2011

Royal Vopak
Annual Report 2011

Vopak

Key data 2011

Revenues **EUR 1,171.9 million**
Group operating profit **EUR 469.4 million ***
Net profit attributable to holders of ordinary shares **EUR 275.4 million ***
Earnings per ordinary share **EUR 2.16 ***
Employees at year-end **3,921**
Terminals at year-end **83 (in 31 countries)**

* Excluding exceptional items

Royal Vopak
Annual Report 2011

This Annual Report contains the report of the Executive Board, the financial statements and other information.
Copies of the Annual Report can be obtained from Royal Vopak, Global Communication & Investor Relations:

T +31 10 400 27 78
F +31 10 404 73 02
E investor.relations@vopak.com

The Annual Report is also available on the company website: 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 31 countries in which Vopak renders logistic services, the company cannot guarantee the accuracy and completeness of forward-looking 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.

Koninklijke Vopak N.V.
(Royal Vopak)

Westerlaan 10
3016 CK Rotterdam
The Netherlands

P.O. Box 863
3000 AW Rotterdam
The Netherlands

T +31 10 400 29 11
F +31 10 413 98 29
E info@vopak.com
I www.vopak.com

Registered at the Company Registry of the Rotterdam Chamber of Commerce under number 24295332

Contents

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 temperatures. 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, rail car 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 logistics 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. Alternatively, it serves as a collection point for small parcels, originating from an inland production facility, to create a large parcel for export overseas.

2. Hub Terminal
A hub terminal combines the tasks of an import-export-distribution terminal with those 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 United States, Fujairah in the United Arab Emirates (UAE) and Singapore in Asia.

3. Industrial Terminal
The industrial terminal is a logistics 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 support and optimize the reliability and efficiency of our customers' logistic processes. From these terminals, Vopak offers its customers – including national oil companies (NOCs) and the international 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. Vopak operates 83 tank terminals in 31 countries with a total storage capacity of nearly 28 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, other financial partners 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 and Environment (SHE). Vopak's standards are in keeping with the most trendsetting oil and petro-chemical companies, which constitute a major part of Vopak's customer base. The Vopak standards comply with local legislation and regulations at a minimum.

As from 1 January 2012 Vopak is organized into five regional divisions:
- The Netherlands
- Europe, Middle East & Africa (EMEA)
- Asia
- North America
- Latin America

There is also a separate specialized business unit for managing and developing Liquefied Natural Gas (LNG) terminals and projects.

Through structured network platforms 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 3,921 employees in the subsidiaries and 1,980 employees in tank storage joint ventures.

Key figures

	2011	2010
Sustainability data		
Total Injury Rate (TIR) per million hours worked own personnel	3.0	3.2
Lost Time Injury Rate (LTIR) per million hours worked own personnel and contractors	1.1	1.3
Number of process incidents	154	133
Results (in EUR millions)		
Revenues	1,171.9	1,106.3
Group operating profit before depreciation and amortization (EBITDA) *	636.0	598.2
Group operating profit (EBIT)	585.5	442.0
Group operating profit (EBIT) *	469.4	445.3
Net profit attributable to owners of parent	400.6	270.1
Net profit attributable to owners of parent *	283.6	273.0
Net profit attributable to holders of ordinary shares	392.4	261.9
Net profit attributable to holders of ordinary shares *	275.4	264.8
Cash flows from operating activities (net)	406.4	385.2
Investments (in EUR millions)		
Total investments	710.9	564.7
Average gross capital employed	4,145.2	3,802.6
Average capital employed	2,528.0	2,368.6
Capital and financing (in EUR millions)		
Equity attributable to owners of parent	1,729.3	1,453.4
Net interest-bearing debt	1,605.6	1,431.4
Ratios		
Return on Capital Employed (ROCE)	23.2%	18.7%
Return on Capital Employed (ROCE) *	18.6%	18.8%
Net debt : EBITDA	2.65	2.63
Interest cover (EBITDA : net finance costs)	7.9	8.2
Key figures per ordinary share (in EUR)		
(Diluted) earnings	3.08	2.06
(Diluted) earnings *	2.16	2.08
(Proposed) dividend	0.80	0.70
Company data		
Number of employees at year-end of subsidiaries	3,921	3,763
Number of employees at year-end including joint ventures	5,901	5,756
Storage capacity subsidiaries at year-end (in million cbm)	19.7	18.3
Storage capacity including joint ventures at 100% at year-end (in million cbm)	27.8	28.8
Occupancy rate (average rented storage capacity in %)	93%	93%
Estimated market share global independent tank storage at year-end	10.6%	11.1%
Contracts > 3 years (in % of revenues)	44%	45%
Contracts > 1 years (in % of revenues)	81%	81%
Number of shares outstanding		
Weighted average	127,251,388	127,296,101
Weighted average, diluted	127,251,388	127,296,101
Total including treasury shares	127,835,430	127,835,430
Treasury shares	548,207	660,000
Financing preference shares	41,400,000	41,400,000

* Excluding exceptional items

In memoriam

Passing of former Chairman John Paul Broeders

On 15 May 2011 our friend and former colleague in the Executive Board of Vopak, John Paul Broeders, passed away. John Paul's energy, passion, positive attitude and humor made a significant impact on our company. He was a sportsman and businessman in heart and soul with an inspiring ambition of wanting to win.

We continue to cherish our memories of having worked together with John Paul. Our cooperation was personal, unique and his spirit continues to be felt and treasured within our personal lives and company culture.

The Supervisory Board
Anton van Rossum
Martijn van der Vorm
Frans Cremers
Carel van den Driest
Chun Kai Lam
Rien Zwitserloot

The Executive Board
Eelco Hoekstra
Jack de Kreij
Frits Eulderink

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

Executive Board, from left to right: Frits Eulderink, Eelco Hoekstra and Jack de Kreij

Disciplined strategy execution

The western world is confronted with a persistent financial crisis which has translated into global uncertainties and a slowdown in growth in the real economy. In Europe and North America this is certainly the case. So far, Vopak has been able to manage the consequences of this financial unrest. Based on the growing geographic imbalances between the areas of production and (industrial) consumption of liquid bulk products, together with our strong market position and enhanced insights and experiences, we are well positioned to continue our strategy. We remain alert, but also look to the future with cautious optimism and we continue to focus on our core activities and have a strong long-term focus. Although the heart of our strategy remains unchanged, it is continuously being refined and decisively executed, supported by a robust financing structure and a solid financial performance. This is proven by the increase in the Group operating profit – excluding exceptional items – of 5% to EUR 469 million in 2011. Our organization is characterized by the entrepreneurial mentality that is needed to continuously work on growth, safety and efficiency improvements and service improvements to our customers. The financial crisis has only emphasized the criticality of these pillars in our strategy.

Global trends

In 2011, we continued to look for new approaches and opportunities for growth, and will do so in the coming years. There is an increasing demand for additional logistic infrastructure in the world, a trend that is even more clearly visible when we include the expectations of the increasing consumption of oil products, chemicals, natural gas, biofuels, Liquefied Petroleum Gas (LPG) and vegetable oils, in non-OECD countries in particular. Over the years, we have developed good entrepreneurial processes to identify additional growth opportunities. The approach is already in the genes of our business model. We are therefore continuously looking at (future) changes in product flows and have intensive dialogues with our customers, while our business development managers are continuously looking for suitable locations in selected strategically located seaports. The existing terminals and each terminal we acquire or build must support the long-term demand in the region. Determining the local wishes and needs is therefore critical. In the execution of our strategy, we are looking for good opportunities in a focused way. To support this, we have invested significantly in business development across the world.

Long term

A number of trends will manifest themselves in the long term. The non-OECD countries will show strong economic growth compared to the OECD countries. The expectation is that these economies will develop fast, driven by a rapid population increase and rising prosperity levels. To support this growth, there is a strong demand for further energy production. Moreover, production in the traditional OECD countries is declining, triggering new import flows.
Although the role of renewables is expected to grow, the growing demand for energy will be mainly satisfied by hydrocarbons. Countries with a large oil and gas production will therefore need to play a more important role. This applies to both traditional players in, for example, the Middle East and Russia, and to emerging producing countries. In this respect, we can refer to the oil discoveries in Brazil, the ongoing developments in Africa and the recent developments in shale gas and tight oil in North America.
A second long-term trend is the relatively strong growth in the use of the cleaner natural gas.

Vopak shall respond to the aforementioned trends in a focused and disciplined manner. The terminals for crude oil and oil products in Malaysian Pengerang and Chinese Hainan, announced in 2011, are good examples. The acquisition of the import terminal for LNG in Altamira (Mexico) and the commissioning of Gate LNG terminal in Rotterdam (the Netherlands), facilitate the increasing need for natural gas imports.

Short term

We are also taking action in the short term to ensure that we will be minimally affected by the economic slowdown. We continue to work on improving the day-to-day business operations. Operational excellence in our operations and agreeing good long-term contracts with our customers form part of this.
We cherish our reputation as a very solid long-term focused company, for whom service, quality, safety and reliability are top priorities. When it comes to financing, we have therefore chosen for a robust investment grade financing strategy, supported by a strong market position and excellent relationships in the long-term focused international private placement market.

Strategy

Vopak's strategy rests on the three pillars being growth leadership, operational excellence and customer leadership. The strategy has not fundamentally changed. However, where relevant, shifts in emphasis have been made to further optimize the value drivers. The opportunity to realize a profitable growth for Vopak derives to a significant extent from the targeted focus on strategically situated locations. The leading principle is to find the right location to invest in. For this purpose, much time was spent in 2011 on further streamlining the organization.
The knowledge of logistic product flows and the relevant trends in this area significantly increased over the last year. The corresponding network preferences have become increasingly clear.

Simplicity and focus

Vopak's management team continues the execution of the three strategic pillars with enthusiasm and dedication and sees many opportunities for the further growth and development of the company. Our activities need to be related to the *raison d'être* of our company and conscious decisions need to be made when it comes to spending.
It is our aim to implement our strategy with a mentality that is aimed at simplicity and focus.

Safety

In 2011, we were shocked by a tragic accident in China. Early July, our colleague Zhou Fu Guang lost his life while cleaning a storage tank. Our thoughts are with his family, friends and colleagues. This accident masks the improved results in the area of personal safety of our employees at the terminals over the past year.
In the area of process safety, Vopak was faced with a number of setbacks, in particular at the beginning of the year. Although the other quarters showed a more positive picture, the final figures have been negatively affected by the relatively large number of process incidents in the first quarter. Vopak, therefore, continues to place full emphasis on achieving further improvements in process safety. The lessons we learned from the incidents in 2011 will provide important input for further improvements. Notwithstanding the well-maintained infrastructure at the terminals, each incident underlines the increasing importance of training and further development of our employees and contractors in order to prevent human errors. For this reason, we paid extra attention to this subject in 2011 and we will continue to do so in the coming year. Our Fundamentals on Safety will remain our guiding principles.

Sustainability

There are many initiatives in the area of sustainability that Vopak is supporting worldwide. However, in order to be able to make a meaningful contribution, Vopak selects those initiatives that are close to our core business. For us, sustainability is directly related to personal safety and process safety. Preventing spills from entering the soil and groundwater and emissions into the air is in this respect our top priority alongside reducing CO_2 emissions. A second path that Vopak has taken is to develop the technology and infrastructure required to store and transship products which offer a more CO_2 neutral and more environmentally friendly alternative for existing products when used, for example, to generate energy. The storage and regasification of LNG at Gate terminal is a striking example of this. Vopak is also focusing on developing a technology and infrastructure to promote the use of LNG for new purposes. With our terminals and the LNG imported by our customers, we would like to offer the industry a cleaner alternative for existing fuels used for transport by road and waterways. We see new opportunities in the area of redistributing LNG by smaller LNG vessels to other areas. We are also working as part of a consortium on developing a unique logistics concept as a result of which CO_2 could be collected and permanently stored on a large scale, so that it will no longer have an impact on the climate.

With the developments outlined above, Vopak is able to make an important contribution to the world's challenges and solutions of sustainability. They also provide advantages for the company itself, for shareholders, consumers and society in general.

Growth

Vopak is experiencing strong growth in certain areas. Over the past year, a number of new terminals have been commissioned. In the coming years the capacity will be expanded further. We have commenced an investment program to increase our total capacity to 33.8 million cbm by 2014. In addition, Vopak has entered the gas market via Gate terminal (the Netherlands) and Altamira LNG Terminal (Mexico) and has established a first footprint in India with the acquisition of a terminal for chemicals and vegetable oils in the port of Kandla.

