	–
Transfer to Held for sale	–	–	34.3	–	–
Gains (-) and losses on sale of controlling interest subsidiaries	–	–	0.7	–	- 12.5
Cash and cash equivalents paid and received (-)	**59.1**	**–**	**- 0.2**	**34.4**	**- 34.2**
Cash and cash equivalents to Held for sale	–	–	0.7	–	–
Cash and cash equivalents of subsidiaries acquired (-) and sold	- 2.9	5.2	0.1	- 2.3	3.1
Net cash flows paid and received (-)	**56.2**	**5.2**	**0.6**	**32.1**	**- 31.1**

2008

Vopak entered into a number of acquisitions and relinquished control of the barging activities and oil storage activities in Estonia due to combinations. All business combinations have been accounted for using the purchase method of accounting.

Acquisitions

The business combinations in 2008 relate to the acquisition of the terminals in Pasir Gudang (Malaysia), South Wilmington (USA) and Merak (Indonesia) and the acquisition of a company in Marmara (Turkey) with an industrial plot of land on the coast of the Sea of Marmara.

The business combinations are individually deemed immaterial shown on aggregated level in the table. The total net cash out flow amounts to EUR 56.2 million. The total goodwill of EUR 6.5 million relates to items, other than property, plant and equipment, which do not meet the recognition criteria for intangible assets because they do not meet the identifiability criterion (for example, customer contacts) or cannot be controlled by the company (for example, workforce). Since acquisition dates the effects on group revenue and group operating profit are limited.

The Pasir Gudang terminal is acquired on April 24. The terminal consists of 17 tanks with a total storage capacity of 20,600 cbm. The land use rights and building are valued at market value and the terminal at depreciated replacement cost by independent qualified appraisers. The Pasir Gudang region is currently seeing rapid growth in the production and export of palm oil and related oleochemical products, biodiesel and petrochemical products. Vopak will develop plans to expand the terminal's capacity to support this growth.

On 3 October, Vopak has purchased ExxonMobil's terminal in South Wilmington (USA). Since 1991 the terminal has been operated by Vopak and serves as a storage capacity for oil and chemical products. It currently operates approximately 50,000 cbm of storage capacity, which can be increased considerably in the future. At acquisition date the terminal has been valued by an independent qualified appraiser using a two-step process. First the income approach was utilized to establish the business enterprise value of the business purchased and in the second step a bottom-up approach was used to value the tangible assets and liabilities. There were no major differences between the business enterprise value and the bottom-up approach.

On 7 October, Vopak acquired Mitsui's 95% shareholding in PT Pro-Intercontinental Terminals Indonesia (Prointal). The remaining 5% of the shares in Prointal are held by PT Intimitra Pratamausaha, an Indonesian engineering and contracting company. The company has been renamed in Vopak Terminal Merak and the terminal consists of 33 tanks with a total storage capacity of 76,900 cbm. There is existing land available to expand the terminal. At acquisition date the terminal has been valued using the income approach.

On 7 November, Vopak acquired the shares of GY Elyaf ve Iplik Sanayi Ticaret Anonim Sirketi from Global Yatirim Holding A.S. The principal asset of the company is a 26 ha. industrial plot of land on the coast of the Sea of Marmara (Turkey) which has been valued by an independent qualified appraiser at market value.

Transfer of a subsidiary into a joint venture
On 23 April, Vopak, since 28 December 2007 full owner of Pakterminal (see below), and the Russion infrastructure services company N-Trans (owner of Estonian Oil Service) combined their oil terminal activities in Tallinn (Estonia). This combination has resulted for Vopak from control into joint control. As a result of this transfer of a subsidiary into a joint venture Vopak acquired at combination date a 25% interest in this joint venture and immediately increased this shareholding to 35% and subsequently to 50% (see note 14). As a result of this transfer Vopak recognized a gain of EUR 5.2 million, which has no cash movement effect.

Due to the step-up acquisition in 2007 the non-current assets were revalued resulting in a revaluation reserve under Other reserves of EUR 12.8 million after deduction of deferred taxes. Due to the transactions in 2008 a part of the revaluation reserve after deduction of deferred taxes (EUR 6.3 million) was transferred from Other reserves to Retained earnings (see note 24). On 31 July, Vopak used its call-option to expand its ownership to 50% (see note 14).

Other movements
During 2008 the barging activities of Vopak Barging Europe were reclassified as Held for sale (see note 22). On 2 June, these activities were transferred to Interstream Barging, an existing joint venture between Vopak and Van der Sluijs Group.

On 15 December, Vopak divested the warehousing activities in Australia in which Vopak had a majority share of 55%.

2007
On 28 December 2007 Vopak entered into a business combination by acquiring full ownership of Pakterminal (Estonia) by taking over the remaining 50% interest from its former partner. The attribution of the acquisition amount to the net identifiable assets and liabilities were finalized in 2008 but did not differ from the preliminary one.

Vopak sold various smaller entities in 2007, which generated a net cash flow of EUR 31.1 million and a gain of EUR 12.5 million.

Minority interest

2007
In 2007, the Group acquired the remaining 20% minority interest in Vietnam AP for a total amount of EUR 1.1 million. The acquisition had no effect on the Group's net profit since this subsidiary was already fully consolidated although it does reduce the share of minority interests in net profit. The acquisition of this minority interest led to an increase in goodwill of EUR 0.9 million.

Notes to the Consolidated Income Statement

All amounts are in EUR millions, unless stated otherwise.

1. Exceptional items

	Note		2008		2007
Gains on deconsolidations of subsidiaries	2	6.3		12.5	
Losses on sale of subsidiaries	5	- 0.7		–	
Results on sale of joint ventures	6	2.6		4.4	
Gains on sale of assets held for sale	2	4.8		6.6	
Losses on sale of assets held for sale	5	- 0.1		- 1.8	
Impairments	4	- 1.0		- 10.7	
Impairment joint ventures	6	- 10.1		–	
Use of grant to compensate impairments	2	–		8.3	
Group operating profit			**1.8**		**19.3**
Tax on above-mentioned items		- 0.1		- 2.3	
Exceptional movements in prior-year taxes	9	8.2		–	
Taxes			**8.1**		**- 2.3**
Total effect on net profit			**9.9**		**17.0**

2. Other operating income

	Note	2008	2007
Gains on deconsolidations of subsidiaries		6.3	12.5
Gains on sale of assets held for sale		4.8	6.6
Gains on sale of property, plant and equipment		1.3	0.6
Use of grant to compensate impairments	13	–	8.3
Other		3.4	2.5
Total		**15.8**	**30.5**

The gains on deconsolidations of subsidiaries are mainly related to the result on the combination of the activities in Estonia by Vopak and N-Trans (EUR 5.2 million) and an adjustment of the selling price of Standic terminal (EUR 1.0 million) which was disposed of in 2007.

Gains on sale of assets held for sale are related to the gain on the transfer of the barging activities to Interstream Barging (EUR 4.5 million) and the sale of the transport activities in China (EUR 0.3 million).

3. Personnel expenses

	Note	2008	2007
Wages and salaries		183.0	178.7
Social security charges		24.8	23.5
Contribution to pension schemes (defined contribution)	28	8.8	7.7
Pension charges (defined benefit plans)	28	5.3	6.7
Long-term incentive plans	29	1.5	0.5
Other long-term pension and other employee benefits		0.1	0.2
Early retirement		1.6	2.2
Other personnel costs		25.7	25.5
Total		**250.8**	**245.0**

Average number of employees (in FTEs)

During the year under review, the Group employed an average of 3,874 employees and temporary staff (2007: 3,764).

Movements in the number of employees (in FTEs)

	2008	2007
Number at 1 January	**3,564**	**3,442**
Movements due to acquisitions	84	84
Movements due to disposals	- 197	- 88
Entered service/left service	218	126
Number at 31 December	**3,669**	**3,564**

4. Depreciation, amortization and impairment

	Note	2008	2007
Intangible assets	12	7.9	8.0
Property, plant and equipment	13	101.0	88.6
Impairments	12, 13, 22	1.0	10.7
Total		**109.9**	**107.3**

5. Other operating expenses

	2008	2007
Maintenance	49.2	47.5
Operating lease	32.4	30.7
Fuel	50.4	47.2
Environmental, safety and cleaning	27.1	26.9
Insurance	18.6	20.4
Advisory fees	25.2	17.7
Vessel charter expenses	3.4	8.0
Vessel voyage expenses	1.2	2.6
Losses on sale of subsidiaries	0.7	–
Losses on sale of assets held for sale	0.1	1.8
Losses on sale of intangible assets and property, plant and equipment	0.6	1.4
Provisions for onerous contracts due to activities disposed of in the past	–	0.6
Other	85.9	72.6
Total	**294.8**	**277.4**

Vessel charter and voyage expenses fell compared to 2007 as a result of the transfer of the barging activities to the Interstream Barging joint venture on 2 June 2008.

Grants by way of compensation for costs incurred are deducted from the costs and recognized in the same period in which the costs are incurred. During 2008 EUR 4.0 million of grants was used to compensate for costs incurred (see note 13).

The losses on sale of assets held for sale relate to the loss on the divestment of the warehousing activities in Australia.

The fees listed below relate to the procedures applied to the company and its consolidated group entities by PricewaterhouseCoopers Accountants N.V., the Netherlands, the external auditor as referred to in Section 1(1) of the Dutch Accounting Firms Oversight Act (dutch acronym: Wta), as well as by other Dutch and foreign-based PricewaterhouseCoopers individual partnerships and legal entities, including their tax services and advisory groups:

	2008	2007
Financial statements audit fees	1.1	1.1
Other assurance fees	0.2	0.4
Tax fees	0.1	0.1
Total	**1.4**	**1.6**

The total fees of PricewaterhouseCoopers Accountants N.V., the Netherlands, charged to the company and its consolidated group entities amounted to EUR 0.7 million in 2008 (2007: EUR 0.9 million).

The financial statements audit fees include the aggregate fees in each of 2008 and 2007 for professional services rendered for the audit of Vopak's annual financial statements and annual statutory financial statements of subsidiaries or services that are normally provided by the auditor in connection with the audits. The other assurance fees include the aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit review of Vopak's financial statements and are not reported under audit services. This includes due diligence and assurance services related to potential acquisitions. The tax category includes tax advisory and compliance services.

A description of the work performed by the Audit Committee in order to safeguard auditor independence when non-audit services are provided, is set out in the Report of the Supervisory Board (see page 14).

6. Result of joint ventures and associates using the equity method

	2008	2007
Result of joint ventures and associates	45.9	33.8
Impairments joint ventures and associates	- 10.1	–
Result on sale of joint ventures	2.6	4.4
Result on sale of associates	–	0.2
Total	**38.4**	**38.4**

When a triggering event occurs, such as an material adverse market event or a significant change in forecasts or assumptions, Vopak performs an impairment test on the joint ventures and associates likely to be affected. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. During 2008 impairments were recognized for the joint venture in Xiamen, China (EUR 4.7 million) and for participating interests in real estate in the Netherlands (EUR 5.4 million).

On 5 August 2008, E.ON Ruhrgas AG has signed a long term throughput agreement with Gate terminal. As part of this agreement E.ON Ruhrgas acquired a 5% equity stake in the terminal. As a result, Vopak's holding decreased from 42.5% to 40% and this generated a gain of EUR 2.6 million.

With respect to joint ventures, to the extent that tank storage activities are concerned, the effects of the proportionate consolidation method, based on the principles that apply to the Group's consolidated financial statements, on the income statement and the balance sheet are shown below.

Income statement

	2008	2007
Income from rendering of services	**144.4**	**103.1**
Group operating profit	**53.1**	**46.3**
Net profit of tank storage activities	37.8	32.7
Net profit of other activities	0.6	5.7
Total	**38.4**	**38.4**

Balance sheet

	Note	2008	2007
Total non-current assets		727.0	281.8
Total current assets		78.7	35.4
Total assets		**805.7**	**317.2**
Total non-current liabilities		324.2	86.3
Total current liabilities		74.0	48.2
Total liabilities		**398.2**	**134.5**
Joint ventures in tank storage activities		**407.5**	**182.7**
Joint ventures and associates in other activities		24.3	21.9
Joint ventures and associates	14	**431.8**	**204.6**

The effects of the proportionate consolidation method on the balance sheet and income statement of the Group are shown on page 33.

7. Interest and dividend income

	2008	2007
Interest income	8.2	6.6
Dividends on other financial assets	0.3	0.4
Total	**8.5**	**7.0**

8. Finance costs

	Note		2008		2007
Interest expense			- 55.6		- 43.0
Capitalized interest			8.3		4.7
Interest component of finance lease			–		- 0.1
Interest component of provisions	28, 29		- 1.4		- 1.0
Exchange differences:					
– Use of exchange difference reserve (hedged item)	24	0.1		–	
– Use of exchange difference reserve (hedged instruments)	24	–		–	
– Other		4.3		18.8	
			4.4		18.8
Derivative financial instruments:					
– Interest component derivative financial instruments (net investment hedge)		4.5		1.6	
– Fair value adjustments to derivative financial instruments (no hedge accounting)		- 1.6		- 19.7	
– Fair value adjustments to interest rate swaps (fair value hedge)		- 1.7		- 2.4	
– Fair value adjustments to loans (fair value hedge)		1.6		2.3	
– Use of revaluation reserve derivatives (cash flow hedge)	24	- 2.1		- 7.2	
			0.7		- 25.4
Commitment fee			- 0.8		- 0.7
Other			- 1.7		- 3.2
Total			**- 46.1**		**- 49.9**

Capitalized interest during construction in different countries to the extent of the actual costs incurred by the subsidiaries was subject to a weighted average interest rate of 6.2% (2007: 4.3%).

9. Income tax

9.1 Recognized in the income statement

		2008		2007
Current taxes				
Current financial year	44.1		42.0	
Adjustments for prior years	- 0.7		- 0.3	
Exceptional movements in prior-year taxes	- 7.7		–	
		35.7		41.7
Deferred taxes				
Origin and reversal of temporary differences	25.1		13.4	
Tax losses utilized	2.8		3.7	
Changes in tax rates	- 1.1		- 5.1	
Recognition of tax losses	- 7.2		- 1.7	
Other	0.1		- 0.8	
Exceptional movements in prior-year taxes	- 0.5		–	
		19.2		9.5
Tax on profit		**54.9**		**51.2**

9.2 Reconciliation of effective tax rate

	Note		2008		2007
Profit before income tax			284.6		249.3
Tax on profit			54.9		51.2
Effective tax rate			**19.3%**		**20.5%**
Composition:		Amount	%	Amount	%
– Weighted average statutory tax rates		81.8	28.7	72.1	28.9
– Participation exemption		- 11.5	- 4.0	- 12.7	- 5.1
– Non-deductible expenses		3.7	1.3	2.6	1.0
– Changes in tax rates		- 1.1	- 0.4	- 5.1	- 2.0
– Tax losses recognized		- 7.5	- 2.6	- 1.7	- 0.7
– Tax facilities		- 0.6	- 0.2	- 3.5	- 1.4
– Movements in prior-year taxes		- 0.7	- 0.2	- 0.3	- 0.1
– Other effects		- 1.0	- 0.4	- 0.2	- 0.1
Effective tax rate before exceptional items		**63.1**	**22.2**	**51.2**	**20.5**
Exceptional movements in prior-year taxes	1	- 8.2	- 2.9	–	–
Effective tax rate		**54.9**	**19.3**	**51.2**	**20.5**

The effective tax rate in 2008 was lower than in the preceding year following settlements of previous years tax positions in 2008. These movements in prior-year taxes are reported as exceptional when the settlements are related to pre Univar split-off period.
The effective tax rate before exceptional items for 2007 included positive one-off items, such as exempted result on sale subidiaries, release of deferred tax positions due to tax rate reductions and investment incentives, which results in a higher tax rate for 2008 compared with last year.

9.3 Deferred taxes recognized directly in equity

	Note	2008	2007
On exchange differences and hedges	24	- 11.5	7.5
On use of exchange differences and hedges	24	- 0.4	–
On changes in the value of cash flow hedges	24	- 0.8	0.6
On use of cash flow hedges	24	0.5	1.9
On revaluation of assets	24	–	3.6
Total		**- 12.2**	**13.6**

10. Exchange differences

	Note		2008		2007
Income from rendering of services			–		- 0.2
Other operating expenses			0.1		–
Exchange differences	8	4.4		18.8	
Fair value adjustments to derivative financial instruments	8	- 1.6		- 19.7	
Uses of revaluation reserve derivatives	8	- 2.1		- 7.2	
Finance costs			0.7		- 8.1
Total			**0.8**		**- 8.3**

11. Earnings per ordinary share

Earnings per ordinary share are calculated by dividing the net profit attributable to holders of ordinary shares by the weighted average number of outstanding ordinary shares (excluding the average number of treasury shares). The weighted average number of outstanding shares was 62,331,686 in 2008 (2007: 62,367,231).

In calculating the diluted earnings per ordinary share, the weighted average number of outstanding shares is adjusted for the dilutive effects of share option schemes. As at 31 December 2008, the exercise price of all outstanding options (35,000) was lower than the share price (EUR 27.00), the dilutive effect of the share option schemes is 15,342 shares. As at 31 December 2007, the exercise price of 60,000 options was lower than the share price (EUR 38.80), the dilutive effect at the time being 36,624 shares.