With these growth projects, Vopak has shown that it is able to offer an appropriate response to growing demand in the marketplace and to face the competition at existing and new locations. Our value proposition is perceived by the market as being distinctive.

Culture and diversity

Vopak has a distinctive culture which determines the strength of our company. In that culture, diversity is considered to be a natural enrichment. Our network is so widespread that it comprises many countries and cultures. Worldwide, diversity is a hot topic. In this context, Vopak is aiming to increase diversity even further, and not only with regard to ethnicity, nationality or gender. We explicitly aim at diversity in our way of thinking within the organization. Vopak welcomes each and everyone who wants and is able to contribute to the company's success. However, it is important that our employees, regardless of where they come from or their background, are able to commit themselves to our specific corporate culture, which is characterized by our values: professionalism, service, integrity, improvement, agility, ownership and passion. We promote entrepreneurship and a substantial willingness to collaborate.

As a global company, Vopak consciously emphasizes the importance of local entrepreneurship which is also reflected in our culture. Vopak operates in many local markets. If we want to be a successful competitor, we need to respond to local developments. In addition, we are also making the difference, in particular at a local level, with our strong global brand, our worldwide operational standards, and our global commercial network.

Stay focused and build on success

Given the success of our business, the biggest challenge in the coming months will be to continue to raise matters for discussion and to further improve. Vopak wants to retain the spirit of taking nothing for granted. Staying continuously alert to spotting new opportunities and risks is in our industry a necessary condition.

Although we have refined our strategy on some points, our core values remain absolutely unchanged. Safety and customer focus continue to be at the heart of everything we do. We want to help our people to stay focused on personal safety and process safety, seven days a week, 24 hours a day. That focus should not diminish in any way.

The attention for our customers also continues to be of utmost importance. We are fully aware that our customers operate in a complex world, in which efficiency is important. We do everything we can to continue to be an efficient and reliable partner focused on successfully supporting our customers.

Vopak wants to stay entrepreneurial and not to miss any opportunity, but at the same time continues to be open for constructive (self-)criticism. We have an excellent track record, but there will always be areas in which we could still be more efficient, make things simpler or make improvements. If we want to continue to position ourselves as the preferred supplier in the oil, chemical, natural gas, biofuel, LPG and vegetable oil industries, we will need to continue to innovate, improve and grow at locations that are crucial for the success of our customers.

On behalf of the Executive Board, I would like to thank all of our colleagues for their hard work. I would also like to thank our customers, shareholders and partners for their support and trust.

Eelco Hoekstra
Chairman of the Executive Board and CEO
Koninklijke Vopak N.V.


13

Report of the Supervisory Board

Supervision

The Supervisory Board met on nine occasions during the year under review. Six regular meetings and three conference calls were held. None of the Supervisory Board members was frequently absent from the Supervisory Board meetings.The average percentage of Supervisory Board members being present during the respective meetings and conference calls was 94%.

As part of the Supervisory Board's responsibilities, the strategy of Vopak was discussed during a two day session held in Singapore. During these meetings, the market developments in China and other parts of Asia were also discussed.

The 2012 Budget was discussed and approved. The quarterly reports were discussed. The various investment proposals related to global expansion and Greenfield projects were also discussed and approved. Amongst others, investment proposals in relation to the acquisition of 60% of the shares in the Altamira LNG terminal in Mexico, a new significant project in Panama, the Pengerang project in Malaysia for a Greenfield oil storage terminal, the Lingang Phase 2 expansion project in China, the CRL acquisition in Kandla (India), the Midex project at the Europoort terminal in Rotterdam (the Netherlands) and an expansion project at the Banyan terminal in Singapore. The Supervisory Board also reviewed the progress made on ongoing projects and the pipeline of new projects.

Safety, Health, Environmental and Sustainability issues were among the topics discussed during each meeting. Also, other operational and financial objectives of the company were discussed at regular board meetings as well as the topic of pensions. In addition, the Information and Communication Technology (ICT) policy was reviewed in the presence of the Global Director ICT. Other topics discussed regularly were the financing of the company, the financial reports and the Sustainability Report 2010. Several Human Resources (HR) topics were discussed including the approach to succession planning for senior management in the presence of the Global Director HR.

The external auditors were present during the meetings where the annual results and the unaudited half-year results were discussed. The interim report and auditors' report issued by the external auditors were also reviewed during those meetings. The minutes of all the meetings of the Audit Committee, Remuneration Committee and the Selection and Appointment Committee were also considered and shared with the Supervisory Board. The Supervisory Board discussed the design and operation of the company's risk management and control systems. At a meeting not attended by the Executive Board members, the Supervisory Board discussed the performance of the Executive Board and the proposal for the remuneration of the Executive Board as proposed by the Remuneration Committee.

With respect to its own performance, the Supervisory Board evaluated its performance in the December 2011 meeting, during which the evaluation of the Board Committees was also discussed. The evaluation included topics such as the composition of the Supervisory Board, its working method and the relationship between the Executive Board and the Supervisory Board. The Supervisory Board also considered its desired profile and composition. The outcome of the evaluation of the Supervisory Board's performance was that the performance met the requirements.

Composition of the Executive Board

Eelco Hoekstra was appointed Chairman of the Executive Board and Chief Executive Officer (CEO) with effect from 1 January 2011 following approval by the Extraordinary Meeting of Shareholders of 11 November 2010 for him to become a member of the Executive Board. Jack de Kreij is Vice-chairman of the Executive Board and Chief Financial Officer (CFO) and Frits Eulderink is member of the Executive Board and Chief Operating Officer (COO).

Composition of the Supervisory Board

The Supervisory Board consists of six members, with Mr Chun Kai Lam having been appointed during the Annual General Meeting of Shareholders of 27 April 2011.

Board Committees

During 2011, the Supervisory Board had an Audit Committee, a Selection and Appointment Committee and a Remuneration Committee. The composition of these committees is provided on pages 180 and 181 of this Annual Report.

Audit Committee
The Audit Committee met on five occasions in 2011. 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 topics related to the financing structure of Vopak, analyses of the financial ratios, pensions, status of legal claims and proceedings, fraud reports as well as reports on the risks associated with the company's operational, commercial, financial and other activities and management reporting. Furthermore, the Vopak Auditors Services Policy, the Sustainability Report 2010, implications of the new UK Bribery Act, IFRS developments, credit risk on financial counterparties, the Spearheads letter of Eumedion and the *Vereniging van Effecten Bezitters* (VEB) with respect to the Annual General Meeting of Shareholders 2012 were discussed.

The Audit Committee also considered the 2012 plan of the Internal Audit Department and reports of Internal Audit in 2011, the progress realized in the implementation of recommendations from audits and the Internal Audit work plan. 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 auditor independence when non-audit services were provided. In compliance with the Dutch Corporate Governance Code (the Code) one meeting was held with the external auditor without the presence of the Executive Board members. Finally, the Audit Committee assessed its own performance throughout the year and its regulations supported by a questionnaire that was completed and discussed by the members of the Audit Committee. The performance of the Audit Committee met the requirements on all areas. During 2011, Mr Cremers again acted as financial expert as meant by the relevant best practice provisions of the Code.

Selection and Appointment Committee
The Selection and Appointment Committee met on one occasion in 2011. In 2011, the nomination of Mr Chun Kai Lam as member of the Supervisory Board was prepared and discussed. Furthermore, the reappointment of two members of the Supervisory Board during the Annual General Meeting of Shareholders of 2012 was prepared and discussed. This concerns Mr Van der Vorm and Mr Cremers. In addition, the regulations of this committee were discussed and the tasks and responsibilities of the Selection and Appointment Committee were reviewed.

Remuneration Committee
We set out below in some detail the way in which the Remuneration Committee implemented the remuneration policy for the Executive Board in the year under review and how it intends to implement the current policy in 2012. After having been appointed member of the Supervisory Board by the Annual General Meeting of Shareholders in April 2011, Mr Chun Kai Lam was appointed member of the Remuneration Committee. As in previous years, the Committee was assisted during the year by an independent external advisor.

The Remuneration Committee met on five occasions in 2011. In addition, it held regular consultations on an informal basis. It developed proposals with respect to the remuneration of Vopak's Supervisory and Executive Boards, which it submitted to the Supervisory Board for approval. The Code constituted an important basis for these proposals.

Following the best practice recommendations of the Code, the Remuneration Committee also reviewed its own effectiveness with the support of the external advisor. Topics such as the scope and nature of the remuneration policy, the way in which it was internally and externally communicated and the way the committee's meetings were conducted, achieved positive evaluation results.

Remuneration principles of the Executive Board
In 2011, the principles underlying the remuneration policy, as approved by the Annual General Meeting of Shareholders, remained unchanged. A controlled development of annual base salary and short-term variable remuneration, as well as a strong performance-driven long-term variable remuneration, are the main features of this policy. It encourages the Executive Board to pursue a strategy that focuses on the company's long-term profitable growth and only rewards the Executive Board if ambitious and pre-defined performance targets are realized.

Within this context, the Supervisory Board has the discretionary power to decide, in special situations, to adjust the individual variable remuneration upwards or downwards, with due observance of the principles of fairness and reasonableness. A claw-back clause is included for the variable remuneration, in case it is based on information that later proves to be incorrect.

A precondition for the remuneration policy is that it results in adequate remuneration commensurate with the responsibilities, challenges and performance of Vopak's Executive Board. Against this background the Remuneration Committee regularly reviews the competitiveness of the remuneration to ensure that the company continues to be able to attract and retain Executive Board members with the right experience and competencies to achieve the company's strategic objectives.

Furthermore, the Remuneration Committee annually compares the total remuneration package for the Executive Board with that of board members of other companies comparable to Vopak in terms of nature of the business, international coverage, size and capital intensity. During 2011 the peer group was evaluated as a result of the delisting of Draka and Smit Internationale and slightly enlarged from 10 to 12 companies to make the peer group an even more sustainable basis for the remuneration policy.

Peer group Vopak 2011

Arcadis	Dockwise *
Boskalis	Fugro
BAM *	Imtech
Corio	Nutreco
CSM *	Randstad *
DSM	SBM offshore

* New in the peer group

The median of the peer group is taken as a point of reference by the Remuneration Committee in setting the remuneration of Vopak's Executive Board members. In addition to peer group information, publications of remuneration consultancy firms are also used.

In addition to the external consistency of the remuneration package for the Executive Board, the internal consistency is also an important point of attention for the Remuneration Committee. The Committee not only actively promotes, but also annually reviews the alignment of the structure and level of the remuneration packages of the Executive Board with the packages for the next management layer in the organization.

Vopak's top management remuneration policy is fully disclosed in the annual report and the short- and the long-term variable remuneration – to the extent it pertains to financial performance – are always based on figures published in the financial statements. In this way the transparency of the remuneration process is assured.

During the definition phase of the variable remuneration plans, the Committee reviews various scenarios that have been calculated and analysed in order to check the consistency and ambition levels of the different plans.

Remuneration policy of the Executive Board

The total remuneration package for the Executive Board has a simple structure, with a sound balance between fixed and variable remuneration components. The structure and related percentages remain unchanged during 2011.
The remuneration policy can be found on the Corporate Governance section of the corporate website.

Component	Remuneration	Term	Performance criteria	Annual remuneration as a % of annual base salary	Min.	Target	Max.
Annual base salary	Cash	Monthly	Adequate performance in the job				100%
Short-term variable remuneration	Cash	Annually	50%: EBITDA growth 50%: non-financial (at target level)	EB* Chairman: EB member:	0% 0%	50% 45%	75% 67.5%
Long-term variable remuneration **	Shares and cash	One grant per 4 years	Growth in Earnings per Share	EB Chairman: EB member:	0% 0%	70% 55%	100% 82.5%
Pension	Cash	Annually	N/A	15.2% - 26.6% of pensionable earnings (percentage is age-related)			

* EB = Executive Board

** Annual underlying value of the final award measured at the grant date excluding the effect of the share price development during the performance period

1. Annual base salary

The annual base salary is reviewed annually with the median of the peer group as the main reference. For the year under review, the following base salaries were granted.

Gross annual base salary in EUR	E.M. Hoekstra	J.P. de Kreij	F. Eulderink
2011	450,000	450,000	410,000
2010	375,000	437,500	400,000

2. Short-term variable remuneration

Depending on Vopak's performance in relation to pre-set targets, Executive Board members can earn a short-term variable remuneration for which the targets in 2011 were comparable or somewhat more ambitious than in previous years. The performance is measured by the company's results on financial as well as non-financial targets with an equal weight at the 'at target' level. The financial target is related to EBITDA growth during the plan year. The non-financial element pertains to targets in three areas:

1. Sustainability, covering personal and process safety (incidents, product loss, fire, pollution);
2. Customer satisfaction, measured by the Net Promoter Score (NPS) result on the customer satisfaction survey conducted by an external party;
3. The performance of the Executive Board as assessed by the Supervisory Board, with realized project results and the quality of new initiatives taken as key focus areas.

For commercial and competitive reasons, the specific targets are not published.

Early 2012, the results on the 2011 targets were evaluated followed by the decision to grant the following short-term variable remuneration for the financial year 2011.

The Supervisory Board conducted a detailed assessment on the performance of the Executive Board in 2011 based on the four aforementioned criteria. Following the significant improvement in EBITDA – excluding exceptional items – from EUR 598 million in 2010 to EUR 636 million in 2011, the financial results exceeded expectations. On sustainability, however, results were below expectations. Although there has been good progress in achieving the personal safety targets, Vopak unfortunately faced a fatal accident of one of its employees in China. There was also an increase in the number of process incidents this year, amongst others related to an increased maturity in the reporting. In 2012, additional actions will be taken to improve safety with the focus on both asset integrity and personal safety behaviour. The final result of the customer satisfaction survey is not yet available. The preliminary result meets the level of last year but falls short of the improvement that was aimed for. The amounts mentioned in the short-term variable remuneration table are based on this preliminary result. On the final measure, the qualitative assessment of the performance of the Executive Board, the Supervisory Board was very pleased with the performance of the Executive Board. Overall, the Supervisory Board renders a positive evaluation on the performance of the Executive Board as a whole.

Short-term variable remuneration	E.M. Hoekstra	J.P. de Kreij	F. Eulderink
2011 - amount *	240,840	216,765	197,497
2011 - % of base salary	53.52%	48.17%	48.17%

* Preliminary gross amount in EUR

3. Long-term variable remuneration
The long-term variable remuneration plan (Long-term incentive plan, LTIP), granted in 2010 is for a 4-year period. No additional long-term incentive plan or pay was awarded in 2011. Depending on the development of the Earnings per Share (EPS) and the Vopak share price during the performance period, a long-term remuneration can be earned at the end of the 4-year performance period. The remuneration will be awarded 50% in cash and 50% in Vopak shares. The shares are to be held in a deposit for two additional years before they can be freely disposed of. The actual award will take place after approval of the annual figures by the Annual General Meeting of Shareholders in 2014.

In 2011, the Long-term incentive plan 2008 vested for the performance shares part of the plan with an EPS improvement during the plan period (2008-2010) from EUR 1.31 to EUR 2.08. After approval of the Annual General Meeting of Shareholders in April 2011, the following performance shares were unconditionally granted. Please note that Mr Hoekstra received this award for his previous role as Division President Asia.

Long-term incentive plan 2008, vested Performance shares	E.M. Hoekstra	J.P. de Kreij
Number	4,953	12,990
Value in EUR (April 27, 2011) *	162,483	426,137

* Gross amount and value

4. Pension
The pension plan for Executive Board members is a defined contribution type of plan, with board members annually receiving an amount for the purpose of accruing an old-age pension and insuring death and disability risks. Depending on his or her age, the pension amount to be granted to a board member will range between 15.2% and 26.6% of his pensionable earnings (annual salary minus franchise). Under the pension plan, retirement age has been set at 65. In conformity with contractual arrangements made with Mr De Kreij at the time of his employment (2003), his employment contract provides for retirement at the age of 60.

Employment contracts
In line with the best practice provisions of the Code, Executive Board members appointed after the amendment of the Code in 2004, are appointed for a period of four years. As per 2004 the employment contract includes a severance payment provision of a maximum of one year base salary. For further details please refer to the separate section on Corporate Governance in this report.

Shareholding
To promote parallel interests on the part of Vopak shareholders and its Executive Board members, board members are required to build up and maintain Vopak share deposits equal to one gross annual salary. A comparable requirement, but with a lower target level, also applies to the next level of senior management. Share deposits can be built up on the basis of shares acquired as long-term variable remuneration and/or on the basis of shares purchased at the Board member's own expense.

Remuneration of the Supervisory Board
The remuneration of the chairman and members of the Supervisory Board reflects its work intensity and increasing responsibilities. In 2011, the Annual General Meeting of Shareholders adopted the following remuneration for the financial year 2011 which will remain constant for 2012.

Remuneration *	Chairman	Members
Supervisory Board	66,000	47,000
Audit Committee	13,000	7,500
Remuneration Committee	9,000	6,000
Selection and Appointment Committee	6,000	4,000

* In EUR (gross) per year

For further details on the remuneration and shareholding position of the Executive Board and the Supervisory Board, please refer to Note 28 to the Consolidated Statement of Financial Position on pages 145-151 and Note 32 on pages 158-160.

Finally, we would like to express our sincere appreciation to the Executive Board and all the company's employees for their efforts in 2011 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 of the Dutch Civil Code.

Rotterdam, 28 February 2012

The Supervisory Board
A. van Rossum (Chairman)
M. van der Vorm (Vice-chairman)
F.J.G.M. Cremers
C.J. van den Driest
Chun Kai Lam
R.G.M. Zwitserloot


Vopak

Contents

Report of the Executive Board

Our vision and strategy

A growing geographic imbalance exists, both at a regional and global level, between the areas of production and (industrial) consumption of oil and gas products and chemicals. As a result, there is a robust demand for the physical transportation and efficient and safe storage and handling of these products. This has led to a growing demand for solid infrastructures in strategically located sea-ports in order to seamlessly link up the logistics networks of producers, traders and distributors. The need for storage and handling services at critical locations is further intensified by new players in the market, the liberalization of previously closed economies and a demand that is increasingly becoming more specific for each country. Independent storage and handling facilities can reduce the pressure on logistics systems and contribute towards the reliability and efficiency of regional and global supply chains. The most important requirements for storage are the right logistic locations, a strong focus on sustainability and safety, reliable and efficient services, and the possibility of anticipating changes to the required service in a flexible manner.

Vopak's mission is to make a sustainable contribution to efficient logistics processes by being the leading provider of independent, optimum terminal infrastructure at locations that are critical to Vopak's customers in all regions of the world. To achieve our mission, we shall continue to invest in the further growth of our global network, in our customer service and in continuous operational improvements. Vopak has developed a strategy to realize that mission. This strategy rests on three pillars:

- growth leadership: our ability to find or identify the right location for our terminals by:
  - improving and expanding existing terminals;
  - developing terminals at new locations;
  - collaborating with and acquiring companies;
  - building terminals for new products and markets, such as LNG and biofuels;
- operational excellence: our ability to construct, operate and maintain our terminals to deliver our service at competitive costs and to be the safest and most sustainable and efficient terminal operator by continuously improving our operational processes;
- customer leadership: our ability to create a relationship with our customers and to be leading in the field of customer service at all terminals.

Vopak's strategy is executed through focused initiatives. All this is supported by an ongoing evaluation process of possible changes to worldwide product flows, intensive collaboration with clients, sharing knowledge within the Vopak network at a global level, strategic collaboration with various partners and consulting experts in wide-ranging areas for continuous improvements.

Vopak in a strategic perspective

Safety

Safety in the broadest sense is Vopak's top priority. While many in society believe the risks of accidents can never be fully eliminated, every effort is made to continue to reduce these risks even further.

When it comes to personal safety, the number of incidents per million hours worked (TIR) within Vopak has further declined from 7.5 in 2006 to 3.2 in 2010 and subsequently to 3.0 in the year under review. Despite this further improved score, there has unfortunately been a fatal incident this year. During cleaning activities in a storage tank, one of our employees in China lost his life. This incident is one of the reasons to emphasize even more clearly in the coming year how important it is to apply the safety standards in full. In the area of process safety, performance stayed unfortunately behind the target figures. In the first quarter in particular, spills, product contaminations and small fires and smolderings occurred more often than expected.

Growth due to robust demand

Looking back on 2011, we can conclude that it has been a year of growth with a good financial performance based on a strong market position. This was further enhanced by the unrelenting pursuit of improvement in the areas of safety and service provision and a robust financing structure. This is a result of a recognizable strategy which is based on three pillars: growth leadership, operational excellence and customer leadership. We have already successfully pursued this strategy for years, and there is no reason to make significant changes in this area. Based on a progressive insight into and the changes in the global markets, the Executive Board is continuously aiming to achieve proactive shifts in emphasis to continue to be able to anticipate and respond to relevant developments in an effective manner. For the year under review the main focus of our strategy was placed on successfully completing expansion projects under construction and identifying attractive opportunities for growth, facilitated by operational excellence and customer leadership. Driven by a robust market demand this has resulted in a number of new terminals becoming operational in 2011, the announcement of new growth projects as well as the completion of important acquisitions in Mexico and India. With the completion of all announced growth projects, Vopak's worldwide storage capacity will increase by 6 million cbm, i.e. more than 20%, to 33.8 million cbm in 2014.

Perfectly positioned

With its worldwide terminal network, Vopak is perfectly positioned to benefit from the most important global developments, also in the long term. A growing geographic imbalance exists, both at a regional and global level, between the areas of production and (industrial) consumption of oil, chemicals, biofuels, vegetable oils, LPG and natural gas. As a result, there is a robust demand for the physical transportation and efficient and safe storage and handling of these products. This has led to a growing demand for storage services in the non-OECD countries in particular, which show population growth, an increase in gross domestic product and an increase in mobility. All these elements have led to an increase in energy consumption, as a result of which the demand for fossil fuels in particular is showing a sharp increase. At the same time, this has resulted in an increasing demand for chemicals and vegetable oils to support the growing industrial production and increasing (food) consumption in these regions. Also in market areas in the OECD countries we have identified and captured growth opportunities, resulting from sustainable changes in oil products flows, changes in the refining sector at large and a drive to diversify our energy sources into, for example, LNG and biofuels. As a result, Vopak sees realistic additional opportunities for growth, particularly in those countries where there is a need for additional solid infrastructure in order to seamlessly link up the logistics networks of producers, traders and distributors.

Experience tells us that the product dynamics in one part of the world impacts other parts. These so-called 'product imbalances' have a direct influence on our business activities. For the coming ten years, additional demand for all our product categories is expected. This means that we will continuously analyze exactly how the product flows run, how we can set up our infrastructure correspondingly and how we can meet the wide-ranging wishes of our customers. We spend a lot of energy on analyzing existing and new locations to be able to determine where we want to grow our business in the long term. Our recent investments in India and new Greenfield projects in China (Tianjin and Hainan) and Malaysia (Pengerang) are a testimony to this. Each and every one of these investments is made in important emerging markets, thereby anticipating future trends.

Collaboration with partners

Strategic partnerships, including joint ventures, play an increasingly important role in realizing the targeted growth. In particular in emerging markets and liberalizing markets that were previously closed, collaborating with local partners is a natural choice. We currently have more than 30 tank terminal joint ventures around the world.

Collaborating with partners requires intensive interaction with various parties, supported by effective and practical governance structures. At first glance this may increase the complexity in certain areas, but that is compensated by the opportunity to benefit from opportunities together with our partners which would otherwise have been less successful. The starting point for a successful joint venture is mutual trust and that it should generate a win-win situation for both parties. These are two of the critical success factors for Vopak. We have proven to be able to operate successfully as a joint venture partner under various circumstances and in various regions, whereby the principles and conditions of, for example, safety standards are defined in clear and unambiguous terms beforehand to form the key elements of the collaboration and which must be taken into account at

all times. It has become our strength to appreciate local circumstances and as a result to use relevant experiences to the joint benefit of the partners.
In addition to our many years' knowledge and experience in the industry, we are able to offer our partners a unique network of storage and transshipment terminals in strategically located ports across the globe. By entering into a long-term partnership with Vopak, our partners become part of this unique worldwide network.