The composition of the weighted average number of outstanding shares and of the diluted weighted average number of outstanding shares is as follows:

In thousands	Note	2008	2007
Issued ordinary shares at 1 January	23	62,391	62,331
Repurchase for treasury stock	23	- 75	–
Sales from treasury stock	23	16	36
Weighted average number of ordinary shares at 31 December		**62,332**	**62,367**
Dilutive effect of share option schemes	33	15	37
Diluted weighted average number of ordinary shares at 31 December		**62,347**	**62,404**

During 2008, Vopak repurchased 85,000 of its own shares for the equity settled share based long-term incentive plan. When the vesting conditions are met then the equity-settlement will result in an increase of the number of outstanding shares.

Notes to the Consolidated Balance Sheet

All amounts are in EUR millions, unless stated otherwise.

12. Intangible assets

Movements in intangible assets were as follows:

	Note	Goodwill	Software	Other	Total
Purchase price of operating assets		10.1	51.7	7.7	69.5
Accumulated amortization and impairment		- 1.1	- 27.0	- 3.2	- 31.3
Carrying amount in use		9.0	24.7	4.5	38.2
Purchase price under construction		–	2.5	–	2.5
Carrying amount at 1 January 2007		**9.0**	**27.2**	**4.5**	**40.7**
Movements:					
– Acquisitions		15.5	–	12.7	28.2
– Additions		–	4.4	0.2	4.6
– Disposals		- 0.1	–	- 0.1	- 0.2
– Reclassification to assets held for sale		- 1.2	–	–	- 1.2
– Reclassification from assets held for sale		1.4	–	–	1.4
– Amortization	4	–	- 7.1	- 0.9	- 8.0
– Impairment	4	- 1.5	–	–	- 1.5
– Exchange differences		- 0.4	- 0.7	- 0.3	- 1.4
Carrying amount at 31 December 2007		**22.7**	**23.8**	**16.1**	**62.6**
Purchase price of operating assets		26.4	52.0	20.1	98.5
Accumulated amortization and impairment		- 3.7	- 31.4	- 4.0	- 39.1
Carrying amount in use		22.7	20.6	16.1	59.4
Purchase price under construction		–	3.2	–	3.2
Carrying amount at 31 December 2007		**22.7**	**23.8**	**16.1**	**62.6**
Movements:					
– Acquisitions		6.5	–	–	6.5
– Additions		–	5.4	0.3	5.7
– Disposals		–	- 0.2	–	- 0.2
– Deconsolidations		- 13.7	–	- 11.6	- 25.3
– Reclassification to assets held for sale		–	- 0.1	–	- 0.1
– Amortization	4	–	- 7.1	- 0.8	- 7.9
– Impairment	4	- 0.1	–	–	- 0.1
– Exchange differences		- 1.2	- 0.3	- 0.9	- 2.4
Carrying amount at 31 December 2008		**14.2**	**21.5**	**3.1**	**38.8**
Purchase price of operating assets		14.3	55.0	7.4	76.7
Accumulated amortization and impairment		- 0.1	- 36.7	- 4.3	- 41.1
Carrying amount in use		14.2	18.3	3.1	35.6
Purchase price under construction		–	3.2	–	3.2
Carrying amount at 31 December 2008		**14.2**	**21.5**	**3.1**	**38.8**

Vopak acquired several entities in business combinations that have been accounted for by the purchase method, resulting in recognition of goodwill and other intangible assets (see pages 93-95). The amounts assigned to the acquired assets and liabilities are based on assumptions and estimates about their fair values. In making these estimates, management consults independent, qualified appraisers if appropriate. A change in assumptions and estimates could change the values allocated to certain assets and estimated economic lives, which could affect the amount or timing of charges to the income statement, such as amortization of intangible assets.

The deconsolidation is the result of the combination of the oil terminal activities in Tallinn (Estonia).

Impairment tests for goodwill

The cash flow generating components to which goodwill is allocated are reviewed for impairments. The realizable value is based on the value-in-use calculation. These calculations use cash flows projections based on group operating profits and sustaining capital expenditures of the budget for the coming year and the two subsequent planning years. Cash flows beyond the previously mentioned period of three years are extrapolated, using a stable or decreasing growth rate, unless an increasing rate can be substantiated. Given that the cash flows are estimated before taxes, the discount rates used are pre-tax and reflect specific risks relating to the countries.

Impairment of goodwill on the agency activities in France was recognized during 2008. The impairment recognized in 2007 related to the impairment of goodwill of the warehouse activities in Australia.

13. Property, plant and equipment

Movements in property, plant and equipment were as follows:

	Note	Land	Buildings	Tank storage terminals	Vessels	Machinery and equipment	Total
Purchase price of operating assets		26.6	148.9	1,808.3	40.5	129.0	2,153.3
Accumulated depreciation and impairment		–	- 75.8	- 1,053.0	- 18.3	- 79.9	- 1,227.0
Carrying amount in use		26.6	73.1	755.3	22.2	49.1	926.3
Purchase price under construction		1.8	1.7	155.1	0.5	5.3	164.4
Carrying amount at 1 January 2007		**28.4**	**74.8**	**910.4**	**22.7**	**54.4**	**1,090.7**
Movements:							
– Acquisitions		–	–	43.2	–	5.8	49.0
– Additions		2.5	13.3	356.4	0.3	17.4	389.9
– Reclassification to assets held for sale		- 1.8	- 4.0	- 13.7	–	- 1.9	- 21.4
– Reclassification from assets held for sale		–	–	1.7	–	0.2	1.9
– Disposals		–	–	- 1.2	–	- 0.2	- 1.4
– Depreciation	4	–	- 4.1	- 73.4	- 2.5	- 8.6	- 88.6
– Impairment	4	–	- 1.2	- 7.9	–	- 0.1	- 9.2
– Exchange differences		- 1.5	- 2.7	- 19.4	–	- 2.3	- 25.9
Carrying amount at 31 December 2007		**27.6**	**76.1**	**1,196.1**	**20.5**	**64.7**	**1,385.0**
Purchase price of operating assets		23.4	144.2	1,989.8	40.5	138.8	2,336.7
Accumulated depreciation and impairment		–	- 73.2	- 1,082.1	- 20.8	- 84.2	- 1,260.3
Carrying amount in use		23.4	71.0	907.7	19.7	54.6	1,076.4
Purchase price under construction		4.2	5.1	288.4	0.8	10.1	308.6
Carrying amount at 31 December 2007		**27.6**	**76.1**	**1,196.1**	**20.5**	**64.7**	**1,385.0**
Movements:							
– Acquisitions		35.7	1.7	10.7	–	–	48.1
– Additions		0.8	22.3	415.4	–	17.5	456.0
– Disposals		- 0.1	- 0.5	- 0.3	- 0.2	- 0.8	- 1.9
– Deconsolidations		–	–	- 41.1	–	- 5.2	- 46.3
– Reclassification to assets held for sale		–	–	–	- 19.9	- 0.1	- 20.0
– Depreciation	4	–	- 7.6	- 84.2	- 0.4	- 8.8	- 101.0
– Impairment	4	–	–	- 0.8	–	- 0.1	- 0.9
– Exchange differences		- 2.0	1.3	- 22.8	–	- 2.5	- 26.0
Carrying amount at 31 December 2008		**62.0**	**93.3**	**1,473.0**	**–**	**64.7**	**1,693.0**
Purchase price of operating assets		36.1	170.6	2,344.5	0.2	131.9	2,683.3
Accumulated depreciation and impairment		–	- 81.5	- 1,148.4	- 0.2	- 79.9	- 1,310.0
Carrying amount in use		36.1	89.1	1,196.1	–	52.0	1,373.3
Purchase price under construction		25.9	4.2	276.9	–	12.7	319.7
Carrying amount at 31 December 2008		**62.0**	**93.3**	**1,473.0**	**–**	**64.7**	**1,693.0**

A terminal in Mexico is encumbered by collateral of EUR 7.2 million.

No equipment was leased on finance leases as at 31 December 2008.
An impairment of EUR 0.9 million was recognized for the Ipswich terminal, United Kingdom.

On 24 July 2007, Vopak concluded an agreement with the Hamburg Port Authority Anstalt to relocate the activities of the terminal on the Waltershof site to another location of Vopak Dupeg Terminal Hamburg GmbH, so that the authorities can use the site for other activities. Vopak has received compensation of EUR 101 million for the cost of the relocation. EUR 27 million of the compensation was received on 15 August 2007 and EUR 59 million on 2 January 2008.
The remaining EUR 15 million was received on 2 January 2009.

Grants by way of compensation for costs incurred in connection with assets are deducted from the assets and recognized in the income statement over the life of the assets.

The movement in grants was as follows:

	Note		2008		2007
Carrying value at 1 January			**11,0**		–
Grant received			58.8		27.0
– Investments		- 9.9		- 2.4	
– Impairment of property, plant and equipment	1	–		- 8.3	
– Costs attributable to relocation	5	- 4.0		- 5.3	
Uses			- 13.9		- 16.0
Carrying value at 31 December			**55.9**		**11.0**
Non-current liabilities			–		–
Current liabilities	31		55.9		11.0
Carrying value at 31 December			**55.9**		**11.0**

The received grant has not been fully offset against investments as the relocation has not yet finalized.
For the acquisitions and deconsolidations we refer to page 93.

A number of major projects, which were still underway at 31 December 2007, were commissioned in 2008 (EUR 308.6 million). For instance, new capacity for jet fuel and fuel oil (200,000 cbm) was commissioned at the Europoort oil terminal in the Netherlands in March. In Singapore the capacity was expanded with 569,500 cbm, of which 324,100 cbm for gasoline storage at the Banyan terminal (commissioned in October), 223,400 cbm for fuel oil at the Sebarok terminal (commissioned in September and October) and 22,000 cbm for chemical products at Penjuru (commissioned in July). Storage capacity for jet fuel and fuel oil products in Australia was increased by 93,100 cbm in December. The new Vopak Terminal Left Bank (Antwerp, Belgium) has gone into operation in June and has an initial capacity of 100,000 cbm with space for growth up to 400,000 cbm in the next years. In Zhangjiagang (China) the terminal is expanded by 84,900 cbm to a total capacity of 209,500 cbm. Throughout the world, subsidiaries added a further total of some 174,000 cbm in additional capacity thanks to small-scale expansions.

At 31 December 2008, the cost of the assets under construction totaled EUR 319.7 million, over EUR 177 million of which is attributable to large-scale projects. In Singapore the capacity will be further increased with 470,500 cbm consisting of capacity expansions at the Banyan terminal of 398,000 cbm for storage of oil and chemical products (commissioning 2009) and of 7,500 cbm capacity for butadiene (commissioning 2010) and at the Penjuru terminal of 65,000 cbm for chemical products (commissioning in 2009). In Australia the storage capacity for jet fuel and fuel oil products will be further expanded with 75,000 cbm (commissioning in 2010) and in Vietnam the capacity will be increased with 40,000 cbm for the storage of chemicals (commissioning in 2009).
Expansions are also underway in other regions. Examples are a further expansion of the new terminal in Antwerp (Belgium) with 40,000 cbm for the storage of chemical products, the 156,000 cbm expansion of ethanol storage capacity at the Botlek terminal (the Netherlands) (commissioning in 2009), the 60,000 cbm expansion of gasoline at Gothenburg terminal

(commissioning in 2009), the 75,000 cbm expansion for the storage of edible oil at the Vlaardingen terminal 'the Netherlands' (commissioning in 2009) and the expansion with 37,200 cbm for the storage of chemical products in Alemoa (Brazil).

14. Joint ventures and associates

Movements in joint ventures and associates, including goodwill, were as follows:

	Joint ventures		Associates		Total	
	2008	2007	2008	2007	2008	2007
Carrying amount at 1 January	**203.9**	**202.0**	**0.7**	**1.4**	**204.6**	**203.4**
Movements:						
– Share in profit	45.9	33.5	–	0.3	45.9	33.8
– Impairments	- 10.1	–	–	–	- 10.1	–
– Dividends received	- 25.4	- 28.4	–	–	- 25.4	- 28.4
– Investments	40.4	4.3	–	–	40.4	4.3
– Deconsolidations	32.1	- 6.9	–	–	32.1	- 6.9
– Gain on transfer of a subsidiary into a joint venture	5.2	–	–	–	5.2	–
– Acquisitions	127.8	1.9	–	–	127.8	1.9
– Disposals	- 0.8	0.4	–	- 0.6	- 0.8	- 0.2
– Reclassification to assets held for sale	–	- 0.4	- 0.7	- 0.4	- 0.7	- 0.8
– Reclassification from assets held for sale	–	7.6	–	–	–	7.6
– Fair value changes of derivative financial instruments	- 18.4	- 0.4	–	–	- 18.4	- 0.4
– Exchange differences	31.2	- 9.7	–	–	31.2	- 9.7
Carrying amount at 31 December	**431.8**	**203.9**	**–**	**0.7**	**431.8**	**204.6**

None of the joint ventures and associates is listed on the stock exchange. Joint ventures are an important part of the Group. For a representative insight into the economic scope, the effects are shown on page 33 in the balance sheet and the income statement of the Group on application of the proportionate consolidation method to the joint ventures, to the extent that tank storage activities are concerned (not subject to external audit procedures).

2008

Transfer of a subsidiary into a joint venture

On 23 April, Vopak and N-Trans, owners respectively of Pakterminal and Estonian Oil Service (E.O.S.) oil storage companies in Tallinn (Estonia), merged their terminal activities into a joint venture (renamed into Vopak E.O.S.). Vopak owned 25% of this joint venture at merger date.

Acquisitions

Vopak Terminal Bahamas

On 29 April, Vopak and First Reserve Corporation acquired the Bahamas Oil Refining Company's (BORCO) oil storage terminal in Freeport, Bahamas. The equity value of the new company was USD 571 million, split 80%-20% between affiliates of First Reserve Corporation and Vopak, respectively. The terminal, which is renamed into Vopak Terminal Bahamas, will be operated as an integral part of the Vopak network and has a capacity of 3 million cbm for the storage and handling of crude oil, fuel oil and clean petroleum products, with the possibility of expansion to 5 million cbm. The terminal is expected to become a key international hub for crude oil and petroleum products for major oil companies. For this acquisition the purchase method of accounting has been used on entity level. The amounts assigned to the acquired assets and liabilities are based on assumptions and estimates about their fair values. In making these estimates, management consulted independent, qualified appraisers.

After revaluation of the identifiable assets and liabilities the goodwill at joint venture level amounted to EUR 90.5 million. Vopak's part of goodwill (20%) is included in the carrying amount of the joint venture. The goodwill has been tested at joint venture level and no impairment was recognized.

Our share in the net result of this acquisition since acquisition date amounted to EUR 2.1 million.

Vopak E.O.S.
On 23 April Vopak and the Russion infrastructure services company N-Trans combined their oil terminal activities in Tallinn (Estonia). As a result of this transfer of a subsidiary into a joint venture Vopak acquired at combination date a 25% interest in this joint venture, the consequences hereof are described on pages 93 and 94. Immediately at combination date Vopak increased this shareholding to 35% and subsequently on 31 July to 50%.

Other
On 1 August the Japanese joint venture, Nippon Vopak (40% Vopak-owned) acquired all the assets of the Nagoya and Moji Tank Terminals (Japan) with a total capacity of 84,700 cbm from Mitsui & Co. The acquisition of the two terminals were fully funded by Nippon Vopak and had as such no direct impact on Vopak's investments in joint ventures.

Disposals
On 4 November 2008 E.ON Ruhrgas AG acquired a 5% equity stake in Gate terminal, the first LNG import terminal under construction in the Netherlands, from Gasunie and Vopak. At the same time E.ON Ruhrgas AG signed a long-term throughput agreement with Gate terminal for an annual throughput of 3 billion cubic meters (bcm) of gas. As a result of this agreement the total annual throughput will increase from 9 bcm to 12 bcm. It is expected to become fully operational as from the second half of 2011. The annual capacity can be increased to 16 bcm in the future. As a result of this transaction Vopak's share in Gate terminal reduced from 42.5% to 40%. The gain on this transaction amounted to EUR 2.6 million.

Due to this transaction the total project cost is estimated at around EUR 975 million.
On 20 July, Gate terminal B.V. concluded a project financing agreement of EUR 745 million with the European Investment Bank and an international syndicate of 10 banks for the initial phase of 9 bcm based on the credit profile of Gate terminal. The facilities have terms of 20 years and consist of two arrangements. The European Investment Bank is financing approximately EUR 340 million and the banking syndicate up to approximately EUR 405 million, excluding a guarantee facility. Both facilities are at variable interest rates. Gate terminal has financial hedge instruments in place to substantially mitigate interest rate fluctuations. For the expansion up to 12 bcm financing is expected to be completed in the first half of 2009.

Reclassification from assets held for sale
On 2 June, Vopak transferred the barging activities of Vopak Barging Europe to Interstream Barging, an existing joint venture between Vopak and Van der Sluijs Group. In this way, associates were transferred to Interstream Barging.

2007
At the end of 2007, the final investment decision was made to build the first Dutch LNG terminal with Gasunie and Vopak as the strategic partners. The first customers, DONG Energy, EconGas and Essent, have signed long-term throughput contracts with Gate terminal. These customers have each committed to an annual throughput of 3 billion cubic meters of gas. As part of the agreement, DONG Energy, Essent and OMV GAS INTERNATIONAL (as major shareholder of EconGas) each acquired a 5% interest in Gate terminal.

In addition to Gate terminal, Gasunie and Vopak (25% each) will participate in the further development of the Eemshaven LNG project in the Netherlands together with Essent (50%).

In 2007, Vopak entered into a joint venture agreement with PT AKR Corporindo Tbk. with a view to construct a new terminal for the storage of petroleum products in the port of Tanjung Priok, Indonesia. The first phase is expected to be commissioned in the second half of 2009 and will consist of 250,000 cbm of storage capacity and two jetties for vessels. Our interest in the joint venture is 49%.