Global growth

Growth leadership is one of the three pillars of the Vopak strategy. Vopak aims to maintain and strengthen its leading position at important logistic locations on the basis of proactively identifying growth opportunities and to further intensify its commercial relationships with strategic customers. Based on the increasing demand for storage and transshipment services, the company seeks to expand its global operations and storage capacity in strategically located ports. For this purpose, Vopak commissioned a large number of expansion projects, acquired terminals and announced new growth projects in 2011. Vopak's worldwide storage capacity will increase from 27.8 million cbm in 2011 to 33.8 million cbm in 2014. The most important projects are set out in more detail on the next page.

Developments in Vopak's key markets

Oil

The geographical imbalances between production and consumption have fueled the need for physical transportation of bulk liquid oil products, to a large extent independently of crude oil prices and the more speculative trading environment. Bulk liquid oil storage services fulfill an essential role in the supply chain of Vopak's customers, including large oil majors and NOCs, with whom we cooperate in long-term business relationships. The increasing geographical imbalances lead to an increasing demand for services at strategically positioned (hub) terminals, such as Rotterdam (the Netherlands), Fujairah (UAE), Tallinn (Estonia) and Singapore, which are critical to the success of the network strategy for crude oil and oil products. The increased focus of the major oil companies on upstream activities and related possible closures and divestments of less efficient refineries will further impact the need for physical transportation and storage of crude oil and oil products. This has been reinforced by the increasing import demand from a large number of emerging countries, including China, India and Brazil.

Chemicals

The demand for the storage and handling of chemicals in 2011 was encouraging. The investments in the large-scale production of chemicals in the Middle East and China, in combination with the growth in consumption in large parts of Asia and Latin America, have had a permanent effect on the worldwide logistics flows of chemical products. Vopak's worldwide tank terminal network, combined with our agility, provide us with an excellent position to seize these new opportunities.

Biofuels

Vopak's varying experiences in the market for the storage of biofuels continued in the first six months of 2011. Due to the continuing uncertainty about tax incentives and lack of clarity on cross-border regulations, in particular in Europe and North America, the market players have reconsidered their position in the biofuels market. In the second half of 2011, we experienced some positive signs, including the implementation of the first European Certification schemes for biodiesel products. However, the uncertainties on subsidies and potential new developments in legislation remain. Despite the current uncertainties, governments and customers across the world have formulated binding long-term objectives for the use of biofuels. Vopak will continue to focus on the key developments in this relative young market segment. The products are usually stored at existing terminals, and the tanks used can often be interchanged for the storage of certain chemicals or vegetable oils.

The challenge for Vopak is to proactively turn these key market developments into customer-specific solutions in strategically positioned seaports across the world. Our long-term business success in this respect is whether we are able to:

- meet different customer needs by increasing flexibility, offering fast ship turnaround times, setting high quality and safety standards, and offering specific services, such as blending;
- offer the highest quality infrastructure and a wide array of tank types and sizes, jetty capacity, truck and rail loading stations and blending capacity; and
- offer deep-water access, hinterland connections, land availability, and operating permits for handling bulk liquid products.

Commissioning of new terminals

Gate terminal (the Netherlands)
In September 2011, Gate terminal, the joint venture between Vopak (42,5%) and Gasunie (42,5%), was officially opened by Her Majesty Queen Beatrix of the Netherlands. Gate (Gas Access To Europe) terminal is located on the Maasvlakte in Rotterdam and is the first LNG import terminal in the Netherlands. The terminal comprises three storage tanks with a total capacity of 540,000 cbm and has an annual throughput capacity of 12 billion cbm, which can be expanded to up to 16 billion cbm in the future.

Amsterdam Westpoort (the Netherlands)
On 5 October 2011, Vopak Terminal Amsterdam Westpoort became operational. The terminal for clean oil products has an initial storage capacity of 620,000 cbm and was delivered on time and within budget. After completion of additional storage capacity of 570,000 cbm in phases up to the second quarter of 2012, the storage capacity will increase to nearly 1.2 million cbm.

Acquisition of terminals

Kandla (India)
Through the acquisition of CRL Terminals, Vopak has entered the fast growing Indian market. The terminal is situated in one of the busiest ports of India and comprises two sites which offer a total capacity of 261,600 cbm for the storage of chemicals and vegetable oils.

LNG terminal in Altamira (Mexico)
In September 2011, together with Spanish partner Enagas (40%), Vopak (60%) successfully completed the acquisition of the LNG import terminal in Altamira. With a storage capacity of 300,000 cbm, the terminal realizes an annual throughput of 7.4 billion cbm, which is fully contracted for a long-term period.

Expansion at existing terminals under construction

Fujairah (UAE)
Vopak Horizon Fujairah will be expanding the terminal for oil products in the port of Fujairah by 606,000 cbm storage capacity. Following completion in the first half year of 2012, its total storage capacity will exceed 2.1 million cbm.

Tianjin (China)
The new terminal which has been commissioned in the beginning of 2012 in Tianjin, has a storage capacity of 95,300 cbm dedicated for the storage of chemicals. This terminal will be expanded by 240,000 cbm of capacity dedicated for the storage of LPG.

New terminals under construction

Eemshaven (the Netherlands)
Together with partner NIBC European Infrastructure Fund (50%), Vopak (50%) has commenced the construction work of a new storage terminal for oil products in the Eemshaven in Groningen. The terminal will satisfy the need of European governments for additional capacity for the storage of their strategic reserves of oil products, such as crude oil, gasoline and gasoil. The terminal will have an initial storage capacity of 660,000 cbm, which can be expanded to up to 2.76 million cbm in the future.

Hainan (China)
Together with the State Development & Investment Corporation (51%) of China, Vopak (49%) is building an independent storage terminal for crude oil and oil products in Yangpu, Hainan. This terminal will be the first independent terminal for the storage of oil products of third parties in the south of China and will provide for an initial storage capacity of 1.35 million cbm. As a result of the excellent deepwater access, the terminal can accommodate so-called Very Large Crude Carriers (VLCC's). This new facility will be developed into a regional hub terminal for break bulk purposes and the blending of products. The storage capacity can be expanded to up to 5.2 million cbm in the future.

Pengerang (Malaysia)
Together with partners, Vopak (44%) is building a new independent storage terminal for oil products in Pengerang, Johor in southern Malaysia. The Pengerang region is located at the south eastern-most tip of Johor, close to international shipping routes and the international oil hub in Singapore. The terminal will have an initial storage capacity of approximately 1.3 million cbm and can be expanded by 1 million cbm in the future. The facility will provide for storage, blending and distribution services for crude oil and clean oil products and offers the opportunity to accommodate VLCC's.

Algeciras (Spain)
Together with its partner Vilma Oil (20%), Vopak commenced the construction of a storage terminal for oil products with a capacity of 403,000 cbm in the port of Algeciras. The terminal is the first to offer independent bunkering services in this port and is expected to be commissioned at the beginning of 2013.

Funding our growth

Access to the financial markets is essential for a company that is experiencing a strong growth. Far from working with banks and institutional investors merely as suppliers of financial resources, Vopak considers them business partners for the long term that assist us in achieving growth. This is supported by an intensive relationship management strategy, in which we work closely together with an internationally widespread group of relationship banks with clear objectives, including facilitating a continuous balanced and well-spread debt maturity profile at appropriate terms and conditions that match Vopak's solid credit quality. We are seeking to combine this with flexible access to the European banking market and the various American and Asian capital markets. Over the past few years, we have created a solid basis, which is reflected by successfully closing a new EUR 1.2 billion Revolving Credit Facility with 15 international relationship banks early in 2011. The facility has an initial maturity of five years with two extension options of one year each. On 2 February 2012, we reached agreement on the first option with 14 of the 15 banks about the extension of the facility with one additional year. With this agreement the maturity date of EUR 1.1 billion of the original facility of EUR 1.2 billion has been extended from 2 February 2016 to 2 February 2017. In addition, we also successfully completed a number of project financings in the year under review.

Operational excellence

The effectiveness and efficiency of operational processes are of course high priorities for Vopak. Streamlining operational processes with an integrated approach fosters the best possible service to our customers. A sustained focus on simplifying, improving and modifying processes promotes reliability, cost efficiency and sustainability. Ultimately, the successful implementation of operational excellence in the services we provide to our customers underlines our aim of distinguishing ourselves from our competitors, and can significantly strengthen Vopak's market position as global market leader.

New initiatives

The past few years have seen many initiatives targeted at our aim of achieving operational excellence. The most important initiatives are set out in more detail below.

Improved maintenance

Maintenance at the Vopak terminals has improved by using the maintenance management system ME2 (Maintenance to Effectiveness and Efficiency), which became operational at the end of 2010. The system is currently used by more than 40% of our terminal network. The terminals concerned have a total capacity of more than 10 million cbm.

Terminal master plans

Terminals are designed to have a long lifecycle. Keeping the terminals in good condition is, on the one hand, a technical exercise, whereby safety, reliability and efficiency take center stage. On the other hand, it is a market-focused exercise: we need to ensure that our terminals can function in such a way that customers and employees are very satisfied with them, now and in the future. At Vopak's initiative, all these elements are translated into so-called terminal master plans which focus on the future of the terminal. In these plans, it is decided what the desired positioning is for each terminal and stated what corresponding work will be involved. This includes not only regular maintenance work, but also possible investments which may be required to be able to continue to meet the customers' needs in the future. This enables us to realize the three most important objectives of the Vopak strategy – growth leadership, operational excellence and customer leadership – while acknowledging their interdependence.

Terminal automation

The automation of our terminals plays an important role in achieving operational excellence. Where possible, we automate the operational processes at the terminals using the available technologies. This will enable us to work more efficiently and effectively, and improve personal and process safety as well as our performance in the area of sustainability. In 2011, we commenced the implementation of automated processes at a higher level. Our new Amsterdam Westpoort terminal (the Netherlands) is a testimony to the innovations that are possible in this area in our industry, and the efforts that Vopak is prepared to make.

Standardized procurement processes

Global Sourcing and Procurement makes an essential contribution to achieving Vopak's procurement strategy. Combining our entire network's procurement needs in a number of areas enables us to procure products and services more efficiently and under economically more beneficial conditions. Globally standardized procurement processes also ensure quicker decision-making, higher-quality delivery, better risk management and greater savings.

Within each Vopak division one procurement leader has been appointed member of the Global Leadership Team, so that we are able to combine a central policy with local implementation. The global procurement of equipment has been centralized for a number of categories, like computer systems, pumps, valves, domes and loading arms. Multidisciplinary teams work together with regional experts to formulate the specifications and select the best suppliers. In the last quarter of 2011, global contracts came into force.

The procurement of services is done locally. A program has been implemented with which terminals can share their best practices and experiences. In this way, it will be possible to enter into favorable service contracts, for example for cleaning tanks, paintwork, inspections and maintenance.

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.
- A reliable global brand that rests on our high service level and safety record.
- We operate according to a single independent business model and apply global standards.
- We are highly diversified in terms of geographies, contract duration, products and market segments.
- Our portfolio of long-term contracts increases predictability.
- We are enterprising and are proactive in utilizing our opportunities without taking undue risk.
- Our close and long-term partnerships and joint ventures afford us excellent access to important markets.
- As a listed company, we offer maximum transparency in how we operate.

Opportunities
- We can benefit from the increasing energy demand, especially in non-OECD countries, and the increasing distances between locations where energy products and chemicals are produced and where they are consumed.
- A number of countries are liberalizing their economies.
- A growing range of market specifications creates a need to blend components into final products. These components, including biofuels, need storage before and after blending.
- Growth opportunities in market segments (e.g. LNG and crude oil) and market areas (e.g. China, United States, Brazil and Africa).
- Further logistical outsourcing by international oil and gas companies for Capex saving (divert Capex to upstream).

Challenges
- The company is working to integrate its acquisitions and mergers to create a single network of terminals operating under the same standards and using the same expertise.
- Insufficient recruitment of qualified personnel might cause delays in operating projects and therefore hamper the current strong capacity growth.
- There is a scarcity of land available in strategic ports.
- With regard to biofuels we depend on cross-border legislation and subsidy regulations.
- Sustaining Capex investments in the traditional markets (e.g. the Netherlands).
- Increasing competition in some markets and clients are building their own storage capacity (e.g. trading companies and NOCs).