15. Classification of financial instruments

The table below shows the classification of financial instruments applied by Vopak, including the carrying amounts and fair values at year-end 2008 and year-end 2007.

		Carrying amount		Fair value	
	Note	2008	2007	2008	2007
Loans and receivables (carried at amortized cost)					
Loans to joint ventures and associates	16	66.9	11.6	63.1	11.8
Other loans	16	–	4.2	–	4.5
Trade receivables	20	81.5	93.7	81.5	93.7
Other receivables	20	108.2	95.4	108.2	95.4
Cash and cash equivalents	21	49.3	136.4	49.3	136.4
		305.9	341.3	302.1	341.8
Derivative financial instruments (carried at fair value)	32				
Cross currency interest rate swaps:					
– Assets		1.7	2.3	1.7	2.3
– Liabilities		- 20.1	- 42.3	- 20.1	- 42.3
Interest rate swaps:					
– Assets		2.4	0.7	2.4	0.7
– Liabilities		- 4.7	- 1.1	- 4.7	- 1.1
Forward exchange contracts:					
– Assets		29.3	3.7	29.3	3.7
– Liabilities		- 2.7	- 5.1	- 2.7	- 5.1
		5.9	- 41.8	5.9	- 41.8
Other financial liabilities (carried at amortized cost)					
Bank overdrafts	21	- 73.9	- 26.1	- 73.9	- 26.1
US Private placements	27	- 549.3	- 580.6	- 667.0	- 645.2
Bank loans and other private placements	27	- 120.3	- 91.6	- 122.8	- 93.8
Credit facilities	27	- 301.5	–	- 322.4	–
Other long-term loans	27	- 1.0	–	- 1.0	–
Trade payables	31	- 47.9	- 44.2	- 47.9	- 44.2
Prepaid grants	31	- 55.9	- 10.5	- 55.9	- 10.5
		- 1,149.8	- 753.0	- 1,290.9	- 819.8
Total		**- 838.0**	**- 453.5**	**- 982.9**	**- 519.8**
Unrecognized financial instruments					
Stand by credit facility	27			698.5	1,000.0
Stand by bank loans	27			–	40.1
Total				**698.5**	**1,040.1**

The fair value is the amount for which a financial asset item can be exchanged or a financial liability settled.

The fair value of interest rate swaps and cross currency interest rate swaps is calculated by discounting the expected future cash flows using the applicable yield curves. Published market data and the treasury management system are used for this purpose.

The fair value of forward currency contracts reflects the net present value of the unrealized results from revaluing the contracts at the current exchange rates and yield curves applicable at the end of the year.

The fair value of loans drawn and granted is calculated by discounting the cash flows, using the swap curve as a basis (excluding credit spread).

16. Loans granted

Movements in loans granted were as follows:

	Loans to joint ventures and associates		Other loans		Total	
	2008	2007	2008	2007	2008	2007
Carrying amount at 1 January	**11.6**	5.4	**4.2**	34.6	**15.8**	40.0
Movements:						
– Loans granted	109.1	6.8	–	0.6	109.1	7.4
– Transfer of subsidiary into a joint venture	20.6	–	–	–	20.6	–
– Repayments	- 66.9	- 0.6	–	- 2.3	- 66.9	- 2.9
– Reclassification to assets held for sale	- 2.8	–	- 4.2	–	- 7.0	–
– Reduction of continuing involvement in transferred receivable	–	–	–	- 26.7	–	- 26.7
– Recognition due to effective interest method	–	–	–	0.8	–	0.8
– Exchange differences	- 4.7	–	–	- 2.8	- 4.7	- 2.8
Carrying amount at 31 December	**66.9**	11.6	**–**	4.2	**66.9**	15.8
Non-current receivables	–	11.3	–	4.0	–	15.3
Current receivables	66.9	0.3	–	0.2	66.9	0.5
Carrying amount at 31 December	**66.9**	11.6	**–**	4.2	**66.9**	15.8

Loans granted include no subordinated loans (2007: EUR 2.9 million).

In 2008 loans were granted to the joint ventures Gate terminal B.V. and Vopak E.O.S. The bridge loan granted to Gate terminal B.V. amounted to EUR 53.4 million and was repaid in 2008 after finalizing the external project-financing by Gate terminal. The Vopak E.O.S. loan has a balance of EUR 57.5 million at 31 December 2008. This loan is also considered a bridge loan which is expected to be reduced substantially with external financing in the first half of 2009.

Due to the reclassification to held for sale of the barging activities the loans granted reduced by EUR 7.0 million.

Please see note 32 for information on the effective interest rates and the periods in which they are reviewed. Fair value is presented in note 15.

17. Other financial assets

The other financial assets comprise for the most part Vopak's interests of less than 20% in companies over which Vopak has no significant influence.

18. Deferred taxes

The deferred tax assets and liabilities were allocated as follows:

	Balance sheet at 1-1-2007		Balance sheet at 31-12-2007	
	Asset	Liability	Asset	Liability
Intangible assets	0.5	16.1	0.2	3.9
Property, plant and equipment	6.4	86.6	5.8	103.5
Loans granted	0.1	3.9	–	5.4
Employee benefits	21.3	1.3	15.8	2.2
Derivative financial instruments	2.7	0.1	0.1	–
Tax effect of carry-forward losses	5.6	–	3.6	–
Other	2.4	8.1	8.3	14.2
Total deferred tax assets and liabilities	**39.0**	**116.1**	**33.8**	**129.2**
Offset of deferred tax assets and liabilities	- 18.0	- 18.0	- 17.5	- 17.5
Balance of deferred tax assets and liabilities	**21.0**	**98.1**	**16.3**	**111.7**

	Balance sheet at 31-12-2007		Change in accounting policy		Balance sheet at 1-1-2008		Balance sheet at 31-12-2008	
	Asset	Liability	Asset	Liability	Asset	Liability	Asset	Liability
Intangible assets	0.2	3.9	–	–	0.2	3.9	0.2	1.5
Property, plant and equipment	5.8	103.5	–	–	5.8	103.5	6.0	117.5
Loans granted	–	5.4	–	–	–	5.4	–	2.9
Employee benefits	15.8	2.2	0.6	–	16.4	2.2	2.7	3.9
Derivative financial instruments	0.1	–	–	–	0.1	–	0.6	0.1
Tax effect of carry-forward losses	3.6	–	–	–	3.6	–	9.9	–
Other	8.3	14.2	–	–	8.3	14.2	5.4	18.7
Total deferred tax assets and liabilities	**33.8**	**129.2**	**0.6**	**–**	**34.4**	**129.2**	**24.8**	**144.6**
Offset of deferred tax assets and liabilities	- 17.5	- 17.5	- 0.6	- 0.6	- 18.1	- 18.1	- 18.2	- 18.2
Balance of deferred tax assets and liabilities	**16.3**	**111.7**	**–**	**- 0.6**	**16.3**	**111.1**	**6.6**	**126.4**

Starting from 1 January 2008, Vopak applies IFRIC 14. The effect of this change in accounting policy is reflected in the above table.

Deferred tax assets and liabilities are offset against each other to the extent that this is a legally enforceable right and the deferrals belong to the same fiscal unit. The decision to account for deferred tax assets is taken annually per each fiscal unit after critically assessing whether conditions are sufficient to realize these deferred tax assets, based on the strategic plans and related tax plans.

Carry-forward losses for which deferred tax assets have not fully been recognized amounted to EUR 5.3 million at 31 December 2008 (2007: EUR 16.0 million). The maturity schedule is as follows:

2011	0.1
2012	0.3
2013	1.0
Offsettable for an unlimited period	3.9
Total	**5.3**

Deferred tax assets have not been recognized because it is not probable that sufficient taxable profit will be available to utilize the deferred tax asset in time.

In determining the deferred tax liabilities, withholding tax and any other tax due for unremitted earnings of subsidiaries were not recognized. These earnings have been permanently reinvested.

19. Other non-current assets

The prepaid land use rights are allocated to the period to which they relate. The terms remaining at 31 December 2008 vary between 36 to 46 years.

20. Trade and other receivables

	2008	2007
Trade debtors	81.5	93.7
Other receivables	108.2	95.4
Total	**189.7**	**189.1**

The fair value of outstanding amounts is almost equal to the carrying amount. There was no indication as at the balance sheet date that these receivables will not be recovered, other than as already provided for.

A debtor ageing statement is provided below.

	Gross amount	Net book value	Of which not past due at the balance sheet date and not impaired (in days)	Of which past due at the balance sheet date but not impaired (in days) < 31	31-60	61-90	91-180	>181
Trade receivables 31 Dec. 2007	94.3	93.7	50.3	28.9	8.1	2.1	2.0	2.3
Trade receivables 31 Dec. 2008	83.6	81.5	45.3	24.9	4.5	1.3	2.0	3.5

Exposure to bad debts is mostly related to rendering services to international manufacturers. The value of the products stored for these clients usually exceeds the value of the receivables and Vopak generally has the right of retention. In 2008, impairments of EUR 1.8 million (2007: EUR 0.4 million) and releases of EUR 0.2 million were recognized under Other operating expenses. During 2008, no allowances were used (2007: 0.4 million).

For Other receivables there are no amounts overdue nor impaired and there have been no defaults in the past.

21. Cash and cash equivalents

	2008	2007
Cash and bank	34.9	75.1
Short-term deposits	14.4	61.3
Total	**49.3**	**136.4**

The effective interest rate on short-term deposits was 2.6% (2007: 3.4%); these deposits have an average term of 25 days (2007: 23 days) and are subject to limited value changes. The carrying amount is deemed equivalent to the fair value at the balance sheet date.

Reconciliation with the consolidated cash flow statement is as follows:

	2008	2007
Cash and cash equivalents	49.3	136.4
Bank overdrafts	- 73.9	- 26.1
Total	**- 24.6**	**110.3**

The cash and cash equivalents were at the free disposal of the Group as at 31 December 2008 (31 December 2007: EUR 7.9 million was restricted).

22. Assets held for sale

Movements in the assets held for sale were as follows:

	Asset	Liability
Balance at 1 January 2008	**5.1**	**–**
Reclassifications to assets held for sale	47.9	13.6
Disposals	- 53.0	- 13.6
Balance at 31 December 2008	**–**	**–**

During 2008 the barging activities of Vopak Barging Europe were reclassified to assets held for sale. On 2 June, these activities were transferred to Interstream Barging, an existing joint venture between Vopak and Van der Sluijs Group.

All assets held for sale were disposed of during 2008, leading to a net gain of EUR 4.7 million (see note 1).

23. Issued capital, share premium and treasury shares

Movements in the number of shares, the issued capital and the share premium were as follows:

	Numbers				Amounts		
	Issued ordinary shares	Financing preference shares	Total shares	Treasury shares	Issued capital	Share premium	Treasury shares
Balance at 1 January 2007	**62,450,656**	**19,451,000**	**81,901,656**	**- 120,000**	**81.9**	**178.2**	**- 1.7**
Capital reduction	–	–	–	–	–	- 13.0	–
Issued to option holders	–	–	–	60,000	–	–	0.8
Balance at 31 December 2007	**62,450,656**	**19,451,000**	**81,901,656**	**- 60,000**	**81.9**	**165.2**	**- 0.9**
Repurchase of own shares	–	–	–	- 85,000	–	–	- 2.8
Issued to option holders	–	–	–	25,000	–	–	0.4
Balance at 31 December 2008	**62,450,656**	**19,451,000**	**81,901,656**	**- 120,000**	**81.9**	**165.2**	**- 3.3**

The company's authorized share capital amounts to EUR 172,873,614, divided into 64,011,307 ordinary shares, 89,411,307 protective preference shares and 19,451,000 financing preference shares, all with a nominal value of EUR 1.00 each.

The issued share capital consists of 62,450,656 ordinary shares with a nominal value of EUR 1.00 each and 19,451,000 financing preference shares with a nominal value of EUR 1.00 each. Of the issued ordinary shares, 35,000 are held in the treasury stock in connection with existing commitments under share option schemes. During the year, options were exercised on 25,000 ordinary shares.

From 1 January 2005, the dividend percentage on the outstanding financing preference shares (nominal value plus share premium) has been 4.73%, which is equivalent to a dividend of EUR 1.2 million for 2008 (2007: EUR 1.8 million). The percentage will be set again on 1 January 2010 and every five years thereafter.

Under the Articles of Association, a dividend can only be distributed on financing preference shares following a decision by the Executive Board, subject to the approval of the Supervisory Board, to transfer all or part of the profit to equity. If the transfer to equity results in the remaining profit being insufficient to distribute a dividend on the financing preference shares, an amount equal to the shortfall will be deducted from the amount to be transferred to equity and added to the dividend reserve for the financing preference shares. The dividend reserve will have primary dividend rights in subsequent financial years, any dividend in question either being added to the dividend reserve or distributed on the financing preference shares, as far as possible and at the discretion of the Executive Board, subject to the approval of the Supervisory Board.

The Articles of Association also stipulate that only the Executive Board, subject to the approval of the Supervisory Board, is authorized to make decisions to distribute dividends from the share premium and the dividend reserve for the financing preference shares.

Dividend will only be distributed on ordinary shares after the dividend on the financing preference shares has been distributed, on the understanding that no dividend will be distributed on the ordinary shares if, at the time of the intended distribution, the balance of the dividend reserve for the financing preference shares is positive.

The company will have the right to repurchase the financing preference shares in five annual payments. If the company decides to repurchase them, only the share premium will be repaid in the first four years. The annual repayment of the share premium will be limited to a maximum of 20% of the outstanding share capital of the financing preference shares of EUR 65 million at 31 December 2004. Until end of 2008, EUR 39 million has been distributed as dividend from the share premium for the financing preference shares. The outstanding share capital consequently amounts to EUR 26 million and the annual dividend potentially distributable to the holders of financing preference shares is EUR 1.2 million.

The balance of the share premium for the outstanding 19,451,000 cumulative financing preference shares amounts to EUR 6.5 million as at 31 December 2008.

In 2008 Vopak repurchased 85,000 shares to cover equity settled share based payment arrangements under the long-term incentive plan for the Executive Board and senior management. The shares will be granted if specific vesting conditions are met (see note 29).

24. Other reserves

Movements in other reserves were as follows:

	Exchange differences	Revaluation reserve derivatives	Revaluation reserve assets	Total other reserves
Balance at 1 January 2007	**- 1.0**	**- 7.1**	**2.6**	**- 5.5**
Movements:				
– Exchange differences on net investments	- 22.7	–	–	- 22.7
– Effective part of hedges of net investments	26.8	–	–	26.8
– Tax effect on exchange differences and hedges	- 7.5	–	–	- 7.5
– Use of exchange differences on net investments (to income statement)	1.1	–	–	1.1
– Movements in effective part of cash flow hedges	–	2.4	–	2.4
– Tax effect on movements in cash flow hedges	–	- 0.6	–	- 0.6
– Use of effective part of cash flow hedges (to income statement)	–	7.2	–	7.2
– Tax effect on use of cash flow hedges (to income statement)	–	- 1.9	–	- 1.9
– Movements in effective part of cash flow hedges joint ventures	–	- 0.4	–	- 0.4
– Revaluation of assets	–	–	16.4	16.4
– Tax effect on revaluation of assets	–	–	- 3.6	- 3.6
– Depreciation on revaluation of assets	–	–	- 1.4	- 1.4
– Tax effect on depreciation on revaluation of assets	–	–	0.6	0.6
Balance at 31 December 2007	**- 3.3**	**- 0.4**	**14.6**	**10.9**
Movements:				
– Exchange differences on net investments	22.8	–	–	22.8
– Effective part of hedges of net investments	- 40.4	–	–	- 40.4
– Tax effect on exchange differences and hedges	11.5	–	–	11.5
– Use of exchange differences on net investments (to income statement)	0.3	–	–	0.3
– Tax effect on use of exchange differences on net investments (to income statement)	0.4	–	–	0.4
– Movements in effective part of cash flow hedges	–	- 3.8	–	- 3.8
– Tax effect on movements in cash flow hedges	–	0.8	–	0.8
– Use of effective part of cash flow hedges (to income statement)	–	2.1	–	2.1
– Tax effect on use of cash flow hedges (to income statement)	–	- 0.5	–	- 0.5
– Movements in effective part of cash flow hedges joint ventures	–	- 18.4	–	- 18.4
– Depreciation on revaluation of assets	–	–	- 0.9	- 0.9
– Tax effect on depreciation on revaluation of assets	–	–	0.3	0.3
– Release revaluation reserve due to sale (to retained earnings)	–	–	- 8.1	- 8.1
– Tax effect on release revaluation reserve due to sale (to retained earnings)	–	–	1.8	1.8
Balance at 31 December 2008	**- 8.7**	**- 20.2**	**7.7**	**- 21.2**

Exchange differences include all exchange differences resulting from the translation of the financial statements of foreign entities. They also include the exchange differences on liabilities and the effective currency component of fair value changes of derivative financial instruments (net of tax), to the extent that they hedge the net investments of the Group in foreign entities and hedge accounting is applied.

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

The schedule for use is as follows:

	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Schedule for use of revaluation reserve derivatives	- 2.9	- 3.2	- 3.6	- 3.0	- 2.0	- 5.5	- 20.2

25. Retained earnings

Movements in retained earnings were as follows:

	2008	2007
Balance at 31 December 2007	**552.6**	
Change in accounting policy	- 1.7	
Balance at 1 January	**550.9**	**418.1**
Dividend paid in cash	- 61.0	- 49.2
Measurement of equity-settled share-based payment arrangements	0.4	–
Release of revaluation reserve due to depreciation	0.6	0.8
Release of revaluation reserve due to deconsolidation	6.3	–
Net profit attributable to shareholders	213.2	182.9
Balance at 31 December	**710.4**	**552.6**

Of the retained earnings, EUR 588.3 million can be distributed freely (see page 134).