ICT
At its core our ICT policy aims to offer solutions that contribute to the Vopak strategy to achieve growth leadership, operational excellence and customer leadership. The appropriate use of ICT facilities increases efficiency, expands the range of communication options and makes information more accessible, thereby supporting effective decision-making. In addition, ICT contributes to creating safer working conditions, realizing higher process integrity, increasing customer satisfaction and intensifying collaboration in the supply chains. In line with the overall strategy, we aim to make continuous improvements in these areas. With this aim in mind, investments are made in ICT where necessary, specifically in those areas where ICT can add most value for our business activities.

Innovation in the area of ICT is particularly aimed at simplifying the operation of the terminals, improving management information, enhancing safety and improving personal productivity. A good example is the implementation of a new terminal computer system at our Amsterdam Westpoort terminal (the Netherlands). The results are promising and have already led to the award of an ICT innovation prize in the Netherlands. In North America new technologies for personal computing have been introduced in order to increase personal productivity and employee satisfaction, and which should also enhance the efficiency of the ICT organisation. A plan has been made to further develop and roll out these new systems.

Optimum relationship with our customers

The simplicity of one Vopak
The relationships with our customers are predominantly determined at a local level, which is where we provide our services to our customers. We also want to offer our customers who operate globally themselves, and who frequently work at numerous different Vopak locations, the simplicity of working together with one Vopak. The structure of the commercial organization has been adapted with this aim in mind.
The main task of the new commercial organization is to give direction to collaboration with our largest customers, and in doing so to centrally support the Vopak organization. This requires detailed knowledge of both the current logistic product flows of these customers and the flows they foresee in the future, so that we will be able to align our services with their needs in an optimal way. In consultation with our customers, we will decide what is the right choice for the right location, and we will be able to operate our existing locations as efficiently as possible and expand them where possible. Together with our customers, we will shape the future.

The new commercial organization, which extends over the divisions and local terminals, is supported by Global Account Directors who focus on the global accounts, and by Global Product Directors who are responsible for the product groups of oil, chemicals, LPG, biofuels and vegetable oils. This has created decisive internal networks which make optimal use of our knowledge of customers, products and logistic flows. In addition, our LNG team is responsible for monitoring the developments and opportunities in this important market segment for Vopak.

We aim to provide even better services by offering training, courses and competence management and by standardizing and improving our processes, effectively supported by efficient information systems. We are also in constant dialogue with our customers, so that we can continue to keep improving our services, supported by measurable data. Specifically, we seek to introduce improvements such as faster ship handling, speeding up truck and railcar loading, and increasing the range of product blending services.

Higher appreciation of our service

The appreciation of our service by our customers improved in 2011. The NPS of Vopak showed an increase for the third consecutive year. Programs have been introduced in all divisions to enhance the service level. This has resulted in a higher satisfaction with regard to all customer-related processes. Supported by the new structure of the commercial organization, we will further substantiate our continuous efforts to improve our customer focus and service.

Global Account Management

Our worldwide account management program was significantly enhanced in 2011, by the closer collaboration between members of the account teams, which comprise the Global Account Directors and the local account managers. As a result, we have noticed that the business relationships with many of our key accounts have been further developed and improved. The result was a solid growth in turnover from this group of customers in 2011.

Strategy foundations

The foundation of our three pillar strategy comprises the focus on Safety, Health and Environment and our people. These topics are addressed below.

Sustainability

Since the end of 2010, most divisions have carried out research into the safety culture. Vopak is part of the best quartile of in total 1,500 companies which participated in the research. However, the outcomes have still provided interesting new insights. The outcomes will be the basis for new initiatives to further increase safety awareness among our people and minimize the risks for the environment. Management and other team leaders share the responsibility to create a business culture in which the safety of our people is paramount in all circumstances. Through awareness programs, Vopak aims to contribute to consistently placing the awareness of possible dangers first.

Our objective of reducing CO_2 emissions is taking effect. A further reduction in CO_2 emissions per cbm of storage capacity has been realized. With the commissioning of the new Amsterdam Westpoort terminal (the Netherlands), we have made an important step towards the development of a 'green' terminal with, for the tank storage industry, a very low CO_2 emission, a minimal Volatile Organic Substances emission and tanks that have excellent protection against soil leaks. This new terminal for oil products will therefore serve as a model for other new terminals.

Vopak aims for transparent reporting, both with regard to financial reporting and reporting on our efforts in the area of sustainability. For our reporting on sustainability we adopt the internationally recognized guidelines of the Global Reporting Initiative (GRI). With this objective in mind, we have increased the number of selected key performance indicators on which we report in our sustainability report from 15 to 21. This externally validated separate report is available on www.vopak.com, Vopak's corporate website.

Employees and organization

Employee satisfaction and engagement

In January 2011, the biennial worldwide survey into the extent of employee satisfaction and engagement was conducted. All employees were given the opportunity to participate, and the 86% response rate was overwhelming. The Engagement Score, which reflects the extent of satisfaction, engagement and pride, increased from 7.5 to 7.6 on a scale of 1 to 10. The worldwide outcomes have been studied in detail and revealed a number of points which require our full attention, such as the opportunities for personal development, the quality of coaching and inviting people to solicit feedback. In addition, the Vopak divisions have identified specific items to put on the agenda for the various regions.

Talent development

Human capital is one of the most valuable assets of our business. As a company we want to grow and for this reason we need to employ the best people. To achieve this, we aim to further improve the deployment and quality of our employees through systematic coaching and training.
In the last quarter of 2010, we initiated an improved Global Performance & Development process, in which skills and behavioral competences form the starting point for creating worldwide uniformity in the assessment and development of our employees. The outcomes of this are being meticulously monitored, whereby the tools that we implemented in the second quarter of 2011 will be used and advice will be sought on further improvements to this global HR process. One initial outcome is that the quality of the appraisal meetings between managers and employees has improved. These conversations are, more than in the past, focused on performance and personal development.
As part of the Global Performance & Development process, various electronic support tools have been developed, including an automated appraisal system; the E-tool 4People. An advanced module, called MyRecruitment, has been developed, which offers all Vopak employees the possibility to keep themselves informed online of the latest vacancies at all locations worldwide. This recruiting module offers Vopak more flexibility and gives talented employees the possibility of discovering all the opportunities that our global organization has to offer.
It is very important for Vopak to be able to depend on having the right talented and passionate employees in the right positions in the organization. Fortunately, many people are interested in a career with Vopak. We have plenty of opportunities in the areas of engineering and project management, in particular for young talented people. Despite strong competition compared to similar companies in other industries, our retention statistics are very good.

Professionalization and optimization

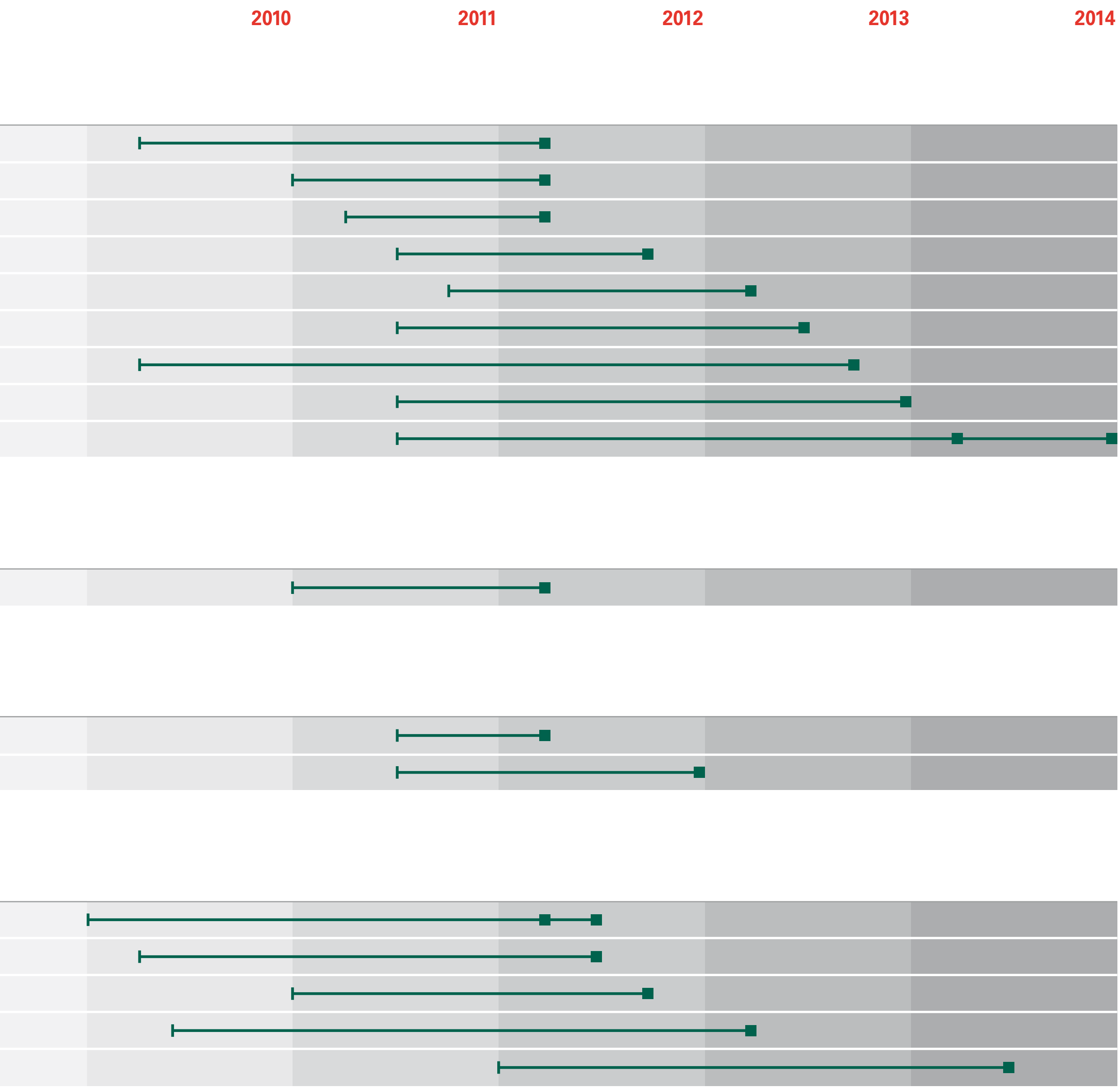
We are relentless in our pursuit of providing local management teams with the best possible central support and service. To achieve this, our people must be able to unlock their full potential and our processes must be organized in the best possible way. To a large extent, Vopak's success is founded on local entrepreneurship. Striking the right balance between achieving central efficiency and local decisiveness is of prime importance. Our constant dialogue with local Vopak businesses should yield sufficient feedback about the standards adopted to inform our decision-making.

Restructuring of EMEA divisions

In line with the geographic structure of the Vopak divisions, the Oil EMEA and Chemicals EMEA divisions have been split into a Netherlands division and EMEA division with effect from 1 January 2012. This will make the organizational structure clearer and makes it possible to take decisions at the appropriate levels in order to improve effectiveness. Both the organization and our customers will benefit from the unambiguous geographic focus.