26. Minority interests

Statement of changes in minority interests:

	2008	2007
Balance at 1 January	**70.2**	**64.2**
Profit for financial year	16.5	15.2
Dividend	- 14.0	- 6.2
Investments/disposals	- 0.8	- 0.5
Exchange differences	4.1	- 2.5
Balance at 31 December	**76.0**	**70.2**

The profit for the 2008 financial year includes a negative exceptional item of EUR 0.3 million (2007: EUR 0.6 million negative).

27. Interest-bearing loans

The US Private Placement financing program entered into in 2001 and amended in March 2007, has a maximum Senior Net Debt/EBITDA ratio of 3.75, with the interest rate increasing by 25 basis points for ratios between 3.00 and 3.25 and by 75 basis points for ratios between 3.25 and 3.50. The interest rate increases by 200 basis points for ratios from 3.50.

The US Private Placement totaling of USD 375 million entered into in May 2007 has tranches with terms of 8, 10, 12 and 15 years, all redeemable at the end of the term. The 8-year tranche (USD 75 million) has a floating interest rate. The other three tranches of USD 100 million each have a fixed interest rate, with an average interest rate of approximately 6%.

The EUR 1 billion Revolving Credit Facility can be drawn in amounts in the key standard currencies and repaid at any time. The Facility runs until August 2012 with two renewal options of one year each. There is also an option to increase the facility to EUR 1.2 billion. The currencies drawn at the end of 2008 were USD 170 million, AUD 160 million and EUR 100 million, representing a total amount of EUR 301.5 million.

The existing SGD bank loans with a facility of SGD 200 million for Vopak Terminals Singapore Pte. Ltd. had been fully drawn at the end of 2008.

This note provides information on the contractual provisions of the interest-bearing loans. For further details on possible currency and interest rate risks, please see note 32.

A break-down is set out below:

	Note		2008		2007
Non-current interest-bearing loans					
US Private Placements	27.1	519.7		536.5	
Bank loans and other private placements	27.2	99.9		88.1	
Credit facilities	27.3	301.5		–	
Other long-term loans		1.0		–	
Total			**922.1**		**624.6**
Current interest-bearing loans					
US Private Placements	27.1	29.6		44.1	
Bank loans and other private placements	27.2	20.4		3.5	
Total			**50.0**		**47.6**
Total interest-bearing loans			**972.1**		**672.2**

Movements in the total interest-bearing loans were as follows:

	2008	2007
Balance at 1 January	**672.2**	**514.1**
Movements:		
– US Private Placements drawn	–	269.6
– Bank loans and other private placements drawn	41.9	1.6
– Credit facilities drawn	461.9	75.0
– Repayments US Private Placements	- 44.3	- 3.2
– Repayments bank loans and other private placements	- 1.1	- 18.2
– Repayments credit facilities	- 149.4	- 105.0
– Reduction of guarantee provided for a transferred receivable	–	- 17.8
– Surrender of guarantee provided for a transferred receivable	–	- 8.9
– Repayments finance lease	–	- 0.4
– Effective part of fair value changes interest rate swaps (fixed to floating)	1.7	2.4
– Effects of effective interest method	- 0.2	0.8
– Acquisitions	1.1	15.8
– Deconsolidations	- 13.7	–
– Exchange differences	2.0	- 53.6
Balance at 31 December	**972.1**	**672.2**
Non-current liabilities	922.1	624.6
Current liabilities	50.0	47.6
Balance at 31 December	**972.1**	**672.2**

The repayment obligations for the non-current liabilities were as follows:

2010	25.3
2011	180.0
2012	317.9
2013	83.7
2014	2.0
After 2014	313.2
Total non-current liabilities at 31 December 2008	**922.1**

Breakdown of loans by currency:

	Local currency		Euro	
	2008	**2007**	**2008**	**2007**
Euro (EUR)	127.2	28.4	127.2	28.4
US Dollar (USD)	877.0	794.4	627.4	540.8
Pound sterling (GBP)	35.0	35.0	36.6	47.6
Singapore Dollar (SGD)	200.0	116.0	99.9	55.4
Australian Dollar (AUD)	160.0	–	81.0	–
Total			**972.1**	**672.2**

27.1 US Private Placements

US private placements (US PP) drawn by Royal Vopak amount to EUR 549.3 million, with an average remaining term of 8.5 years. The maximum remaining nominal term is 14 years and in most cases repayment is effected as at the end of the term, with a repayment peak of EUR 180.0 million in 2011. A regular repayment of EUR 29.6 million will be effected in 2009.

The following main conditions apply to the US PP program:

- The Senior Net Debt to EBITDA ratio may not exceed 3.75. Furthermore, the Net Debt (including subordinated loans) to EBITDA ratio for the US PP program entered into in 2007 may not exceed 4.25.
- The ratio between the EBITDA and the net finance costs (Interest Cover Ratio or 'ICR') may not drop below 4.0 and 3.5 for the 2001 and 2007 US PP programs, respectively.
- As from 1 January 2007, shareholders' equity may not be less than the higher of:
  (i) EUR 464.0 million or
  (ii)EUR 464.0 million, increased after 1 January 2007 by 40% of the profit on ordinary activities after tax less minority interests in the consolidated net profit to arrive at a required minimum of EUR 725.0 million.
- A number of sub-holding companies have provided guarantees regarding compliance with the obligations under the terms of this financing.

27.2 Bank loans and other private placements

Bank loans and other private placements consisted of two components at 31 December 2008:

1. EUR 20.4 million of bank loans and private placements drawn by Royal Vopak, with a remaining term of one year. The ratios applicable to these bank loans are the same as those for the credit facility (see 27.3).

2. Bank loans of SGD 200.0 million (EUR 99.9 million) drawn by Vopak Terminals Singapore Pte. Ltd. (VTS). The first tranche of SGD 116.0 million has a term of four years and the second tranche of SGD 84 million has a maturity close to seven years. Both of the tranches will be repaid at the end of the term. The bank loan for VTS was granted on the basis of VTS's credit standing and is subject to the following financial ratios at VTS level:
   - The Debt/Equity ratio may not exceed 1.5 : 1.
   - The ratio between EBITDA and the net finance costs should be at least 4 : 1.
   - Shareholders' equity must be at least SGD 150.0 million.

27.3 Credit facilities

USD 170 million, AUD 160 million and EUR 100 million, representing a total of EUR 301.5 million had been drawn from the EUR 1.0 billion credit facility at year-end. This facility had not been drawn on at year-end 2007.

The following financial ratios apply:
- The Senior Net Debt/EBITDA ratio may not exceed 3.75.
- The ICR may not be lower than 3.5.
- There are no restrictions for drawing subordinated loans.
- A number of intermediate sub-holding companies have provided guarantees regarding compliance with the obligations under the terms of this financing.

27.4 Financial ratios

At 31 December 2008, Royal Vopak comfortably met the applicable financial ratios referred to in paragraphs 27.1, 27.2 and 27.3. Based on the consolidated figures, the ratios as at 31 December 2008 were as follows:
- At 31 December 2008, the Senior Net Debt/EBITDA ratio was 2.54 (31 December 2007: 1.71). For a breakdown of the calculation of the Net Debt, please see page 35 of this report.
- The ICR at 31 December 2008 was 10.9 (31 December 2007: 8.5).
- The minimum required shareholders' equity at year-end 2008, in accordance with the calculation method outlined in paragraph 27.1, is EUR 611.4 million (year-end 2007: EUR 530.1 million). At 31 December 2008, the shareholders' equity for ratio calculation was EUR 938.9 million (31 December 2007: EUR 815.6 million).

Vopak Terminals Singapore Pte. Ltd. also met the financial ratios referred to in paragraph 27.2 at 31 December 2008.

28. Pensions and other employee benefits

Movements in the provision for pensions and other employee benefits were as follows:

	2008	**2007**
Balance at 31 December 2007	**- 17.7**	
Change in accounting policy (IFRIC 14)	2.2	
Balance at 1 January	**- 15.5**	6.6
Movements:		
– Disposals	–	- 0.3
– Net periodic pension charges	14.1	14.4
– Interest accrual employer's contribution provision for years of past service	0.9	0.9
– Employer's contribution	- 29.7	- 38.1
– Exchange differences	- 0.6	- 1.8
– Other	- 0.6	0.6
Balance at 31 December	**- 31.4**	- 17.7
Current assets	–	- 0.1
Non-current assets	- 81.9	- 75.4
Current liabilities	2.6	3.3
Non-current liabilities	47.9	54.5
Balance at 31 December	**- 31.4**	- 17.7

The following tables summarize the effects on the balance sheet, the income statement and assumptions underlying the actuarial calculations relating to the principal average or final pay plans and the other benefit plans.

The majority of employees are covered by defined benefit plans, defined contribution plans or mandatory external pension plans. The defined benefit plans are plans in the Netherlands, the United States, the United Kingdom, Germany, Belgium, Switzerland and Brazil. In the Netherlands, most plans are average pay pension plans, while the other countries mostly have final pay pension plans. The measurement of obligations under defined benefit plans takes future salary increases into account and uses a discount rate equal to the interest rate on high-quality corporate bonds for calculating their net present value. The effect of the difference between projected and actual salary increases and that of the difference between projected and actual returns on plan assets are both part of the actuarial results. The actuarial result does not entail a funding obligation. It arises from a calculation method to allocate the plan liabilities to individual years.

To the extent that unrecognized net actuarial results exceed the margin of 10% of the greater of plan assets and defined benefit obligations, they are allocated to the results over a period of about 12 years, equal to the average future term of service.

Where applicable the asset ceiling test was performed in accordance with IAS 19.58 and IFRIC 14. For Switzerland the asset ceiling test resulted in a reduction of the pension asset of EUR 2.2 million.

The German pension plans are not funded; the defined benefit obligations for these plans total EUR 14.5 million (2007: EUR 14.9 million). As at 31 December 2008, approximately 66% of the plan assets were bonds (year-end 2007: 54%), 31% shares (year-end 2007: 42%) and 3% real-estate (year-end 2007: 4%). The pension funds have not invested directly in shares in Koninklijke Vopak N.V. or in real-estate of the Group.

Out of the defined contribution plans, three plans relate to multi-employer plans that take the form of a defined benefit plan. The contributions to these multi-employer plans are treated as defined contributions because no information has been provided to enable to account for them as defined benefit plan.

Due to legislative changes in the Netherlands, the early retirement schemes for employees born on or after 1 January 1950 were curtailed as per 1 January 2006. These employees were offered defined contribution plans and a contribution to the life-course scheme instead. A provision was formed in 2006 for future contributions that correspond to the years of past service.
The employer contribution to these defined contribution plans amounted to EUR 4.9 million in 2008 (2007: EUR 5.0 million), EUR 2.7 million (2007: EUR 3.5 million) of which is compensated for by the release from the provision for defined contribution plans for years of past service.

	Note	The Netherlands 2008	2007	Foreign 2008	2007	Total 2008	2007
Movements in pension obligations							
Obligations at 1 January		**585.3**	**671.1**	**130.7**	**146.6**	**716.0**	**817.7**
Movements:							
– Disposals/curtailments		–	–	- 0.2	- 0.3	- 0.2	- 0.3
– Costs of rights accrued in the financial year		7.2	8.5	3.3	3.5	10.5	12.0
– Interest expenses		31.2	29.5	7.2	7.0	38.4	36.5
– Actuarial gains (-) and losses		- 3.8	- 90.3	- 1.0	- 12.5	- 4.8	- 102.8
– Benefits paid from the pension fund		- 33.6	- 33.5	- 4.3	- 3.4	- 37.9	- 36.9
– Benefits paid directly by the employer		–	–	- 1.8	- 1.6	- 1.8	- 1.6
– Exchange differences		–	–	- 9.2	- 8.6	- 9.2	- 8.6
Obligations at 31 December		**586.3**	**585.3**	**124.7**	**130.7**	**711.0**	**716.0**
Movements in plan assets							
Fair value of plan assets at 1 January		**656.9**	**661.8**	**108.0**	**99.8**	**764.9**	**761.6**
Movements:							
– Disposals/curtailments		–	–	- 0.1	–	- 0.1	–
– Expected return on assets		37.1	35.9	7.0	6.7	44.1	42.6
– Actuarial gains and losses (-)		- 125.0	- 19.8	- 29.6	- 0.4	- 154.6	- 20.2
– Employer's contributions		12.0	12.5	6.2	14.4	18.2	26.9
– Employees' contributions		0.3	0.1	0.4	0.4	0.7	0.5
– Benefits paid		- 33.9	- 33.6	- 6.5	- 5.3	- 40.4	- 38.9
– Exchange differences		–	–	- 8.7	- 7.6	- 8.7	- 7.6
Fair value of plan assets at 31 December		**547.4**	**656.9**	**76.7**	**108.0**	**624.1**	**764.9**
Obligations less fair value of plan assets at 31 December		**38.9**	**- 71.6**	**48.0**	**22.7**	**86.9**	**- 48.9**
Net actuarial gains and losses (-) not yet recognized		- 111.5	9.8	- 24.1	1.8	- 135.6	11.6
Net pension assets (-) and obligations under defined benefit plans recognized at 31 December		**- 72.6**	**- 61.8**	**23.9**	**24.5**	**- 48.7**	**- 37.3**
Net pension obligations under defined contribution plans		16.9	19.5	0.4	0.1	17.3	19.6
Net pension obligations recognized at 31 December		**- 55.7**	**- 42.3**	**24.3**	**24.6**	**- 31.4**	**- 17.7**
Assumptions based on weighted average at 31 December							
Discount rate		5.50%	5.50%	5.63%	5.64%	5.52%	5.54%
Expected return on plan assets		5.50%	5.75%	6.82%	6.85%	5.71%	5.88%
Expected general salary increase		3.00%	3.00%	3.58%	3.15%	3.10%	3.09%
Expected price index increase		2.00%	2.00%	2.59%	2.71%	2.10%	2.09%
Components of net periodic pension charges							
Current service costs		7.2	8.5	3.3	3.5	10.5	12.0
Interest expense		31.2	29.5	7.2	7.0	38.4	36.5
Expected return on plan assets		- 37.1	- 35.9	- 7.0	- 6.7	- 44.1	- 42.6
Amortization of actuarial gains and losses		- 0.1	0.5	0.1	0.3	–	0.8
The effect of the limit of an asset		–	–	0.5	–	0.5	–
Pension charges defined benefit plans	3	**1.2**	**2.6**	**4.1**	**4.1**	**5.3**	**6.7**
Employer's contribution to defined contribution plans		7.9	8.1	3.6	3.1	11.5	11.2
Release of provision for employer's contribution corresponding to years of past service		- 2.7	- 3.5	–	–	- 2.7	- 3.5
Pension charges defined contribution plans	3	**5.2**	**4.6**	**3.6**	**3.1**	**8.8**	**7.7**
Net periodic pension charges		**6.4**	**7.2**	**7.7**	**7.2**	**14.1**	**14.4**

In addition to the assumptions reflected in the table, the calculations were also based on recent mortality tables, taking the developments in mortality rates into account through projections or surpluses. These led to the following life expectancy in year:

	The Netherlands		Foreign	
	2008	**2007**	**2008**	**2007**
Age 45				
Men	38.5	38.3	38.9	38.5
Women	40.7	38.9	41.9	41.8
Age 65				
Men	18.6	18.5	20.0	20.0
Women	21.6	20.1	22.9	23.0

Local historical data was used for the purposes of dismissal and disability calculations.

Expected net periodic pension charge and impact of employer's contribution on cashflow

In 2008 the net periodic pension charge amounted to EUR 14.1 million, of which EUR 5.3 million related to defined benefit plans. The remaining amount related to defined contribution plans. For 2009, the amount related to defined benefit plans will increase to EUR 19.1 million mainly as a result of the impact of the global financial crisis on the plan assets. This affects the expected return on plan assets (decrease from EUR 44.1 million in 2008 to EUR 35.2 million in 2009) as well as the amortization of actuarial gains and losses (increase from nil in 2008 to EUR 5.3 million in 2009).

Although the employer's contributions have no effect on the income statement they do form part of the outgoing cash flow during the year. At current the employer's contributions for defined benefit plans are expected to increase from EUR 18.2 million in 2008 to EUR 36.4 million in 2009. This increase includes a one-off contribution to the Dutch pension fund of EUR 10 million. No major changes are expected with regard to the employer's contributions for defined contribution plans.

Historical figures

The amounts in respect of defined benefit plans are as follows at 31 December of the current year under review and previous years under review:

	2008	**2007**	**2006**	**2005**	**2004**
Obligations	711.0	716.0	817.7	848.4	780.1
Fair value of plan assets	624.1	764.9	761.6	694.9	629.5
Obligations minus fair value at 31 December	**86.9**	**- 48.9**	**56.1**	**153.5**	**150.6**
Actuarial gains (-) and losses pension obligations	**- 4.8**	**- 102.8**	**- 15.8**	**48.3**	**86.0**
Actuarial gains and losses (-) plan assets	**- 154.6**	**- 20.2**	**- 7.5**	**39.2**	**12.0**

Sensitivity analysis

The table below shows the estimated impact on the net period pension charges for each main assumption, allowing for a difference of one per cent (negative amounts mean a reduction in expenses).

	Increase 1%		Decrease 1%	
	2008	**2007**	**2008**	**2007**
Discount rate	- 4.9	- 1.5	6.7	1.3
Expected return on plan assets	- 5.5	- 6.5	5.5	6.5
Expected price index increase	10.4	5.6	- 8.6	- 5.0

Given the IFRS methodology, any differences only become apparent in the net periodic pension charges for 2010 via amortization of net actuarial gains and losses not yet recognized. Differences compared with the assumption do not affect the net pension charges for 2009.