Growth Perspective

Location	Country	Ownership	Type	Products	CBM
Asia					
Tianjin	China	50%	Greenfield (phase 1)	Chemicals	95,300
Zhangjiagang	China	100%	Expansion	Chemicals	55,600
Map Ta Phut	Thailand	49%	Expansion	Chemicals	15,000
Caojing	China	50%	Expansion	Chemicals	16,000
Banyan	Singapore	69.5%	Expansion	Chemicals	100,200
Tianjin	China	50%	Greenfield (phase 2)	LPG	240,000
Dongguan	China	50%	Greenfield	Chemicals	153,000
Hainan	China	49%	Greenfield	Oil products	1,350,000
Pengerang	Malaysia	44%	Greenfield	Oil products	1,278,000
Latin America					
Altamira	Mexico	100%	Expansion	Chemicals	15,800
CEMEA					
Antwerp	Belgium	100%	Expansion	Chemicals	7,500
Rotterdam	The Netherlands	100%	Expansion	Chemicals	20,000
OEMEA					
Amsterdam	The Netherlands	100%	Greenfield (phase 2)	Oil products	570,000
Fujairah	United Arab Emirates	33.33%	Expansion	Oil products	606,000
Eemshaven	The Netherlands	50%	Greenfield	Oil products	660,000
Algeciras	Spain	80%	Greenfield	Oil products	403,000
Europoort	The Netherlands	100%	Expansion	Oil products	400,000
Worldwide					
Total additional capacity in CBM					
Accumulated capacity in CBM					

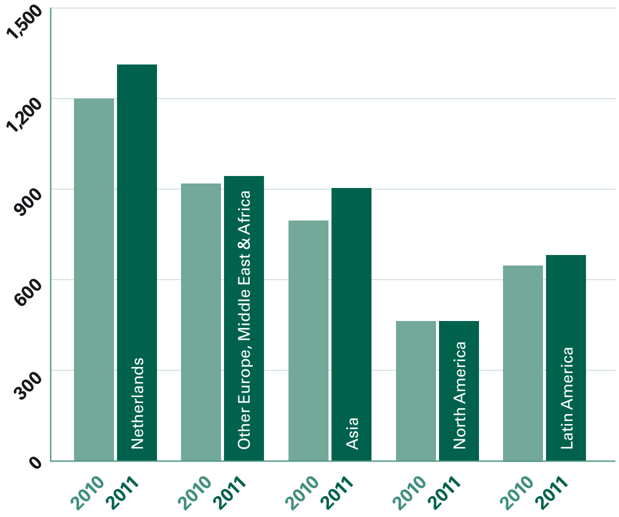


2011	2012	2013	2014
	+ 2,100,000	+ 2,200,000	+ 1,700,000
27,800,000	29,900,000	32,100,000	33,800,000

⊢ start construction
■ to be commissioned

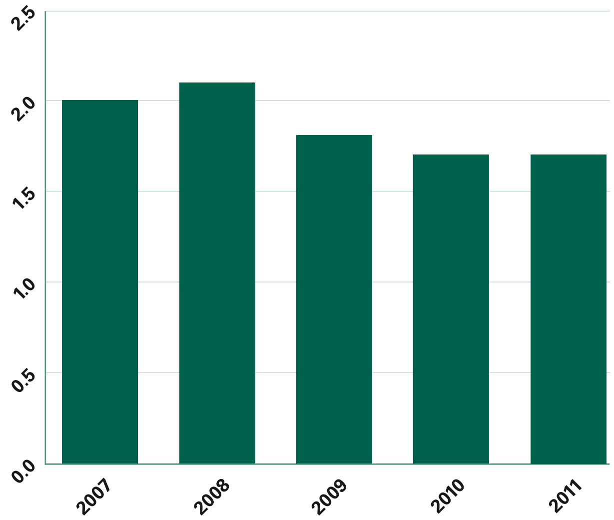
Employees subsidiaries by region

Average over the year



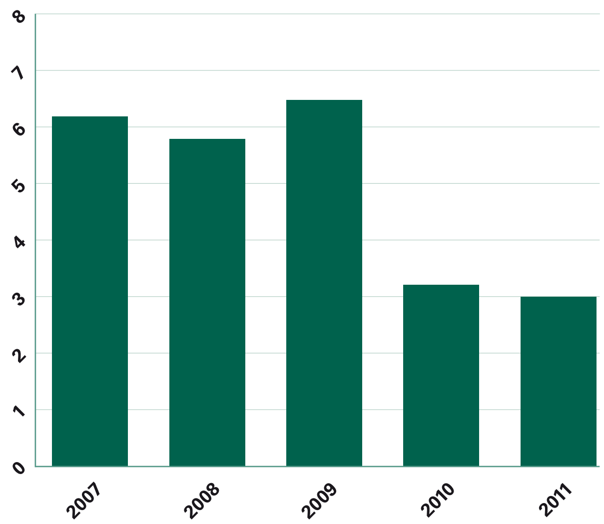
Sickness absenteeism

As a percentage



Safety own employees (Total Injury Rate)

Total injuries per 1 million hours worked



Sustainability

Responsible for people, planet and profit

Vopak has a long tradition of sustainable entrepreneurship. For four centuries, Vopak has been an integral part of the societies in which it operates. During that long history, Vopak has consistently developed itself into a globally operating corporation. And wherever we go, we seek to forge long-term relationships with our people and business partners. Every time we take the initiative to set up new business operations somewhere in the world, Vopak enters into commitments for many decades to come. And we do so for a reason. Vopak assumes responsibility towards our people and our other stakeholders, and in doing so secures the continuity of our business. But this responsibility extends towards our surroundings and the environment, ensuring that everyone benefits.

Vopak aims to reduce the intensity of the use of raw materials, energy and water and to curb emissions to soil, air and surface water. In addition, we want to minimize the negative impact and maximize the positive impact on the communities in which we operate.

Our pursuit of sustainability is based on the belief that it is the responsibility of each citizen and organization to do everything that is reasonably possible to protect the environment. The Vopak Values also provide a clear point of reference. Doing business with sustainability in mind is not only a matter of balanced corporate responsibility, but is also sensible from a business perspective. We can only retain our competitive edge if we fully dedicate ourselves to our customers, our people, our services, the environment and the local communities in which we work.

In fulfilling our objective to do business in a sustainable manner, we apply the Triple P model of People, Planet and Profit. As we store and transship more than 100 million metric tons of oil and chemical products annually, there is no choice but to focus specifically on safety. In doing so, we distinguish personal safety from process safety. For many years, we have pursued a proactive SHE policy, supported by such initiatives as the annual global Vopak SHE Day. Our SHE policies are now part of our overarching Vopak Sustainability Policy.

Transparency

Vopak aims to be unequivocal and transparent towards its stakeholders in respect of the sustainability policy it pursues, its subsequent results and Vopak's own aspirations. To provide further insight into its performance in the area of sustainable entrepreneurship, Vopak records and reports in line with the internationally recognized guidelines issued by the GRI. These guidelines were prepared to promote globally uniform, measurable reports in the financial, economic, social and environmental areas.

Indicators
Our interpretation of people, planet and profit, and our acknowledgement of their interdependence are being measured on 21 selected GRI Key Performance Indicators (KPIs) that we report on. They express the performance in areas relevant to Vopak, and for which reliable information is available internally. The KPIs address economic, environmental and social performance areas. We are convinced that, in the end, applying the principles of sustainable entrepreneurship will result in high quality services without undue social and environmental impacts.

Adding sustainable value
By continuously improving, Vopak is increasingly able to connect sustainability, value creation and innovation, thereby aiming to create optimal value for all of our stakeholders, whilst staying true to our business ethics.

Vopak collaborates with customers and suppliers for the long term. We aim to be the supplier of choice for our customers through our high quality service offering and performance, supported by our initiatives in the area of sustainability. Sustainability offers opportunities to reduce the current and future use of critical energy sources, scarce raw materials and to better manage the related operational and development costs for the business. It also helps to improve the competitive market position and profitability. The coherent sustainability strategy enables us to act proactively instead of reactively to developing social and environmental insights.

People
Vopak operates in 31 countries, each of which has its own laws, culture and customs. In this context, the company applies the Vopak Values and endorses the principles of the United Nations' International Labour Organization (ILO) and Universal Declaration of Human Rights. Vopak ensures that human rights are respected and, where necessary, safeguarded when carrying out its activities. Vopak has internal policies and a Code of Conduct that supplement local rules in the countries where it operates to ensure that fundamental standards for employment and human rights are met throughout the world.

Vopak invests in long-term relationships with employees and offers them a work environment that appeals to their talents and skills. Additionally, we seek to forge strong relationships with our employees by giving ample attention to matters they consider important in their work. Examples include job satisfaction, personal development, competitive terms of employment and a good balance between work and private life.

People development
Human capital is one of the most valuable assets of our business. As a company we want to grow and for this reason we need to employ the best people. To achieve this, we aim to further improve the quality of our employees through systematic coaching and training. In the last quarter of 2010, an improved Global Performance & Development process was initiated, in which skills and behavioral competences form the starting point for creating worldwide uniformity in the assessment and development of our employees. The outcomes of this are being meticulously monitored, whereby the tools that we implemented in the second quarter of 2011 will be used and advice will be sought on further improvements to this global HR process. One initial outcome is that the quality of the appraisal meetings between managers and employees has improved. These conversations are, more than in the past, focused on performance and personal development.

Local communities
Vopak operates in 83 different locations throughout the world. It is the responsibility of the local management teams to engage in activities with the local communities of our terminals in order to strengthen our relationships. This means that we do not apply a group-wide global approach. In general, our efforts are aimed at initiatives that benefit local communities. Examples of activities that we support are: local health care, local environmental initiatives, animal welfare, education and stimulating local economy by hiring local employees and contractors as much as possible.

Safety and health
Safety is given top priority at Vopak. The company therefore continually introduces new initiatives to improve personal and process safety. In this process of continuous improvement, we actively involve our business partners and customers, both directly and by participating in national and international sector organizations.

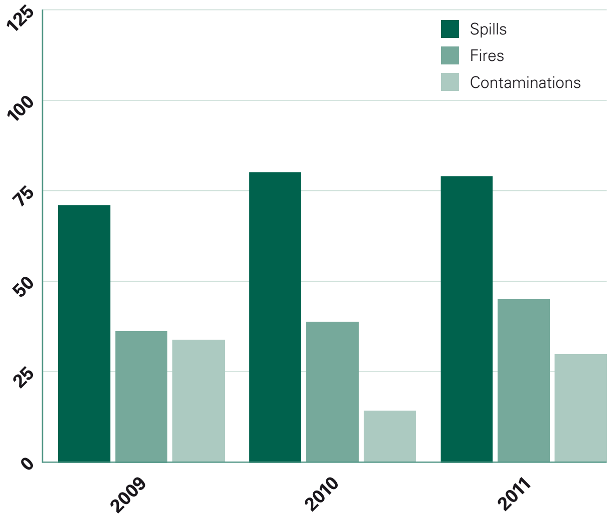
At Vopak, we see it as our responsibility to provide a safe and healthy workplace for our employees. Continuously improving working conditions and monitoring the effectiveness of controls are fundamental to our safety and health policy.

Vopak's safety policy states that we continuously work towards our goals of zero incidents and no damage to the environment. Safety is everyone's responsibility and we expect every employee to contribute to his own safety and that of others.

During 2011, the LTIR for our own personnel and contractors combined improved to 1.1 per one million of hours worked (2010: 1.3). The number of injuries related to the number of hours worked by own personnel (TIR) showed 3.0 injuries per one million of hours worked in 2011 (2010: 3.2).

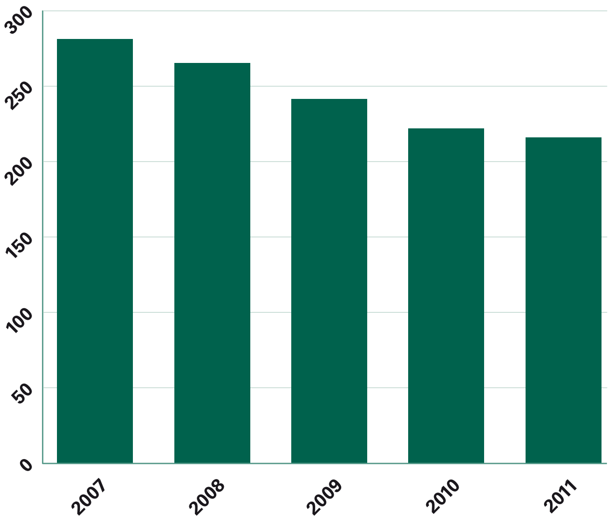
In 2011, the absenteeism rate remained at the same level as last year: 1.7%. This low sickness percentage is reflected in the results of the Employee Engagement survey.

Process incidents



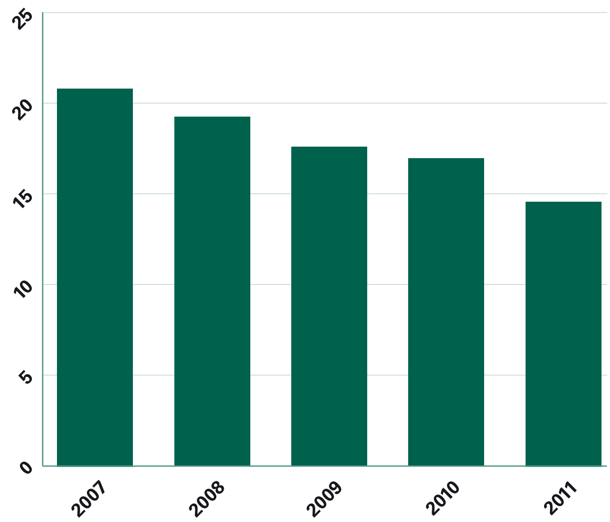
Total relative energy consumption

Total energy in megajoule per cbm storage capacity



Total relative carbon emission

Total emission in kg carbon per cbm storage capacity



Planet

At present Vopak operates storage terminals in 31 countries, involving thousands of people, directly as well as indirectly, and large plots of land. This brings with it responsibilities for the surroundings, not just with respect to soil, water and air, but also towards the local communities and neighbors. Vopak aims to be a responsible neighbor. Our objective is to further reduce emissions, including those of gas and odor. In pursuing this objective, we consistently adhere to guidelines set out in operating licenses, legislation and our own global standards. Vopak acknowledges that taking measures aimed at curbing emissions may sometimes be in conflict with energy consumption, as some environmental measures require the use of energy. We aim to strike the right balance in this respect.