29. Long-term Incentive Plans (LTIP)

The Long-term Incentive Plan for the members of the Executive Board, as approved by the Annual General Meeting in 2007, replaces the Long-term Cash Plan (2005-2007) and this share based payment arrangement consists of two plans: the Performance Share Plan and the Share Ownership Plan. Both plans are equity-settled share-based payment arrangements. Vopak has maintained the three years Cash Plan (2008-2010) as a long-term incentive plan for employees not granted with the Long-term Incentive Plan but who contribute significantly to the company's shareholder value. Unvested awards are forfeited if a participant resigns or their employment is terminated for cause. They are retained on a pro-rata basis, but still subject to the performance condition, if a participant leaves for reasons of retirement, redundancy or ill-health.

Performance Share Plan

The members of the Executive Board and a number of key managers are awarded conditional ordinary shares in the company, which vest after three years to the extent that the associated service and performance conditions are met. The participants are not permitted to dispose of their vested shares (except to meet their tax liability on vesting) until they have met their minimum shareholding target (see next page).

The plan rules allow for grants up to a maximum of 150% of the number of shares granted conditionally at the beginning of the performance period and subject to continued employment. Grants were made with an underlying value of 45% of fixed salary 2008 for the chairman and at 40% of fixed salary 2008 for the other members of the Executive Board. Restricted shares at lower grant percentages (respectively 30% or 20% of fixed salary 2008) are made to a number of other senior executives.

The performance condition attached to restricted performance share grants is based on the financial performance of the business during the vesting period of three years starting at 1 January 2008. The financial performance during those three years is measured by the average ROCE and growth in EBITDA based on the performance levels as contained in the table Performance-remuneration matrix long-term incentive plans on the next page. These non-market vesting conditions are revised at each balance sheet and the difference is charged or credited to the income statement, with a corresponding adjustment to equity.

Share Ownership Plan

To align the interest of the members of the Executive Board and a number of senior executives with those of shareholders they are also required to build up and keep a portfolio of Vopak shares in the amount of one times their fixed annual salary 2008. For those senior executives participating in the Long-term Incentive Plan this is 50% or 25% of the fixed annual salary 2008. The shareholding target is defined as a minimum number of shares based on the average share prices of the fourth quarter 2007.

To this end, from 2007, the participants can purchase shares which are placed in a portfolio. If the portfolio reaches the intended level, the performance shares obtained after the three year vesting period become available to the participants. If the intended level is not reached, the performance shares, after the three year period, are placed in a portfolio and frozen for five years. The shares in the portfolio are released after this five-year period, notwithstanding participants' obligation to maintain the shares in a portfolio at the target level.

As consideration for keeping the shares in a portfolio, the company will annually award a performance-related number of matching shares to a maximum of the intended target level after five years. For this the performance is measured by the EPS growth criterion for the five-year period based on the performance levels as contained in the table Performance-remuneration matrix long-term incentive plans on the next page. The number of matching shares can rise to 200% of the shares brought into the portfolio in the first half year of 2008.

Cash Plan

The Cash Plan provides for additional pay in the form of deferred compensation under the terms and conditions of the plan after a three years vesting period. The Cash Plan is granted to a group of senior managers individually selected by the Executive Board. The financial performance is measured by the EPS growth criterion for the three years period (see table Performance-remuneration matrix long-term incentive plans) and can rise to a maximum of 67.5% or 45% of the average salary over the vesting period. The total costs recognized during 2008 was EUR 1.1 million.

Performance-remuneration matrix long-term incentive plans

				Performance shares		Matching shares		Cash plan
Average ROCE		EBITDA-growth			Growth EPS 2008-2012		Growth EPS 2008-2010	
Performance	Grant	Performance	Grant	Total grant	Performance	Grant	Performance	Grant
≥ 18%	75%	≥ 40%	75%	150%	≥ 129%	200%	≥ 35%	67.5%/45%
= 16%	50%	= 33%	50%	100%	= 92%	125%	= 30%	45%/30%
= 14%	25%	= 26%	25%	50%	= 61%	50%	= 25%	30%/20%
< 14%	0%	< 26%	0%	0%	< 61%	0%	< 25%	0%/ 0%

Linear interpolation is used between each level in the above table.

Minimum restricted shareholding requirement at 31 December 2008

The shareholding target can be build up during three to six years. The members of the Executive Board could already purchase shares starting from 2007 with no minimum requirement during 2007. This means a minimum shareholding requirement of one sixth for all participants and a maximum of two third respectively one third of the shareholding target for the members of the Executive Board and the other senior executives at 31 December 2008 as reflected in the table below. Only the shares held at 30 June will be eligible for matching shares for the year under review.

	Minimum number of shares	Maximum number of shares	Restricted shares held on 31 December	Restricted shares held on 30 June
Member Executive Board (see note 33)	5,529	22,118	22,118	22,118
Other senior executives	4,206	9,695	10,839	9,695
Total	**9,735**	**31,813**	**32,957**	**31,813**

All participants have met their minimum shareholding requirements at 31 December 2008.

Estimated value equity-settled share-based payments

The calculations of the estimated value of the restricted performance and matching shares as per grant dates, the dates on which the terms and conditions of the Long-term Share Plans are accepted by the participants, are made by an independent qualified appraiser.

The total reward for 2008 can only be estimated, because the actual value of the restricted performance and matching shares granted in 2008 will not be known until the end of 2010 and 2012. The measurement of the fair value of the performance and matching shares were based on a risk-free rate of return of 4.2% and did consider dividends as the holders of the awards are not entitled to receive dividends during the vesting period. The risk-free rate of return is based on zero-coupon Euro zone government-bond yields of appropriate duration.

The estimated vesting percentages are based on scenario analysis and amounts to 85% for the performance shares and to 53% for the matching shares. No attrition and forfeitures of key executives are assumed. The fair value of the employee services received in exchange for the grant of performance shares and matching shares is in accordance with IFRS 2 recognized as an expense ratably over the vesting period of three years for the performance shares and over the vesting period of five years for the matching shares.

The non-market vesting conditions of the equity-settled share-based payment arrangements are revised at each balance sheet date and the difference is charged or credited to the income statement, with a corresponding adjustment to equity.
The amounts recognized during 2008 were EUR 0.3 million for the performance share plan and EUR 0.1 million for the matching shares as specified in the tables on the next page.

Performance shares

Participants	Grant date	Average share price at grant date	Fair value shares at grant date	Awarded shares	Expected shares	Fair value at grant date	Allocated cost to 2008
J.P.H. Broeders	18-02-2008	34.16	31.23	5,536	4,706	146,968	48,989
F.D. de Koning	12-02-2008	33.32	30.39	4,020	3,417	103,843	34,614
J.P. de Kreij	15-02-2008	33.86	30.93	4,330	3,681	113,853	37,951
Other senior	7-03-2008/						
executives	1-07-2008	36.43	33.50	19,468	16,548	554,358	184,787
Total				**33,354**	**28,352**	**919.022**	**306,341**

Matching shares

Participants	Grant date	Average share price at grant date	Fair value shares at grant date	Awarded shares [1]	Expected shares	Fair value at grant date	Allocated cost to 2008 [2]
J.P.H. Broeders	18-02-2008	34.16	29.25	8,202	4,347	127,150	28,277
F.D. de Koning	12-02-2008	33.32	28.41	7,217	3,550	100,856	22,536
J.P. de Kreij	15-02-2008	33.86	28.95	6,699	3,825	110,734	24,740
Other senior	7-03-2008/						
executives	1-07-2008	36.43	31.52	9,695	3,051	96,167	19,233
Total				**31,813**	**14,773**	**434,907**	**94,786**

[1] including 2007

[2] including costs of matching shares 2007

30. Other provisions

Movements in other provisions were as follows:

	Environmental liabilities	Reorganiza-tion	Other	Total
Non-current liabilities	9.6	0.3	19.0	28.9
Current liabilities	3.4	1.1	5.1	9.6
Balance at 1 January 2008	**13.0**	**1.4**	**24.1**	**38.5**
Movements:				
– Additions	1.1	–	6.6	7.7
– Withdrawals	- 3.2	- 0.7	- 2.8	- 6.7
– Releases	- 0.5	- 0.1	- 2.0	- 2.6
– Reclassification to assets held for sale	–	- 0.4	–	- 0.4
– Interest accrual	–	–	0.1	0.1
– Exchange differences	–	–	- 0.3	- 0.3
Balance at 31 December 2008	**10.4**	**0.2**	**25.7**	**36.3**
Non-current liabilities	5.8	–	14.9	20.7
Current liabilities	4.6	0.2	10.8	15.6
Balance at 31 December 2008	**10.4**	**0.2**	**25.7**	**36.3**
Expected withdrawals				
< 1 year	4.6	0.2	10.8	15.6
1 - 2 years	1.8	–	4.3	6.1
2 - 3 years	1.8	–	6.0	7.8
3 - 4 years	0.6	–	1.4	2.0
4 - 5 years	0.5	–	–	0.5
> 5 years	1.1	–	3.2	4.3
Total	**10.4**	**0.2**	**25.7**	**36.3**

Vopak is obliged to clean up the soil at different locations. An accurate estimate of the provision for this environmental risk can only be reliable made after conducting a thorough survey and drawing up a management plan for the site, on the basis of which the governmental authorities issues an order. In 2008, this has led to an increase in the provision for environmental risks of EUR 1.1 million. This increase was recognized in the income statement under Other operating expenses.

The reorganization provisions consist mainly of provisions for reorganizations and post-employment benefits, other than pensions and non-activity benefits.

Other provisions include an amount of EUR 1.1 million for the Cash Plan (see note 29) and EUR 11.7 million relating to claims and damages incurred but not yet reported relating to insurance activities. In 2008, EUR 4.1 million was added for expected claims, EUR 1.4 million was used and EUR 1.9 million was released.

31. Trade and other payables

	Note	2008	2007
Trade payables		47.9	44.2
Wage tax and social security charges		5.0	5.1
Prepaid grants	13	55.9	10.5
Other creditors, accruals and deferred income		212.2	199.6
Total		**321.0**	**259.4**

32. Derivative financial instruments

General

The principal derivative financial instruments used by the Group are forward exchange contracts, interest rate swaps and cross currency interest rate swaps.

The market value of the derivative financial instruments as at 31 December 2007 and 31 December 2008 is shown below in order of maturity date:

Market value of the derivative financial instruments at 31-12-2007

	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total	Assets	Liabilities
Currency risks									
Forward exchange contracts:									
– Hedge accounting	- 0.2	–	–	–	–	–	- 0.2	2.7	2.9
– No hedge accounting	- 1.2	–	–	–	–	–	- 1.2	1.0	2.2
Cross currency interest rate swaps:									
– No hedge accounting	- 16.2	–	- 7.3	- 16.2	–	–	- 39.7	–	39.7
Interest rate risks									
Interest rate swaps:									
– Cash flow hedge	–	–	–	–	- 0.2	–	- 0.2	–	0.2
– Fair value hedge	- 0.2	- 0.1	0.1	–	–	–	- 0.2	0.1	0.3
– No hedge accounting	–	–	–	–	–	–	–	0.6	0.6
Cross currency interest rate swaps:									
– Hedge accounting	- 0.5	–	2.3	- 2.1	–	–	- 0.3	2.3	2.6
Total	**- 18.3**	**- 0.1**	**- 4.9**	**- 18.3**	**- 0.2**	**–**	**- 41.8**	**6.7**	**48.5**
Current	- 18.3	–	–	–	–	–	- 18.3	3.7	22.0
Non-current	–	- 0.1	- 4.9	- 18.3	- 0.2	–	- 23.5	3.0	26.5
Total	**- 18.3**	**- 0.1**	**- 4.9**	**- 18.3**	**- 0.2**	**–**	**- 41.8**	**6.7**	**48.5**

Market value of the derivative financial instruments at 31-12-2008

	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total	Assets	Liabilities
Currency risks									
Forward exchange contracts:									
– Hedge accounting	19.2	–	–	–	–	–	19.2	20.5	1.3
– No hedge accounting	7.4	–	–	–	–	–	7.4	8.8	1.4
Cross currency interest rate swaps:									
– No hedge accounting	–	- 4.0	- 14.7	–	–	–	- 18.7	–	18.7
Interest rate risks									
Interest rate swaps:									
– Cash flow hedge	–	–	–	- 1.7	- 2.0	–	- 3.7	–	3.7
– Fair value hedge	0.5	0.9	–	–	–	–	1.4	1.4	–
– No hedge accounting	–	–	–	–	–	–	–	1.0	1.0
Cross currency interest rate swaps:									
– Hedge accounting	–	1.7	- 1.4	–	–	–	0.3	1.7	1.4
Total	**27.1**	**- 1.4**	**- 16.1**	**- 1.7**	**- 2.0**	**–**	**5.9**	**33.4**	**27.5**
Current	27.1	–	–	–	–	–	27.1	30.8	3.7
Non-current	–	- 1.4	- 16.1	- 1.7	- 2.0	–	- 21.2	2.6	23.8
Total	**27.1**	**- 1.4**	**- 16.1**	**- 1.7**	**- 2.0**	**–**	**5.9**	**33.4**	**27.5**

Currency risks

When applying hedge accounting, the effective part of the movement in fair value of the forward exchange contracts is recognized in the exchange differences reserve (equity component) from 1 January 2005, to the extent that they relate to the hedging of net investments in foreign activities. Reversal through the income statement takes place proportionately if all or part of the underlying position is sold. Both the ineffective part and the interest component are recognized directly in the income statement. All currency hedges for 2007 and 2008 were effective.

As part of the currency risk policy, the Group has converted fixed-interest USD loans (US PPs) totaling USD 160 million into fixed-interest loans for the amount of EUR 133.1 million by means of cross currency interest rate swaps (CCIRS). The terms of the CCIRS are as follows: USD 110 million until 19 June 2010 and USD 50 million until 19 June 2011.

The fair value changes relating to the currency part of the principal of the CCIRS are recognized directly in the income statement to compensate for the exchange differences on the hedged USD loans. The fair value changes relating to the fixed interest flows are recognized in equity under the revaluation reserve derivatives by means of hedge accounting (cash flow hedges). A loss of EUR 20.2 million, net of tax had been recognized in equity up to 31 December 2008 (see note 24).

Interest rate risks

By means of various interest rate swaps, the Group converted fixed interest loans (US PPs) totaling USD 68 million to floating interest loans. The terms of these swaps are: for USD 37 million until 21 December 2009 and for USD 31 million until 20 December 2010. These interest rate swaps were designated as being fair value hedges. The part of the value adjustment of the instrument regarded as effective is in principle also recognized in the underlying loan. Total movements as at 31 December 2008 resulted in a gain of EUR 1.4 million on the interest rate swaps, and a loss of EUR 1.5 million on the loans. On balance, the ineffective part of the fair value change results in a loss of EUR 0.1 million.

Vopak Terminal Singapore Pte. Ltd. converted various floating interest loans totaling SGD 147 million into fixed interest loans by means of different interest rate swaps. The terms of these interest rate swaps are until 13 May 2012 and 17 August 2015 and are classified as cash flow hedges.

Effective interest rate and interest rate reset period

The following statements will provide insight into the effective interest rate as at 31 December 2007 and 31 December 2008 of interest-bearing assets and liabilities and the periods in which the interest rate is reviewed.

Effective interest rates and interest rate reset period at 31-12-2007

	Note	Effective interest	Total	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years
Cash and cash equivalents and									
bank overdrafts	21	**3.0%**	**110.3**	**110.3**	**–**	**–**	**–**	**–**	**–**
Loans granted:									
– EUR floating interest		6.0%	8.7	8.7	–	–	–	–	–
– EUR fixed interest		6.0%	7.1	0.6	0.6	0.6	0.7	0.6	4.0
Total loans granted	16		**15.8**	**9.3**	**0.6**	**0.6**	**0.7**	**0.6**	**4.0**
Loans drawn:									
– EUR fixed interest		6.3%	- 28.4	–	- 20.4	–	–	–	- 8.0
– GBP fixed interest		7.9%	- 47.6	–	–	–	- 47.6	–	–
– SGD floating interest		2.8%	- 17.1	- 17.1	–	–	–	–	–
– SGD floating interest with									
interest rate swaps		2.8%	- 38.2	–	–	–	–	- 38.2	–
– USD fixed interest		5.7%	- 261.1	- 2.1	- 2.0	- 2.1	- 102.2	- 14.6	- 138.1
– USD fixed interest with									
interest rate swaps		5.7%	- 212.5	- 41.1	- 25.4	- 21.2	- 34.3	–	- 90.5
– USD floating interest		5.6%	- 67.3	- 67.3	–	–	–	–	–
Total loans drawn	27		**- 672.2**	**- 127.6**	**- 47.8**	**- 23.3**	**- 184.1**	**- 52.8**	**- 236.6**
Derivative financial instruments									
(currency component fair value):									
– Effect of interest rate swaps USD									
from fixed to floating interest:									
Fixed		7.8%	68.5	21.9	25.4	21.2	–	–	–
Floating		8.4%	- 68.5	- 21.9	- 25.4	- 21.2	–	–	–
– Effect of interest rate swaps from									
USD fixed to EUR fixed (CCIRS):									
EUR fixed interest		7.0%	- 183.7	- 50.5	–	- 82.7	- 50.5	–	–
USD fixed interest		7.1%	144.0	34.3	–	75.4	34.3	–	–
– Effect of interest rate swaps SGD									
from floating to fixed interest:									
SGD floating interest		2.9%	38.2	–	–	–	–	38.2	–
SGD fixed interest		3.5%	- 38.2	–	–	–	–	- 38.2	–
Total derivative financial instruments			**- 39.7**	**- 16.2**	**–**	**- 7.3**	**- 16.2**	**–**	**–**
Total			**- 585.8**	**- 24.2**	**- 47.2**	**- 30.0**	**- 199.6**	**- 52.2**	**- 232.6**

Effective interest rates and interest rate reset period at 31-12-2008

	Note	Effective interest	Total	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years
Cash and cash equivalents and bank overdrafts	21	**3.0%**	**- 24.6**	**- 24.6**	**–**	**–**	**–**	**–**	**–**
Loans granted:									
– EUR floating interest		6.9%	3.3	3.3	–	–	–	–	–
– USD floating interest		5.2%	17.6	17.6	–	–	–	–	–
– USD fixed interest		10.0%	46.0	46.0					
Total loans granted	16		**66.9**	**66.9**	**–**	**–**	**–**	**–**	**–**
Loans drawn:									
– EUR fixed interest		6.3%	- 28.4	- 20.4	–	–	–	- 8.0	–
– EUR floating interest		4.7%	- 98.8	- 98.8	–	–	–	–	–
– AUD floating interrest		5.1%	- 81.0	- 81.0	–	–	–	–	–
– GBP fixed interest		7.9%	- 36.6	–	–	- 36.6	–	–	–
– SGD floating interest		1.8%	- 26.5	- 26.5	–	–	–	–	–
– SGD floating interest with interest rate swaps		1.8%	- 73.4	–	–	–	- 39.9	–	- 33.5
– USD fixed interest		5.7%	- 289.0	- 3.1	- 2.0	- 107.6	- 16.4	- 17.8	- 142.1
– USD fixed interest with interest rate swaps		5.7%	- 163.1	- 26.5	- 22.2	- 35.8	–	–	- 78.6
– USD floating interest		4.0%	- 175.3	- 175.3	–	–	–	–	–
Total loans drawn	27		**- 972.1**	**- 431.6**	**- 24.2**	**- 180.0**	**- 56.3**	**- 25.8**	**- 254.2**
Derivative financial instruments (currency component fair value):									
– Effect of interest rate swaps USD from fixed to floating interest:									
Fixed		7.8%	48.6	26.5	22.1	–	–	–	–
Floating		5.5%	- 48.6	- 26.5	- 22.1	–	–	–	–
– Effect of interest rate swaps from USD fixed to EUR fixed (CCIRS):									
EUR fixed interest		7.0%	- 133.1	–	- 82.7	- 50.4	–	–	–
USD fixed interest		7.2%	114.4	–	78.7	35.7	–	–	–
– Effect of interest rate swaps SGD from floating to fixed interest:									
SGD floating interest		1.5%	73.4	–	–	–	39.9	–	33.5
SGD fixed interest		3.2%	- 73.4	–	–	–	- 39.9	–	- 33.5
Total derivative financial instruments			**- 18.7**	**–**	**- 4.0**	**- 14.7**	**–**	**–**	**–**
Total			**- 948.5**	**- 389.3**	**- 28.2**	**- 194.7**	**- 56.3**	**- 25.8**	**- 254.2**

Credit risks

As at year-end, there was no significant concentration of credit risks at any of the counterparties regarding financial instruments and cash and cash equivalents.

33. Remuneration of Supervisory Board members and Executive Board members

33.1 Remuneration of Supervisory Board members

The remuneration of the members of the Supervisory Board consists of a gross remuneration component. The Supervisory Board members do not receive any profit-related bonuses or options. Members of Committees receive additional remuneration. The total remuneration paid to current and former Supervisory Board members in the financial year was EUR 0.2 million (2007: EUR 0.2 million).

The table below shows the amounts received by each member individually in 2008.

in EUR thousands	Gross remuneration	Audit committee	Appointment committee	Remuneration committee	Total 2008	Total 2007
F.J.G.M. Cremers	33	8	–	1	42	45
C.J. van den Driest	33	–	1	3	37	35
R.M.F. van Loon	33	2	–	3	38	45
A. van Rossum [1]	41	–	2	3	46	8
M. van der Vorm	33	5	2	–	40	40
Total current Supervisory Board members	**173**	**15**	**5**	**10**	**203**	**173**
J.D. Bax [2]	15	–	1	1	17	53
Total former Supervisory Board members	**15**	**–**	**1**	**1**	**17**	**53**
Total	**188**	**15**	**6**	**11**	**220**	**226**

[1] Remuneration for 2007 relates to the period from 27 September 2007, the date of appointment

[2] Remuneration for 2008 relates to the period ended on 24 April 2008, the date of resignation

Mr. Van den Driest, a former Executive Board member, held 4,000 shares at year-end 2008 (2007: 2,668 shares). The other Supervisory Board members did not hold any shares in Koninklijke Vopak N.V. at year-end 2008 and 2007. No loans, advances or guarantees have been provided to current or former Supervisory Board members.

33.2 Remuneration of Executive Board members

The table below shows the remuneration of the Executive Board members. In accordance with IFRS, the long-term variable remuneration and options granted consist of compensation to be allocated for work performed during the financial year, irrespective of the actual payment. Total remuneration amounted to EUR 2.6 million (2007: EUR 2.8 million).

The breakdown for Executive Board members is as follows:

	Salary		Short-term variable remuneration		Long-term variable remuneration[1]		Pension		Value of options		Total	
in EUR thousands	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
J.P.H. Broeders	475	440	315	275	77	176	102	95	–	6	969	992
F.D. de Koning	388	376	227	235	57	150	135	139	–	–	807	900
J.P. de Kreij	418	405	253	253	63	162	103	101	–	21	837	942
Total Executive Board members	**1,281**	**1,221**	**795**	**763**	**197**	**488**	**340**	**335**	**–**	**27**	**2,613**	**2,834**

[1] 2008 is the fair value of the share-based awards. The fair value is the amount for which an item could be exchanged or settled between knowledgeable willing parties. Costs under IFRS deviate from the value attributed to the individual awards at the date of the grant, due to differences in calculation method. Under IFRS the fair value of the share-based award is charged to the income statement over the vesting period.

The Executive Board members are not members of a defined benefit plan but, where appropriate, of a defined contribution plan. The pension plan provides for a retirement age of 65. Following earlier agreed employment conditions Mr. De Kreij and Mr. De Koning may retire at 60 under the plan, and Mr. Broeders' retirement age is 62.

The current Executive Board members are entitled to a short-term and long-term variable remuneration component.

The short-term variable remuneration, which is paid out in cash, is based on financial and personal targets and is subject to a maximum of the fixed salary for year 2008. The maximum is 70% and 62.5% for respectively the chairman (2007: 62.5%) and the other members (unchanged compared to 2007). The financial targets are based on:

– An increase in the earnings per share of at least 8% to 12% or more, compared with the previous year. In that case, the variable remuneration component will increase proportionally by 0% to a maximum of 22.5% (chairman) and 20% (other members) of the fixed salary (2007: for all members a maximum of 20%).
– If a ROCE of 18% (2007: 14%) is achieved, additional variable remuneration of 2.5% of the fixed salary applies. If the ROCE is higher, this variable remuneration component can increase proportionally to a maximum of 22.5% of the fixed salary (chairman and other members) for a ROCE of 20% or higher (2007: a maximum of 22.5% for a ROCE above 18%).

For 2008 the two financial targets resulted in a short-term variable component of the fixed salary for the chairman and the other members of respectively 45% and 42.5% (2007: 42.5% for all members).

The Annual General Meeting held on 26 April 2007 passed a resolution to convert the Long-term Cash Plan, which was applicable for the period 1 January 2005 until 31 December 2007, into a new long-term share-based payment incentive plan from 1 January 2008. The new incentive plan is described in note 29 and consists of performance shares and matching shares.

33.3 Performance shares and matching share plan granted to Executive Board members

For the new long-term incentive plan for the individual members of the Executive Board reference is made to note 29.

Minimum restricted shareholding requirement at 31 December 2008

The shareholding target can be build up during three to six years. The members of the Executive Board could already purchase shares starting from 2007 with no minimum requirement during 2007, but with a maximum of one third of the shareholding target. This means a minimum shareholding requirement of one sixth and a maximum of two third of the shareholding target for the members of the Executive Board at 31 December 2008 as reflected in the table.

	Minimum number of shares	Maximum number of shares	Restricted shares held
J.P.H. Broeders	2,050	8,202	8,202
F.D. de Koning	1,675	6,699	6,699
J.P. de Kreij	1,804	7,217	7,217
Total	**5,529**	**22,118**	**22,118**

All the members of the Executive Board have met their minimum shareholding requirements at 31 December 2008.

Share ownership at 31 December 2008

The current exposure of the members of the Executive Board members is shown in the table below. This includes unrestricted (including partner holdings) and restricted shares. The members of the Executive Board are further exposed to the company's share price through their unvested performance and matching shares.

	Unrestricted shares held	Restricted shares held	Total shares held	Total share value [1]
J.P.H. Broeders	1,798	8,202	10,000	270,000
F.D. de Koning	–	6,699	6,699	180,873
J.P. de Kreij	146,163	7,217	153,380	4,141,260
Total	**147,961**	**22,118**	**170,079**	**4,592,133**

[1] Market value of Vopak shares at year-end is EUR 27.00 per share

All transactions involved were performed for the account and risk of the Executive Board members concerned. At the end of 2007 Mr. Broeders, Mr. De Kreij and Mr. De Koning held, respectively 10,000 shares, 153,380 shares and 3,138 shares.

33.4 Options granted to Executive Board members

The outstanding options concern options granted to Executive Board members. Options can be exercised three years after being granted and have a term of five years from the date of grant or less in the event of earlier termination of employment with the Group. The option holder can exercise the option during the exercise periods by transferring shares, subject to observance of a specific model code.

Breakdown of outstanding options:

	Term	Year of issue	Issued options	Exercise price in euro's	Outstanding options at 31 December 2008	2007
J.P.H. Broeders	up to 13 May 2009	2004	20,000	13.75	10,000	10,000
J.P. de Kreij	up to 31 December 2008	2004	25,000	15.05	–	25,000
	up to 31 December 2009	2005	25,000	15.73	25,000	25,000
Total Executive Board members			**70,000**		**35,000**	**60,000**

During the year under review, no new options were granted, 25,000 options were exercised at a share price of EUR 47.34 and no options lapsed. The transfer obligations under the share option schemes are covered by shares held in the treasury stock.

The costs of the service attached to obtaining options are measured using the fair value of these options. The exercise price of the options granted is equal to the share price on the date of grant. A binomial model is used to determine the fair value.

Recognized costs of share option schemes

in EUR thousands	2008	2007
Options 2004	–	6
Options 2005	–	21
Total costs	**–**	**27**
Carrying amount of options at 31 December	**–**	**–**

34. Cash flows from operating activities (gross)

	Note	2008	2007
Net profit		**229.7**	**198.1**
Adjustments for:			
– Depreciation, amortization and impairment	4	109.9	107.3
– Net finance costs	7, 8	37.6	42.9
– Income tax	9	54.9	51.2
– Movements in other non-current assets		- 7.2	- 8.4
– Movements in provisions excluding deferred taxes		- 7.1	- 9.3
– Movements in minority interests	26	- 14.0	- 6.2
– Dividend received from joint ventures and associates	14	25.4	28.4
– Result joint ventures and associates	6	- 35.8	- 33.8
– Measurement of equity-settled share-based payment arrangements	29	0.4	–
– Result on sale of intangible assets		–	0.1
– Result on sale of property, plant and equipment	2, 5	- 0.7	0.7
– Result on sale of assets held for sale	2, 5	- 4.7	- 4.8
– Result on sale of subsidiaries	2, 5	- 5.6	- 12.5
– Result on sale joint ventures and associates	6	- 2.6	- 4.6
Realized value adjustments of derivative financial instruments		- 61.8	- 38.1
Movements in other current assets (excl. cash and cash equivalents)		- 0.1	- 0.6
Movements in other current liabilities (excluding bank overdrafts and dividends)		67.8	30.2
Effect of changes in exchange rates on other current assets and liabilities		0.8	- 6.1
Cash flows from operating activities (gross)		**386.9**	**334.5**

35. Operating lease

The amounts due in respect of non-cancellable operating leases are payable as follows:

	2008	2007
Less than one year	37.6	35.9
Between 1 and 5 years	128.2	118.3
More than 5 years	312.4	287.4
Total	**478.2**	**441.6**

The lease amounts due are mainly in respect of the leasehold on land and the lease of buildings.

In 2008, EUR 39.4 million was recognized as expenses in the income statement relating to operating leases (2007: EUR 38.0 million).

36. Investment commitments undertaken

The investment commitments undertaken amount to EUR 157.9 million as at 31 December 2008 (2007: EUR 239.4 million).

37. Contingent assets and contingent liabilities

The Standic terminal was sold in 2006. The sales contract provides for an adjustment to the selling price depending on the future operating income of the terminal. The price may increase with EUR 3.0 million through the 2011 financial year of which EUR 1.5 million was recognized up to 31 December 2008.

Guarantees and security provided for joint ventures, associates and third parties amounted to EUR 110.0 million (2007: EUR 98.5 million). The project financing for the expansion of Gate terminal is expected to be completed during the first half year 2009. Vopak has provided a bridge loan facility for EUR 57.2 million in December 2008. As at 31 December 2008, no amounts were outstanding under the bridge financing. At completion of the external project financing, all amounts then outstanding under the bridge financing will be repaid.

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

As a result of its day-to-day activities, the Group is involved in a number of legal proceedings. No provisions have been formed, where the Executive Board is of the opinion that the final outcome will not create a cash outflow.

38. Related parties

Transactions with Supervisory Board members and Executive Board members

For the remuneration of Supervisory Board members and Executive Board members, please refer to note 33.

No loans, advances or guarantees have been provided to current or former members of the Supervisory Board and/or Executive Board.

In 2008, the Group did not conduct any transactions with companies in which Executive Board members and/or persons closely related to them have a significant financial interest.

Transactions with subsidiaries, joint ventures and associates

Royal Vopak has a business relationship with its subsidiaries, joint ventures and associates (see page 150).

Related party transactions can arise with the Group's joint ventures and associates comprise fees for the use of Vopak's services. Except as disclosed below, no related party transactions have been entered into during the year which might reasonably affect any decisions made by the users of these consolidated financial statements.

	2008	**2007**
Other operating income	2.6	1.6
Interest income on borrowings to joint ventures and associates	4.6	0.5
Amounts owed by or owed to (-) joint ventures and associates	66.9	11.6

For Vopak Terminal Bahamas a long term incentive structure is in place for the benefit of Vopak. This incentive structure has been agreed with our partner at acquisition date and is linked to the financial long term performance and successful expansion of the company. Due to the early stages of the related development activities there is insufficient information to make a reliable estimate of such incentives as at 31 December 2008.

Company Financial Statements

Company Income Statement

In EUR millions	2008	2007
Profit of participating interests after tax	249.3	258.9
Other results after tax	- 36.1	- 76.0
Net profit	**213.2**	**182.9**

Company Balance Sheet at 31 December before Profit Appropriation

In EUR millions	Note		2008		2007
Participating interests in group companies	2	1,015.3		1,024.4	
Loans granted	3	467.7		394.5	
Pensions and other employee benefits		60.4		50.0	
Derivative financial instruments	6	2.7		3.0	
Total non-current assets			**1,546.1**		**1,471.9**
Trade and other receivables		10.5		7.6	
Prepayments and accrued income		0.7		1.6	
Derivative financial instruments	6	24.5		3.3	
Cash and cash equivalents		0.1		36.4	
Total current assets			**35.8**		**48.9**
Bank overdrafts		47.2		15.1	
Current portion of interest-bearing loans	5	50.0		44.1	
Creditors and other liabilities		9.5		47.0	
Derivative financial instruments	6	2.6		21.5	
Total current liabilities			**109.3**		**127.7**
Current assets less current liabilities			**- 73.5**		**- 78.8**
Total assets less current liabilities			**1,472.6**		**1,393.1**
Interest-bearing loans	5	518.6		557.0	
Derivative financial instruments	6	20.1		26.3	
Non-current liabilities			**538.7**		**583.3**
Provisions	7		**0.9**		**0.1**
Share capital		81.9		81.9	
Share premium		165.2		165.2	
Share capital and share premium			247.1		247.1
Statutory reserve for participating interests		89.9		65.5	
Exchange differences reserve		- 8.7		- 3.3	
Revaluation reserve derivatives		- 20.2		- 0.4	
Revaluation reserve assets		7.7		14.6	
Other reserves		404.0		303.3	
Unappropriated profit		213.2		182.9	
Other shareholders' equity components			685.9		562.6
Shareholders' equity	4		**933.0**		**809.7**
Total			**1,472.6**		**1,393.1**

Notes to the Company Financial Statements

An abridged company income statement is presented in accordance with Section 402 of Book 2 of the Netherlands Civil Code.

All amounts are in EUR millions, unless stated otherwise.

1. General

1.1 Accounting policies

The company financial statements have been drawn up in accordance with Dutch GAAP (Part 9 of Book 2 of the Netherlands Civil Code). In doing so, the company made use of the possibility to apply the accounting policies (including the policies for the presentation of financial instruments as equity or loan capital) used in the consolidated financial statements to the company financial statements, as provided in Section 362 (8) of Book 2 of the Netherlands Civil Code.

The accounting policies applied in the company financial statements are the same as those applied in the consolidated financial statements. The policies stated in the consolidated financial statements are applied, unless stated otherwise.