Standardization

We are standardizing our approach at a global level and are mapping out the impact our operations may have on the environment. This helps us address the question as to how to minimize our impact, including our operations' carbon footprint. We are committed to developing a sound waste management system and minimizing our energy consumption, soil contamination, air and surface water pollution and water consumption.

Energy and Carbon

Efforts to reduce energy consumption and improve energy management continued to be successful from both a sustainability and cost efficiency perspective. The Expert Forum Energy, a Group-wide consultative body, has been given the task of coordinating and encouraging energy management and energy reduction projects. Employees are supported and encouraged to reduce energy consumption by a set of Vopak Energy Management Guidelines.

In 2011, the total energy consumption of the consolidated companies including joint ventures was 4,432 terrajoule (2010: 4,944 terrajoule), an improvement of 9.5%. This was mainly due to the reduction of storage capacity as a result of the sale of BORCO (Bahamas).

Vopak generates a modest amount of CO_2 through its operating processes, since these processes use energy, and CO_2 is released in generating energy. Vopak mainly consumes energy for pumping, heating or cooling products and for operations to achieve environmental improvements, such as waste water purification and vapor recovery systems.

The reduction of energy consumption leads directly to a reduction of greenhouse gas emissions. In 2009, Vopak started to include energy reduction and reduction of greenhouse gases as a target in investment proposals. In 2011, progress was again made towards reducing the overall emissions of CO_2 per cbm storage. This resulted in a decrease for the consolidated companies of total carbon emissions from 16.9 kg/cbm in 2010 to 14.6 kg/cbm storage in 2011. The total carbon emissions (direct and indirect) for whole Vopak were 340 kTon in 2011 (2010: 395 kTon).

In 2011, five of Vopak's terminals participated in the European Emission Trading Scheme: Vopak Terminal Vlaardingen (the Netherlands), Vopak Terminal Botlek, Rotterdam (the Netherlands), Vopak Terminal Europoort, Rotterdam (the Netherlands), Vopak E.O.S. (Estonia) and Vopak Terminal Vlissingen (the Netherlands). The last terminal has recently entered the scheme because of the NOx emission of the vapor recovery unit.

Process incidents

The number of process incidents that occur at our tank terminals is an important measure of our safety and environmental care. Process incidents include product spills, product contaminations and fires, including small smolderings.

Our focus on the behavior of operators in order to prevent operational errors and proper maintenance to prevent failure of equipment and thus increase our process integrity has been effective in recent years. However, in 2011 we saw an increase in the number of process incidents to 154 (2010: 133). An analysis on the causes of these incidents showed that 50% of the incidents were due to human errors and 50% were related to mechanical failures of some kind.

In respect of spills, the total number decreased from 80 in 2010 to 79 in 2011. The quantity involved, reduced slightly from around 600 cbm of product spilled in 2010 to 540-580 cbm in 2011.

The amount of product contaminations showed an increase, from 14 in 2010 to 30 in 2011, and the number of fires in 2011 showed an increase to 45 (2010: 39).

Vopak's principles and sustainability

Vopak and sustainability

To Vopak, sustainability means generating added value for all its stakeholders without causing unacceptable social or environmental impact. We are committed to minimizing our energy and water consumption and reducing emissions to soil, air and surface water. We are also determined to minimize any negative impact on communities living close to our operations whilst maximizing the positive impact wherever possible. We do this by concentrating on the issues set out below.

Integrity and ethics

At Vopak, we have a responsibility towards investors, employees and business partners to operate ethically and with integrity in every area of our activities. Integrity has been, and will continue to be, the key to establishing and maintaining our reputation. Like our employees, facilities, and the services we provide, it is a critical intangible asset. Vopak's business principles, based on integrity, are laid down in our Code of Conduct.

Human rights

Vopak not only respects human rights as described in the United Nations' Universal Declaration of Human Rights but also accepts the responsibility to ensure that all of our subsidiaries respect human rights when conducting business.

Fair treatment of employees

Vopak endorses the principles of the United Nations' International Labour Organization. We have long been committed to providing a safe and healthy environment for our employees. This commitment is deeply rooted in our daily activities, policies and governance structures.

Communities

Vopak is committed to engaging with communities living close to our operations. We will behave as a responsible citizen and work to minimize the negative impact of our operations. We aim to support the communities by improving the infrastructure adjacent to our facilities and see it as a moral commitment to source locally as much as possible.

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 our service quality and our sustainability initiatives.

Sustainable services

Vopak delivers its services in accordance with stringent safety and environmental standards and in collaboration with the local authorities in the areas in which it operates. By continuously assessing and improving the condition of our terminals, we are able to maintain the highest level of quality for our stakeholders.

Profit

Economic performance

Stakeholders increasingly judge a company on whether it conforms to principles of sustainable entrepreneurship. Besides generating financial profits to enable the business to continue as a going concern, sustainable operations also generate less tangible benefits and enable the company to distinguish itself from the competition.

Our business operations are geared towards long-term trends. For this and other reasons, Vopak's investments target sustainable activities that ensure profitability for many decades to come. Accordingly, tools such as investments, operating efficiency improvements, maintenance and highly sophisticated techniques contribute to the ongoing availability of storage capacity, whilst also making our operations more sustainable. Likewise, preventing incidents and spills and reducing waiting times for vessels contribute to customer satisfaction. Programs aimed at reducing our consumption of energy and natural resources and avoiding spills, incidents and emissions will result in lower costs.

Dialogue with stakeholders

Sustainability management enables Vopak to measure, manage and report on the Triple P indicators, which relate to People (social), Planet (environment) and Profit (economic), and to set business strategies that reduce risks and increase shareholder value. The key approach towards shareholders is outside-in, i.e. it starts with a stakeholder dialogue.
Vopak wants its sustainability policy, ambitions and results to be transparent to all stakeholders in order that it can be stakeholder-inclusive. In order to accomplish this ambition, Vopak's reports on performance in the area of sustainability are being brought into line with the sustainability reporting guidelines of the GRI. Additionally, the Vopak reporting criteria are based on the guidelines as provided by GRI.

Daily contacts

Customers, suppliers and employees meet to share important information every day. In addition, various audits are undertaken, both by Vopak itself (Global Insurance, Global Internal Audit, Terminal Health Assessment, Project Post Implementation Reviews) and by our customers and various authorities. These audits aim to assure control for internal purposes, confirm the integrity of our terminals and processes, and pre-assess implementation plans.

Regular contacts

We maintain regular contacts with neighbors, local and other authorities and investors. Organizing around 300 individual meetings, presentations, roadshows and other events enables us to demonstrate our aim to be transparent towards all these target groups. In addition, we organize regular communications through webcasts and our website.

Annual contacts

We maintain contacts every year with a wide variety of communities, including our neighbors, non-governmental organizations, sustainability organizations and ministries in the countries in which we operate. Besides maintaining direct contacts with these stakeholders, we undertake various surveys throughout the year. The aim of these sustainability surveys as well as employee and customer satisfaction surveys is to verify the implementation of the suggestions, comments and recommendations we have received at operational and policy levels.

Vopak is also a partner in the Rotterdam Climate Initiative. One of its goals is to ensure that Rotterdam will be the most sustainable world port city, by reducing CO_2 emissions by 50% in 2025 and achieving full climate change resilience for the city.

External benchmarks

Vopak was involved in a number of external benchmarks in 2011, especially: VBDO, Carbon Disclosure Project, Dow Jones Sustainability Index and Transparency Benchmark of the Dutch Ministry of Economic affairs.

Sustainability Report 2011

The Vopak website (www.vopak.com) always provides the most recent status update as well as our objectives and ambitions. Vopak's 2011 Sustainability Report, which has obtained external assurance at level B+, is also available on this website.


200
0
3
2
CORROSIVO


Vopak
EAST-WEST PIPE RACK

Financial performance

Revenues

In 2011, Vopak generated revenues of EUR 1,171.9 million, a 6% increase compared with 2010 (EUR 1,106.3 million), including a currency translation gain of EUR 2.1 million. The increase of revenues came mainly from an increase in storage capacity of subsidiaries. The average occupancy rate remained at the same level as last year (93%). Revenues from contracts with original durations of longer than 1 year accounted for 81% of total revenues (2010: 81%).

Group operating profit

Group operating profit – excluding exceptional items – rose by 5% to EUR 469.4 million (2010: EUR 445.3 million), including a currency translation gain of EUR 2.6 million.

The growth of Group operating profit is attributed to increased results in the divisions Asia, Latin America, Oil Europe, Middle East & Africa and the global LNG activities, partly offset by lower results by the divisions Chemicals Europe, Middle East & Africa and North America. Operating costs not allocated to the divisions adjusted for exceptional items amounted to EUR 31.5 million and were lower compared to last year (2010: EUR 33.2 million).

The reported Group operating profit includes the net result of joint ventures and associates. The net result of joint ventures and associates – excluding exceptional items – rose by 8% to EUR 91.7 million (2010: EUR 85.0 million). The growth is mainly due to the new LNG joint ventures (results of LNG joint ventures EUR 9.9 million), partly offset by the sale of our 20% equity stake in BORCO (Bahamas).

During 2011, a total exceptional gain of EUR 116.1 million was recognized (exceptional loss 2010: EUR 3.3 million). This is mainly due to the sale of Vopak's 20% equity stake in BORCO (Bahamas; EUR 111.5 million).

Group operating profit before depreciation and amortization (EBITDA) – excluding exceptional items – and including the net result of joint ventures and associates rose by 6% to EUR 636.0 million (2010: EUR 598.2 million).

Increased capital requirements because of investments in new storage capacity caused capital employed to increase and accordingly ROCE – excluding exceptional items – to decrease slightly to 18.6% (2010: 18.8%).

Revenues

In EUR millions	2011	2010	Δ %
Chemicals Europe, Middle East & Africa	328.9	325.1	1%
Oil Europe, Middle East & Africa	298.5	278.1	7%
Asia	308.7	272.5	13%
North America	137.7	138.3	0%
Latin America	93.6	88.2	6%
Non-allocated	4.5	4.1	10%
Revenues	**1,171.9**	1,106.3	**6%**

Group operating profit

In EUR millions	2011	2010	Δ %
Group operating profit including exceptional items	**585.5**	**442.0**	**32%**
-/- Exceptional items	116.1	- 3.3	
Group operating profit excluding exceptional items	**469.4**	**445.3**	**5%**
-/- Group operating profit of disposed activities	2.9	10.0	
+ Currency translation gain		2.6	
Group operating profit *	**466.5**	**437.9**	**7%**

* Pro forma group operating profit for 2010 computed at 2011 exchange rates

Group operating profit excluding exceptional items

In EUR millions	2011	2010	Δ %
Chemicals Europe, Middle East & Africa	87.8	90.6	- 3%
Oil Europe, Middle East & Africa	161.4	156.4	3%
Asia	185.3	165.7	12%
North America	33.8	46.0	- 27%
Latin America	28.2	25.7	10%
Non-allocated	- 27.1	- 39.1	
Group operating profit excluding exceptional items	**469.4**	**445.3**	**5%**
Depreciation and amortization	166.6	152.9	9%
Group operating profit before depreciation and amortization (EBITDA)	**636.0**	**598.2**	**6%**

Net finance costs

The net finance costs amounted to EUR 78.6 million (2010: EUR 68.4 million). The increase is mainly attributable to the exceptional loss of EUR 5.0 million as result of the sale of the Buckeye Class B units, which were received as part of the consideration for the sale of our 20% equity stake in BORCO (Bahamas). Other negative effects, such as the full annual impact in 2011 of the Asian Private Placements drawn in 2010 and a higher interest component on hedges, could be partly offset by lower interest due to partial repayment on the US Private Placement 2001, higher interest income as result of the cash proceeds from the sale of our 20% equity stake in BORCO (Bahamas) and higher capitalized interest on projects during construction.