1.2 Participating interests in group companies

Interests in group companies and other companies over which Royal Vopak exercises control or which it manages are carried at net asset value. The net asset value is determined by measuring the assets, provisions and debts and calculating the result according to the accounting policies applied in the consolidated financial statements.

2. Participating interests in group companies

	2008	2007
Carrying amount at 31 December 2007	**1,024.4**	
– Change in accounting policy (IFRIC 4)	- 1.7	
Carrying amount at 1 January	**1,022.7**	**969.7**
Movements:		
– Investments	–	1.1
– Dividend	- 273.0	- 185.6
– Exchange differences	26.3	- 20.9
– Hedging	- 10.0	- 11.6
– Revaluation of assets	–	12.8
– Profit	249.3	258.9
Carrying amount at 31 December	**1,015.3**	**1,024.4**

3. Loans granted

	Loans to subsidiaries	Loans to participating interests	Total
Carrying amount at 1 January 2007	**189.6**	**2.5**	**192.1**
Movements:			
– Loans granted	199.2	6.2	205.4
– Exchange differences	- 3.0	–	- 3.0
Carrying amount at 31 December 2007	**385.8**	**8.7**	**394.5**
Movements:			
– Loans granted	81.2	–	81.2
– Repayments	–	- 8.7	- 8.7
– Exchange differences	0.7	–	0.7
Carrying amount at 31 December 2008	**467.7**	**–**	**467.7**

At 31 December 2008, loans granted did not include any subordinated loans (2007: nil).

4. Shareholders' equity

Please see note 23 for movements in the number of shares, share capital and share premium.

The share premium can be distributed in full, free of tax.

Movements in the remaining components of shareholders' equity for 2007 and 2008 are shown on the next page.
The exchange differences reserve includes all exchange differences resulting from the translation of the financial statements of foreign entities and exchange differences resulting from the translation of liabilities and the effective part of the fair value changes in derivative financial instruments, net of tax, that hedge the net investment of the company in foreign entities.

The revaluation reserve derivatives contains the effective part of the accumulated net change in the fair value of the cash flow hedges (less tax) relating to cash flows in the future.

The revaluation reserve assets contains the revaluations due to step-up acquisitions.

After adjustment for the negative exchange differences reserve (EUR 8.7 million) and negative revaluation reserve derivatives (EUR 20.2 million) is at 31 December 2008, a total of EUR 588.3 million (2007: EUR 482.5 million) distributable from other reserves and unappropriated profit for 2008.

	Statutory reserve participating interests	Exchange-differences reserve	Re-valuation reserve derivatives	Re-valuation reserve assets	Other reserves	Unappro-priated profit	Total
Balance at 1 January 2007	**70.3**	**- 1.0**	**- 7.1**	**2.6**	**214.2**	**131.9**	**410.9**
Movements:							
– Profit appropriation	–	–	–	–	82.7	- 82.7	–
– Dividend in cash	–	–	–	–	–	- 49.2	- 49.2
– Exchange differences on net investments	–	- 22.8	–	–	–	–	- 22.8
– Effective part of hedges of net investments	–	26.9	–	–	–	–	26.9
– Tax effect on exchange differences and hedges	–	- 7.5	–	–	–	–	- 7.5
– Use of exchange differences on net investments (to income statement)	–	1.1	–	–	–	–	1.1
– Changes in value of effective part of cash flow hedges	–	–	2.0	–	–	–	2.0
– Tax effect of changes in value of cash flow hedges	–	–	- 0.7	–	–	–	- 0.7
– Use of effective part of cash flow hedges (to income statement)	–	–	7.2	–	–	–	7.2
– Tax effect of use of cash flow hedges (to income statement)	–	–	- 1.8	–	–	–	- 1.8
– Revaluation non-current assets	–	–	–	12.8	–	–	12.8
– Depreciation on revaluation reserve assets	–	–	–	- 0.8	0.8	–	–
– Issued to option holders	–	–	–	–	0.8	–	0.8
– Transferred from statutory reserves to other reserves	- 4.8	–	–	–	4.8	–	–
– Profit for the year	–	–	–	–	–	182.9	182.9
Balance at 31 December 2007	**65.5**	**- 3.3**	**- 0.4**	**14.6**	**303.3**	**182.9**	**562.6**
– Change in accounting policy (IFRIC 14)	–	–	–	–	- 1.7	–	- 1.7
Balance at 1 January 2008	**65.5**	**- 3.3**	**- 0.4**	**14.6**	**301.6**	**182.9**	**560.9**
Movements:							
– Profit appropriation	–	–	–	–	121.9	- 121.9	–
– Dividend in cash	–	–	–	–	–	- 61.0	- 61.0
– Exchange differences on net investments	–	22.8	–	–	–	–	22.8
– Effective part of hedges of net investments	–	- 40.4	–	–	–	–	- 40.4
– Tax effect on exchange differences and hedges	–	11.5	–	–	–	–	11.5
– Use of exchange differences on net investments (to income statement)	–	0.7	–	–	–	–	0.7
– Changes in value of effective part of cash flow hedges	–	–	- 27.4	–	–	–	- 27.4
– Tax effect of changes in value of cash flow hedges	–	–	6.0	–	–	–	6.0
– Use of effective part of cash flow hedges (to income statement)	–	–	2.1	–	–	–	2.1
– Tax effect of use of cash flow hedges (to income statement)	–	–	- 0.5	–	–	–	- 0.5
– Revaluation non-current assets	–	–	–	- 6.3	6.3	–	–
– Depreciation on revaluation reserve assets	–	–	–	- 0.6	0.6	–	–
– Measurement of equity-settled share-based payment arrangement	–	–	–	–	0.4	–	0.4
– Issued to option holders	–	–	–	–	0.4	–	0.4
– Repurchase of own shares	–	–	–	–	- 2.8	–	- 2.8
– Transferred from other reserves to statutory reserves	24.4	–	–	–	- 24.4	–	–
– Profit for the year	–	–	–	–	–	213.2	213.2
Balance at 31 December 2008	**89.9**	**- 8.7**	**- 20.2**	**7.7**	**404.0**	**213.2**	**685.9**

5. Interest-bearing loans

	Nominal value		More than 5 years		Average term in years		Average interest in %	
	2008	2007	2008	2007	2008	2007	2008	2007
Current portion of interest-bearing loans	50.0	44.1						
Non-current portion of interest-bearing loan	518.6	557.0						
Total	**568.6**	**601.1**	**288.0**	**288.0**	**6.0**	**6.5**	**6.1**	**6.6**

6. Derivative financial instruments

Market value of derivative financial instruments as at 31 December 2007 in order of maturity date

	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total	Assets	Liabilities
Currency risks									
Forward exchange contracts	- 1.3	–	–	–	–	–	- 1.3	3.3	4.6
Cross currency interest rate swaps	- 16.7	–	- 5.0	- 18.3	–	–	- 40.0	2.3	42.3
Interest rate risks									
Interest rate swaps	- 0.2	- 0.1	0.1	–	–	–	- 0.2	0.7	0.9
Total	**- 18.2**	**- 0.1**	**- 4.9**	**- 18.3**	**–**	**–**	**- 41.5**	**6.3**	**47.8**
Current	- 18.2	–	–	–	–	–	- 18.2	3.3	21.5
Non-current	–	- 0.1	- 4.9	- 18.3	–	–	- 23.3	3.0	26.3
Total	**- 18.2**	**- 0.1**	**- 4.9**	**- 18.3**	**–**	**–**	**- 41.5**	**6.3**	**47.8**

Market value of derivative financial instruments as at 31 December 2008 in order of maturity date

	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total	Assets	Liabilities
Currency risks									
Forward exchange contracts	21.5	–	–	–	–	–	21.5	23.1	1.6
Cross currency interest rate swaps	–	- 2.3	- 16.1	–	–	–	- 18.4	1.7	20.1
Interest rate risks									
Interest rate swaps	0.5	0.9	–	–	–	–	1.4	2.4	1.0
Total	**22.0**	**- 1.4**	**- 16.1**	**–**	**–**	**–**	**4.5**	**27.2**	**22.7**
Current	22.0	–	–	–	–	–	22.0	24.6	2.6
Non-current	–	- 1.4	- 16.1	–	–	–	- 17.5	2.6	20.1
Total	**22.0**	**- 1.4**	**- 16.1**	**–**	**–**	**–**	**4.5**	**27.2**	**22.7**

7. Provisions

Movements in provisions were as follows:

	Pensions and other employee benefits	Reorganiza- tion	Other	Total
Balance at 1 January 2007	**–**	**0.5**	**–**	**0.5**
Movements in 2007:				
– Additions	0.1	–	–	0.1
– Withdrawals	- 0.1	- 0.2	–	- 0.3
Balance at 31 December 2007	**–**	**0.3**	**–**	**0.3**
Non-current liabilities	–	0.1	–	0.1
Current liabilities	–	0.2	–	0.2
Balance at 31 December 2007	**–**	**0.3**	**–**	**0.3**
Movements in 2008:				
– Additions	–	–	0.9	0.9
– Withdrawals	–	- 0.2	–	- 0.2
Balance at 31 December 2008	**–**	**0.1**	**0.9**	**1.0**
Non-current liabilities	–	–	0.9	0.9
Current liabilities	–	0.1	–	0.1
Balance at 31 December 2008	**–**	**0.1**	**0.9**	**1.0**

8. Remuneration of Supervisory Board members and Executive Board members

See note 33 to the consolidated financial statements.

9. Contingent liabilities

Royal Vopak is the head of a tax entity including almost all Dutch wholly-owned group companies. The company is therefore jointly and severally liable for the tax liabilities of the tax entity as a whole.

Guarantees and security provided on behalf of participating interests and third parties amounted to EUR 110.8 million (2007: EUR 96.1 million). Guarantees and security provided on behalf of group companies amounted to EUR 81.2 million (2007: EUR 69.4 million).

Joint and several liability undertakings for an amount of EUR 110.0 million (2007: EUR 108.1 million) were issued for bank credits granted to Royal Vopak. Furthermore joint and several liability undertakings for an amount of EUR 18.2 million (2007: EUR 6.6 million) were issued for bank credits granted to subsidiaries.

The company has filed joint and several liability undertakings for a number of its Dutch group companies at the office of the Company Registry in whose area of jurisdiction the group company concerned has its registered office. The list of interests filed at the office of the Company Registry for inspection states for which group companies Royal Vopak has issued joint and several liability undertakings.

The members of the Executive Board have signed the financial statements in order to comply with the statutory obligation pursuant to article 2:101 paragraph 2 Dutch Civil Code and article 5:25c sub c of the Act on Financial Supervision (Wft).

Rotterdam, 12 March 2009

The Executive Board
J.P.H. Broeders (Chairman)
J.P. de Kreij (CFO)
F.D. de Koning

The Supervisory Board
A. van Rossum (Chairman)
M. van der Vorm (Vice-chairman)
F.J.G.M. Cremers
C.J. van den Driest
R.M.F. van Loon


ORION

Contents: Other information

Other Information

Auditors' report

To the Annual General Meeting of Shareholders of Koninklijke Vopak N.V. (Royal Vopak)

Report on the financial statements

We have audited the financial statements 2008 of Koninklijke Vopak N.V., Rotterdam as set out on pages 66 to 137 of this annual report. These financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2008, income statement, statement of recognized income and expense in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. The company financial statements comprise the company balance sheet as at 31 December, 2008, the company income statement for the year then ended and the notes.

Executive Board's responsibility

The Executive Board of Koninklijke Vopak N.V. is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the Executive Board report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executive Board of the company, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Koninklijke Vopak N.V. as at 31 December 2008, and of its result and its cash flow for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of Koninklijke Vopak N.V. as at 31 December 2008, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the Executive Board report as set out on page 21 to 57 is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Rotterdam, 12 March 2009

PricewaterhouseCoopers Accountants N.V.

Originally signed by J.A.M. Stael RA

Articles of Association Provisions Governing Profit Appropriation

The Articles of Association provisions governing profit appropriation are contained in Articles 19 and 27.

The relevant paragraphs of these articles are as follows:

19.2 At the meeting:
b. the financial statements prepared by the Executive Board are presented to the Annual General Meeting for adoption and the appropriation of profit is adopted in accordance with Article 27 of these Articles of Association.

27.12 The profit remaining after the application of the provisions in the preceding paragraphs is at the free disposal of the Annual General Meeting, on the understanding that no dividend may be distributed if at the time of the intended distribution the balance of the dividend reserve for the financing preference shares is positive, and subject to the conditions that no further dividend is distributed on the defensive preference shares or the financing preference shares and that with respect to the financing preference shares no reserve will be formed and no addition made to an existing reserve.

Proposed Profit Appropriation

The proposal to the Annual General Meeting will be to distribute a dividend on the financing preference shares of EUR 1.2 million (2007: EUR 1.8 million) and a dividend of EUR 1.10 per ordinary share, with a nominal value of EUR 1.00 each (2007: EUR 0.95 in cash). Provided that the Annual General Meeting adopts the income statement, balance sheet and dividend proposal, the dividend for the 2008 financial year will be made payable in ordinary shares, unless a shareholder expressly requests payment in cash, on 15 May 2009.

Stichting Vopak

The objects of Stichting Vopak, established in Rotterdam, are to promote the interests of Koninklijke Vopak N.V. (Royal Vopak) and of all those involved with this company or any of its affiliated companies in order to safeguard, among other things, Royal Vopak's and these companies' continuity, identity and independence.

During the year under review, the Board of Stichting Vopak convened twice. At these meetings, the protection of Vopak and its effectiveness were discussed. Furthermore, the Board was extensively briefed by the Chairman of the Executive Board of Royal Vopak on the developments in the company.

In addition, the financing of Stichting Vopak and the composition of the Board were discussed. The vacancy for a member B was filled on 24 April 2008 on the appointment of Mr. G. Izeboud.

The non-independence of the A member was also discussed. As both Vopak and the Board of the Stichting believe that in the circumstances it could be undesirable for a member of the Board of the Stichting not to be independent, it was decided at the meeting on 28 October 2008 to amend the constitution of the Stichting so that the board members have to be independent. Consequently, the distinction between A and B members lapses. It was also decided to set the number of board members at four.

The deed amending the constitution was executed on 31 December 2008 before M.H. Legein, civil law notary practicing in Amsterdam.

The current members of the Board of Stichting Vopak are:

- A. Schaberg, Chairman
- G. Izeboud
- J.H.M. Lindenbergh
- R.E. Selman

No cumulative protective preference shares in Royal Vopak had been issued at the balance sheet date.

Protective preference shares will be issued if Stichting Vopak exercises its option right.

On 18 October 1999, the Annual General Meeting decided to grant the right to Stichting Vopak to acquire protective preference shares to a maximum amount of the full nominal value of the share capital issued to third parties in the form of ordinary and financing preference shares, less the nominal value of one ordinary share. Royal Vopak and Stichting Vopak have specified their mutual relationship with regard to the option in an option agreement dated 1 November 1999, which was amended on 5 May 2004 such that the original put option granted to Royal Vopak was cancelled.

The Board of Stichting Vopak decides independently whether and when there is a need to issue protective preference shares to Stichting Vopak.

Rotterdam, 12 March 2009

Stichting Vopak

Declaration of independence

In the opinion of the Board of Stichting Vopak and the Executive Board of Royal Vopak, Stichting Vopak is independent as meant by Section 5:71(1c) of the Financial Supervision Act.

Rotterdam, 12 March 2009

Stichting Vopak **Koninklijke Vopak N.V. (Royal Vopak)**

Stichting Administratiekantoor Financieringspreferente Aandelen Vopak ('the Foundation')

As at 31 December 2008, the Foundation administered 19,451,000 registered financing preference shares with a nominal value of EUR 1.00 each in Royal Vopak, for which an equal number of depositary receipts for shares had been issued.

During the year under review, the Board of the Foundation convened twice. During these meetings, items on the agenda included the manner in which the Foundation would vote at the Annual General Meeting to be held on 24 April 2008. At that meeting, the Foundation agreed to all proposals made to the General Meeting.

The holders of depositary receipts did not request any proxies or give the Foundation any voting instructions for the purpose of the aforementioned meetings.

During the year under review, the Board of the Foundation was composed of two Officers A, Mr. J.H. Ubas and Mr. H.J. Baeten, appointed by the meeting of depositary receipt holders, and an Officer B, Mr. L.P.E.M. van den Boom, appointed by the Board, who is also the Chairman. Prior to taking up their duties, the Officers of the Foundation held senior management positions at various financial institutions. All Officers satisfy the independence conditions as stipulated by article 6.6 of the by-laws of the Foundation. They receive annual compensation of EUR 6,353 each.

The Board of the Foundation will grant proxies to the holders of depositary receipts at their request. The Board of the Foundation will also comply with all voting instructions from the holders of depositary receipts. The granting of proxies and the acceptance of voting instructions will always be in accordance with a limit of two-hundred-and-twelve votes for every thousand financing preference shares.

Rotterdam, 12 March 2009

Stichting Administratiekantoor Financieringspreferente Aandelen Vopak

Information on the Executive Board Members

Personal details regarding Mr. J.P.H. Broeders

Nationality	Dutch
Year of birth	1964
Previous important position held	President of Vopak Asia
Supervisory board memberships	none
Number of Vopak shares held	10,000 [1)]
Date of appointment	1 June 2004

Personal details regarding Mr. J.P. de Kreij

Nationality	Dutch
Year of birth	1959
Previous important positions held	Senior Partner PricewaterhouseCoopers N.V. Managing Partner Transaction Services
Supervisory board memberships	Evides N.V.
Number of Vopak shares held	153,380 [1)]
Date of appointment	1 January 2003

Personal details regarding Mr. F.D. de Koning

Nationality	Dutch
Year of birth	1949
Previous important positions held	Director Shell Moerdijk, Shell Pernis and Shell Nederland Senior Vice President, Unconventional Resources Shell Exploration & Production Company Houston (USA)
Supervisory board memberships	none
Number of Vopak shares held	6,699 [1)]
Date of appointment	1 June 2005

[1)] These shares were acquired at the own expense and risk of the Executive Board member concerned

Information on the Supervisory Board Members

Personal details regarding Mr. A. van Rossum (Chairman)

Age	63 years (12-5-1945)
Nationality	Dutch
Previous important position held	Chairman of Executive Committee of Fortis
	Senior Partner McKinsey & Company
Other positions/	
Supervisory board memberships	Credit Suisse A.G.
	Solvay S.A.
	Rodamco Europe N.V.
	Erasmus Universiteit Rotterdam, Supervisory Board Chairman
	Trustee of the Conference Board Inc.
Number of Vopak shares held	none
Date of first appointment	27 September 2007
Current term	2007 – 2011

Chairman of the Selection and Appointment Committee
Member of the Remuneration Committee

Personal details regarding Mr. M. van der Vorm (Vice-chairman)

Age	50 years (20-8-1958)
Nationality	Dutch
Profession/Main position	Chairman of the Executive Board HAL Holding N.V.
Other positions/	
Supervisory board memberships	Anthony Veder Group N.V.
	Koninklijke Boskalis Westminster N.V.
Number of Vopak shares held	none
Date of first appointment	3 November 2000
Current term	2008 - 2012

Member of the Audit Committee
Member of the Selection and Appointment Committee

Personal details regarding Mr. F.J.G.M. Cremers (member)

Age	57 years (7-2-1952)
Nationality	Dutch
Previous important position held	Member of the Executive Board and CFO of VNU N.V.
Other positions/	
Supervisory board memberships	N.V. Nederlandse Spoorwegen
	Fugro N.V., Vice-Chairman
	N.V. Luchthaven Schiphol
	Unibail-Rodamco S.A.
	Parcom Capital B.V.
	Lodewijk Stichting (Océ)
	Stichting Preferente Aandelen Philips
	Stichting Preferente Aandelen Heijmans
	Member of the Capital Market Committee of AFM
	Member of the Investigation Committee into the affairs of Fortis N.V. on behalf of the Enterprise Chamber of the Dutch High Court of Amsterdam
Number of Vopak shares held	none
Date of first appointment	1 October 2004
Current term	2008 - 2012

Chairman of the Audit Committee

Personal details regarding Mr. C.J. van den Driest (member)

Age	61 years (22-11-1947)
Nationality	Dutch
Profession/Main position	Director of Carelshaven B.V.
Previous important position held	Chairman of the Executive Board of Royal Vopak
Other positions/	
Supervisory board memberships	Anthony Veder Group N.V., Chairman,
	Darlin N.V., Chairman
	Dura Vermeer Group N.V., Chairman
	Van Gansewinkel Groep B.V. (at 1-4-2009)
	Van Oord N.V., Chairman
	Stork N.V.
	Stichting ING Aandelen
Number of Vopak shares held	4,000
Date of first appointment	27 April 2006
Current term	2006 – 2010
Member of the Remuneration Committee	

Personal details regarding Mr. R.M.F. van Loon (member)

Age	67 years (6-3-1942)
Nationality	Dutch
Previous important position held	Vice-President Shell Chemicals Ltd.
Other positions/	
Supervisory board memberships	Synbra Holding BV, Chairman
	Koninklijke Boskalis
	Westminster N.V., Chairman
Number of Vopak shares held	none
Date of first appointment	23 April 2003
Current term	2007 – 2011
Chairman of the Remuneration Committee	

Principal Company Officers

Chemicals Europe, Middle East & Africa

Division Management

Kees van Seventer	Division President
Henk Bats	Marketing & Sales
Frank Jan Thijssen	Operations, Safety & Environment
Jan Doude van Troostwijk	Asset Management & Projects
Ferry Lupescu	Finance & Control
Albert Meijer	Human Resources

Business Units

Yann Bigot	Turkey
Paul Cox	Vlaardingen, Netherlands
Niels Unger	Germany
Mark Noordhoek-Hegt	South Africa
Casper Pieper	Netherlands
Colin Scott	United Kingdom
Richard Smith	Finland
Michiel van Ravenstein	Belgium
Pascal van Zaal	Shared Services, Netherlands

Joint ventures

Jose Callejas Sanches	Terquimsa, Spain

Oil Europe, Middle East & Africa

Division Management

Frank Erkelens	Division President
Hari Dattatreya	Sales & Marketing
Boudewijn Siemons	Business Development
Dave Mercer	Operational Excellence
Edwin Taal	Human Resources

Business Units

Ian Cochrane	Middle East, Dubai
Piet Hoogerwaard	Agencies
Erik Kleine	Amsterdam
Severin Pluess	Switzerland
Dick Richelle	Oil Rotterdam, Netherlands
Jarmo Stoopman	Sweden

Joint ventures

Pieter Peeters	Interstream Barging
Peter den Breejen	Cross-Ocean, Netherlands
Arnout Lugtmeijer	Vopak E.O.S., Estonia
Walter Moone	Vopak Horizon Fujairah, UAE
Arno de Man	SabTank, Saudi Arabia

Asia

Division Management

Eelco Hoekstra	Division President
Patrick van der Voort	Business Development & Account Management
Aqeel Hussain	SHE & Asset Management
Ard Huisman	Finance & Control
Diana Chee	Human Resources

China

Jan Bert Schutrops	China Region President
Teo Seow Ling	Zhangjiagang
Yan Biwei	Project & Engineering
David Jang	Finance
Teo Seow Ling	Operational Excellence
Whitney Wu	Human Resources
Jonathan Xu	Business Development

Business Units

Ron Dickinson	Australia
Surizan Khalil	Pasir Gudang, Malaysia
Andrew North	Merak, Indonesia
Jason Tan	Vietnam
Wim Samlal	India

Joint ventures

Teng Bo	Tianjin, China
Tawatchai Chittavanich	Thai Tank Terminal, Thailand
Paul Chong	Xiamen, China
Bon de Jonge van Ellemeet	Shanghai, China
K. Sato	Nippon Vopak, Japan
Imran-ul Haque	Engro Vopak, Pakistan
Law Say Huat	Kertih Terminals, Malaysia
Edwin Hui	Ningbo, China
J.I. Lee	Ulsan, Korea
Hua Ziye	Lanshan, China

North America

Division Management

Pieter Bakker	Division President
Len Daly	Commerce & Business Development
Jim Dubose	Operations & Support
Richard Guerrerio	Finance & Control
Jim Miller	Key Account Management - Oil
Michael Sracic	Human Resources
Lawrence Waldron	Gulf Coast
Mike Lacavera	West Coast
Jacob Anslum	East Coast
Mark de Hueck	Canada

Joint ventures

Thijs-Jan Huizer	Bahamas

Latin America

Division Management

Jos Steenman	Division President
Dick Oskam	Marketing & Sales
Esteban Kepcija	SHE, Operations & Maintenance
Michiel van Cortenberghe	Finance & Control
Hernan Rein	Human Resources

Business Units

Ignacio Gonzalez	Mexico
Ian ter Haar	Chile and Peru
Dick Meurs	Venezuela
Frank Wisbrun	Brazil

Joint ventures

Christian Pérez	Ecuador
Carlos Pineda	Colombia

Corporate Staff

Chris Badenhorst	Commercial Excellence & Strategic Developments
Hugo Brink	Tax & Insurance
Emilie de Wolf	Communication & Investor Relations
Ton van Dijk	Information Services
Michiel Gilsing	Control & Business Analysis
Paul Govaart	Strategic Management Office
Ans Knape	Human Resources
Henk Mol	External Reporting & Compliance
Dirk van Slooten	LNG project
Helen van der Vaart	Operational Efficiency Improvement
Dion Veldhuyzen	Internal Audit
Niek Verbree	Operational Excellence
Cees Vletter	Treasury
Tjeerd Wassenaar	Legal & Corporate Secretary

Joint ventures

Branko Pokormy	Gate terminal

Consolidated Subsidiaries, Joint Ventures and Associates

A. Principal consolidated subsidiaries

Europe, Middle East & Africa

Belgium
Vopak Agencies Antwerpen NV
Vopak Chemicals Logistics Belgium NV
Vopak Chemical Terminals Belgium NV
Germany
Vopak DUPEG Terminal Hamburg GmbH
Finland
Vopak Chemicals Logistics Finland Oy
France
Vopak Agencies France Sarl
The Netherlands
Vopak Nederland B.V.
Vopak Terminal Vlissingen B.V.
Vopak Terminal Amsterdam B.V.
Vopak Agencies Amsterdam B.V.
Vopak Agencies Rotterdam B.V.
Vopak Agencies Terneuzen B.V.
Vopak Chemicals EMEA B.V.
Vopak Chemicals Logistics Netherlands B.V.
Vopak LNG Holding B.V.
Vopak Logistic Services OSV B.V.
Vopak Oil EMEA B.V.
Vopak Shared Services B.V.
Vopak Terminal Botlek B.V.
Vopak Terminal Botlek-Noord B.V.
Vopak Terminal Chemiehaven B.V.
Vopak Terminal Europoort B.V.
Vopak Terminal Laurenshaven B.V.
Vopak Terminal TTR B.V.
Vopak Terminal Vlaardingen B.V.
Russia
Koninklijke Vopak N.V., Moscow
Representative office
South Africa
Vopak Terminal Durban (Pty) Ltd.
Sweden
Vopak Logistics Nordic AB
Switzerland
Vopak (Schweiz) AG
Turkey
Vopak Terminal Marmara Depolama
Hizmetleri AS
United Kingdom
Vopak Terminal Ipswich Ltd.
Vopak Terminal London Limited B.V.
Vopak Terminal Purfleet Ltd.
Vopak Terminal Teesside Ltd.
Vopak Terminal Windmill Ltd.

Asia/Australia

Australia
Vopak Terminals Australia Pty Ltd.
Vopak Terminals Sydney Pty Ltd.
Vopak Terminal Darwin Pty Ltd.
China
Vopak China Management Company Ltd.
Vopak Terminal Zhangjiagang Ltd.
Vopak Terminal Shandong Lanshan (60%) [1]
Indonesia
PT Vopak Terminal Merak
Malaysia
Vopak Terminals Pasir Gudang Sdn. Bhd.
(95%)
Singapore
Vopak Holding Singapore Pte. Ltd.
Vopak Terminals Singapore Pte. Ltd.
(69.5%) [2]
Vopak Terminal Penjuru Pte. Ltd. (69.5%) [3]
Vietnam
AP Petrochemical (Vietnam) Co. Ltd.

North America

Canada
Vopak Terminals of Canada Inc.
United States
Vopak North America Inc.
Vopak Terminals North America Inc.
Vopak Terminal Deer Park Inc.
Vopak Terminal Galena Park Inc.
Vopak Terminal Savannah Inc.
Vopak Terminal Wilmington Inc.
Vopak Terminal Los Angeles Inc.
Vopak Terminal Long Beach Inc.

Latin America

Argentina
Vopak Argentina S.R.L.
Brazil
Vopak Brasil S.A.
Chile
Vopak Chile Limitada
Colombia
Vopak Colombia S.A.
Mexico
Vopak Mexico SA de CV
Peru
Vopak Peru S.A.
Venezuela
Vopak Venezuela S.A.

B. Joint ventures and associates

Europe, Middle East & Africa

Estonia
AS Vopak E.O.S. (50%)
Germany
Interstream Barging GmbH (50%)
The Netherlands
Cross-Ocean B.V. (50%)
Cosco Container Lines B.V (50%)
Gate terminal B.V. (40.0%)
Gate terminal Management B.V. (50%)
Interstream Barging B.V. (50%)
Maasvlakte Olie Terminal N.V. (16.67%)
MultiCore CV (25%)
Spain
Terminals Quimicos SA (Terquimsa) (50%)
United Arab Emirates
Vopak Horizon Fujairah Ltd. (30%)

Asia

China
Xiamen Paktank Company Ltd. (40%)
Vopak Terminal Ningbo Co. Ltd. (37.5%)
Vopak Shanghai Logistics Company Ltd.
(50%)
Vopak Nanjiang Petrochemicals Terminal
Tianjin Company Ltd. (50%)
Vopak Ethylene Terminal Tianjin Co. Ltd.
(50%)
Indonesia
PT Tank Terminal Jakarta (49%)
Japan
Nippon Vopak Co. Ltd. (39.77%)
Korea
Vopak Terminals Korea Ltd. (51%)
Malaysia
Kertih Terminals Sdn. Bhd. (30%) [4]
Pakistan
Engro Vopak Terminal Ltd. (50%)
Thailand
Thai Tank Terminal Ltd. (49%)

North America

Bahamas
Vopak Terminal Bahamas (20%)

Latin America

Brazil
Uniao-Vopak Armazens Gerais Limitada
(50%)
Chili
Terminal Maritimo Vopak-Oxiquim
Mejillones S.A. (50%)
Ecuador
Vopak Ecuador S.A. (50%)

[1] Vopak Terminal Penjuru Pte. Ltd. 60% ownership in Vopak Terminals Shandong Lanshan
[2] Vopak Holding Singapore Pte. Ltd. 69.5% ownership in Vopak Terminals Singapore Pte. Ltd.
[3] Vopak Terminals Singapore Pte Ltd. 100% ownership in Vopak Terminal Penjuru Pte. Ltd.
[4] Vopak Terminal Penjuru Pte. Ltd. 30% ownership in Kertih Terminals Sdn. Bhd.

Five-year Consolidated Summary

In EUR millions	2008	2007	2006	2005	2004
Consolidated abridged income statement					
Income from rendering of services	924	853	778	683	648
Other operating income	16	31	3	4	12
Total operating income	**940**	**884**	**781**	**687**	**660**
Operating expenses	- 546	- 523	- 508	- 470	- 455
Depreciation, amortization and impairment	- 110	- 107	- 93	- 86	- 87
Total operating expenses	**- 656**	**- 630**	**- 601**	**- 556**	**- 542**
Result of joint ventures and associates using the equity method	38	38	36	39	29
Group operating profit	**322**	**292**	**216**	**170**	**147**
Net finance costs	- 37	- 43	- 44	- 39	- 46
Profit before income tax	**285**	**249**	**172**	**131**	**101**
Income tax	- 55	- 51	- 25	- 25	- 1
Net profit	**230**	**198**	**147**	**106**	**100**
Attributable to:					
– Holders of ordinary shares	212	181	129	90	81
– Holders of financing preference shares	1	2	3	3	7
– Minority interests	17	15	15	13	12
Net profit	**230**	**198**	**147**	**106**	**100**
Income from rendering of services excluding disposed non-core activities	**924**	**853**	**778**	**677**	**615**
Group operating profit excluding disposed non-core activities	**322**	**292**	**216**	**177**	**149**
Consolidated abridged balance sheet					
Intangible assets	39	63	41	43	37
Property, plant and equipment	1,693	1,385	1,091	982	850
Financial assets	433	221	223	271	321
Deferred tax	7	16	21	45	24
Other	107	96	86	26	10
Total non-current assets	**2,279**	**1,781**	**1,462**	**1,367**	**1,242**
Total current assets	**355**	**352**	**359**	**398**	**340**
Total assets	**2,634**	**2,133**	**1,821**	**1,765**	**1,582**
Total equity	**1,009**	**880**	**735**	**659**	**552**
Total non-current liabilities	**1,141**	**846**	**699**	**774**	**761**
Total current liabilities	**484**	**407**	**387**	**332**	**269**
Total liabilities	**1,625**	**1,253**	**1,086**	**1,106**	**1,030**
Total equity and liabilities	**2,634**	**2,133**	**1,821**	**1,765**	**1,582**

Glossary

Audit Committee	Committee within the Supervisory Board that assists the Executive Board in performing the supervisory tasks relating to, among other things, the integrity of the financial statements, the financial reporting, the internal audit procedures and the relationship with and the independence of the external auditors
Biofuels/Biodiesel/Bio-ethanol	Products of vegetable origin or from animal fats that are added to gasoline or diesel to gasoline or diesel
Capital employed	Total assets less current liabilities, excluding assets and current liabilities not related to operational activities
Cbm	Cubic meter
CDI-T	Chemical Distribution Institute – Terminals, a risk assessment system for the storage of liquid chemicals at independent terminals, set up by an independent international organization
CEMEA	Vopak division Chemicals Europe, Middle East & Africa
CFO	Chief Financial Officer, Member of the Executive Board, specifically charged with Finance
Corporate Governance	The manner in which the company is managed and the supervision of management is structured
COSO	Committee of Sponsoring Organizations of the Treadway Commission, an international organization whose aim is to create a model for information on and management of business risks
EBIT	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
Greenfield	Building a new terminal on undeveloped land
HR	Human Resources
Hub	Regional storage and transport center
IFRS	International Financial Reporting Standards
Industrial terminal	Terminal whose services are integrated with a chemical complex or oil refinery
ICT	Information and Communication Technology
Key account management	Internal policies are coordinated especially for international customers
LNG	Liquefied Natural Gas
Total Injury Rate (TIR)	Total number of injuries per million hours worked
Note Holders' Program	A long-term financing arrangement with a consortium of private investors
OEMEA	Vopak division Oil Europe, Middle East & Africa
PEPI	Packaged Enabled Process Improvement, integrated software system
ROCE	Return on Capital Employed, EBIT as a percentage of the average capital employed
SHEQ	Safety, Health, Environment and Quality
Throughput	Volume of a product handled by a terminal in a given period, calculated as (in + out)/2

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"Growth through engagement."

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