The interest-bearing loans amounted to EUR 1,538.6 million at year-end 2011 versus EUR 1,579.2 million at year-end 2010. The average interest rate over the period was 4.7% (2010: 5.2%).The fixed-to-floating ratio of the long-term interest-bearing loans, including interest rate swaps, amounted to 84% versus 16% at 31 December 2011 (31 December 2010: 91% versus 9%).

Income tax

The income tax expense for 2011 amounted to EUR 71.3 million (2010: EUR 72.8 million). The effective tax rate decreased from 19.5% for 2010 to 14.1% for 2011, mainly as a result of the book gain on the sale of our 20% equity stake in BORCO (Bahamas), of which EUR 108.5 million is exempted from taxes.
Excluding exceptional items, the effective tax rate for 2011 amounted to 19.5%.

Net profit attributable to holders of ordinary shares

Net profit attributable to shareholders – excluding exceptional items – rose by 4% to EUR 283.6 million (2010: EUR 273.0 million). Of this profit EUR 8.2 million is attributable to the holders of financing preference shares (2010: EUR 8.2 million). Net profit attributable to holders of ordinary shares – excluding exceptional items – rose by 4% to EUR 275.4 million (2010: EUR 264.8 million).

Earnings per ordinary share – excluding exceptional items – grew by 4% to EUR 2.16 (2010: EUR 2.08). Earnings per ordinary share – including exceptional items – increased 50% to EUR 3.08 (2010: EUR 2.06).

Non-current assets

Total non-current assets increased to EUR 3,845.2 million (31 December 2010: EUR 3,370.5 million). In 2011 total investments amounted to EUR 710.9 million (2010: EUR 564.7 million), of which EUR 479.2 million was invested in property, plant and equipment (2010: EUR 456.5 million). The remainder included primarily investments in joint ventures of EUR 37.5 million (2010: EUR 42.5 million), the acquisition of a 60% interest (joint management control) in the Altamira LNG terminal in Mexico (EUR 55.9 million) and in the 100% acquisition of the terminal in Kandla (India) of EUR 44.0 million.

Of the investments in property plant and equipment EUR 198.6 million was invested in expansions at existing terminals (2010: EUR 131.2 million) and the purchase of two strategically located sites for expansion near the existing Deer Park facility (North America). Please see the details of storage capacity developments on page 32.

Equity attributable to owners of parent

The equity attributable to owners of parent rose by EUR 275.9 million to EUR 1,729.3 million (31 December 2010: EUR 1,453.4 million). The increase mainly came from the addition of the net profit for the year less a dividend payment in cash of EUR 97.3 million. A detailed overview can be found in the Consolidated Statement of Changes in Equity on page 88.

Group operating profit (EBIT) and ROCE

In EUR millions	EBIT	Average capital employed	ROCE
Chemicals Europe, Middle East & Africa	86.1	570.9	15.1%
Oil Europe, Middle East & Africa	180.4	576.5	31.3%
Asia	185.3	968.1	19.1%
North America	145.3	234.2	62.0%
Latin America	20.2	164.3	12.3%
Non-allocated	- 31.8	14.0	
Total	**585.5**	**2,528.0**	**23.2%**

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

In EUR millions	2011	2010
Statement of income		
Revenues	1,452.0	1,365.3
Group operating profit before depreciation and amortization (EBITDA)	807.8	661.9
Group operating profit before depreciation and amortization (EBITDA) *	701.4	665.2
Group operating profit (EBIT)	598.8	470.4
Group operating profit (EBIT) *	492.4	473.7
Net profit attributable to owners of parent	400.6	270.1
Net profit attributable to owners of parent *	283.6	273.0
Net profit attributable to holders of ordinary shares	392.4	261.9
Net profit attributable to holders of ordinary shares *	275.4	264.8
Statement of financial position		
Non-current assets	4,586.5	3,862.2
Current assets	515.9	566.6
Total assets	5,102.4	4,428.8
Non-current liabilities	2,553.8	2,152.1
Current liabilities	710.8	726.6
Total liabilities	3,264.6	2,878.7
Total equity	**1,837.8**	**1,550.1**
Financial ratios		
Interest cover	7.6	8.6
Net debt : EBITDA	3.11	2.80

* Excluding exceptional items

Net investments by division

In EUR millions	2011	2010
Chemicals Europe, Middle East & Africa	106.5	99.4
Oil Europe, Middle East & Africa	231.0	235.5
Asia	116.9	70.3
North America	- 145.6	75.2
Latin America	40.5	38.2
Non-allocated	80.3	33.3
Net investments	**429.6**	**551.9**

Net investments

In EUR millions	2011	2010
Intangible assets	11.1	11.9
Property, plant and equipment	479.2	456.5
Joint ventures and associates	37.5	42.5
Loans granted	82.5	8.8
Acquisition of subsidiaries including goodwill	44.0	32.9
Acquisition of joint ventures	55.9	9.9
Other non-current assets	0.7	2.2
Investments	**710.9**	**564.7**
Intangible assets	0.1	0.4
Property, plant and equipment	3.1	–
Joint ventures and associates	214.1	–
Loans granted	54.5	12.4
Subsidiaries	5.6	–
Assets held for sale	3.9	–
Disposals	**281.3**	**12.8**
Net investments	**429.6**	**551.9**

Funding

In EUR millions	2011	2010
Cash and cash equivalents	88.7	181.8
Non-current portion of interest-bearing loans	- 1,521.5	- 1,388.5
Current portion of interest-bearing loans	- 17.1	- 190.7
Bank overdrafts	- 155.7	- 34.0
Net interest-bearing debt	**- 1,605.6**	**- 1,431.4**
Derivative financial instruments (currency)	15.6	13.6
Credit replacement guarantees	- 53.7	- 58.6
Net debt for ratio calculation	**- 1,643.7**	**- 1,476.4**
Net debt : EBITDA	**2.65**	**2.63**
Interest cover	**7.9**	**8.2**

Net interest-bearing debt

The cash flow effects of the investment program was partly offset by the cash proceeds from the sale of Vopak's 20% equity stake in BORCO (Bahamas), amounting to USD 291 million. The net interest-bearing debt rose to EUR 1,605.6 million (31 December 2010: EUR 1,431.4 million). The Net debt : EBITDA ratio increased to 2.65 (2010: 2.63), which is well below the maximum agreed upon covenants with lenders.

During 2011, the revolving credit facility of EUR 1.0 billion, which was fully available at 31 December 2010, was replaced in February 2011 by a new unsecured multicurrency revolving credit facility of EUR 1.2 billion, which has a maturity of 5 years with two mutual extension options of one year each. At year-end 2011, EUR 1.1 billion of this facility is available for funding flexibility to execute our business ambitions. At year-end 2011, EUR 100 million was drawn under this facility.

As per 31 December 2011, EUR 1,318.4 million was drawn under Private Placement programs with an average remaining term of 11 years. A further EUR 119.2 million was funded by banks with an average remaining term of 2.3 years.

During 2012, regular repayments of long-term loans will amount to EUR 17.1 million.

Dividend proposal

Barring exceptional circumstances, the principle underlying Vopak's dividend policy is the intention to pay an annual cash dividend of 25% to 40% of the net profit – excluding exceptional items – attributable to holders of ordinary shares.

A dividend of EUR 0.80 per ordinary share, an increase of 14% (2010: EUR 0.70), payable in cash, will be proposed to the Annual General Meeting of Shareholders of 25 April 2012. Adjusted for exceptional items, the payout is 37% of earnings per ordinary share (2010: 34%).

Outlook

Projects under construction will add 6.0 million cbm of storage capacity in the years up to and including 2014 and result in a total storage capacity of 33.8 million cbm. Some significant expansion projects like Fujairah (UAE), Vopak Terminal Amsterdam Westpoort phase 2 (the Netherlands) and Eemshaven (the Netherlands) will be commissioned during 2012. The total investment for Vopak and partners in these projects involves capital expenditure of some EUR 1.9 billion, of which Vopak's total remaining cash spend will be some EUR 0.5 billion.

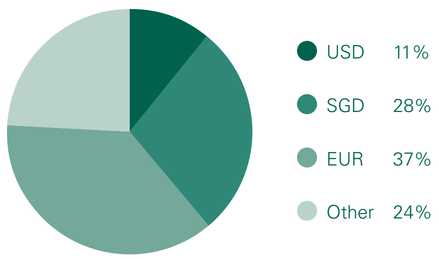
Vopak expects the market for storage and handling of oil products to remain robust and an encouraging market for chemical storage services. The mixed developments in the market for storage and handling of biofuels are expected to continue throughout 2012. The market for storage and regasification of LNG is expected to remain solid.

Based on its growth strategy, Vopak expects to realize a higher Group operating profit before depreciation and amortization (EBITDA) in 2012 and an EBITDA between EUR 725-800 million in 2013 (2011: EUR 636 million).

Abridged consolidated statement of cash flows

In EUR millions	2011	2010
Cash flows from operating activities (gross)	495.8	455.1
Net finance costs paid and received	- 61.9	- 65.4
Settlement of derivatives financial instruments (interest rate swaps)	0.6	6.7
Income tax paid	- 28.1	- 11.2
Cash flows from operating activities	**406.4**	**385.2**
Investments	- 710.9	- 564.7
Disposals	281.3	12.8
Settlement of derivatives (net investment hedges)	- 13.1	- 53.0
Cash flows from investing activities (including derivatives)	**- 442.7**	**- 604.9**
Cash flows from financing activities	**- 181.4**	**188.7**
Net cash flows	**- 217.7**	**- 31.0**

EBIT in 2011 by currency *



* Excluding exceptional items

Exchange rates

	USD		SGD	
Per EUR 1.00	2011	2010	2011	2010
Average exchange rate (translation rate income statement)	1.39	1.33	1.75	1.81
Year-end exchange rate (translation rate balance sheet)	1.29	1.34	1.68	1.71

The World of Vopak

North America

9 terminals, 2 countries
2,323,800 cbm storage capacity

1 Canada
Vopak Terminals Canada - Hamilton

2 Canada
Vopak Terminals Canada - Montreal

3 United States
Vopak Terminal Deer Park

4 United States
Vopak Terminal Galena Park

5 United States
Vopak Terminal Long Beach

6 United States
Vopak Terminal Los Angeles

7 United States
Vopak Terminal Savannah

8 United States
Vopak Terminal North Wilmington

9 United States
Vopak Terminal South Wilmington

Latin America

15 terminals, 7 countries
1,294,300 cbm storage capacity

10 Brazil
Vopak Brazil - Alemoa Terminal

11 Brazil
Vopak Brazil - Aratu Terminal

12 Brazil
Vopak Brazil - Ilha Barnabé Terminal

13 Brazil
União/Vopak Armazéns Gerais

14 Chile
Vopak San Antonio Terminal

15 Chile
Vopak - Oxiquim - Mejillones Terminal

16 Colombia
Vopak Colombia - Barranquilla Terminal

17 Colombia
Vopak Colombia - Cartagena Terminal

18 Ecuador
Vopak Ecuador

19 Mexico
Vopak Mexico - Altamira Terminal

20 Mexico
Vopak Mexico - Coatzacoalcos Terminal

21 Mexico
Vopak Mexico - Veracruz Terminal

22 Mexico
LNG Terminal Altamira

23 Peru
Vopak Peru - Callao Terminal

24 Venezuela
Vopak Venezuela - Puerto Cabello Terminal

Europe, Middle East & Africa

33 terminals, 12 countries
17,149,600 cbm storage capacity

25 Belgium
Vopak Terminal ACS - Antwerp

26 Belgium
Vopak Terminal Eurotank - Antwerp

27 Belgium
Vopak Terminal Linkeroever - Antwerp

28 Germany
Vopak Dupeg Terminal Hamburg

29 Estonia
Vopak E.O.S. -Tallinn

30 Finland
Vopak Terminal Hamina

31 Finland
Vopak Terminal Mussalo - Kotka

32 The Netherlands
Gate terminal - Rotterdam

33 The Netherlands
Maasvlakte Olie Terminal - Rotterdam

34 The Netherlands
Vopak Terminal Amsterdam Petroleumhaven

35 The Netherlands
Vopak Terminal Amsterdam Westpoort

36 The Netherlands
Vopak Terminal Botlek (Noord) - Rotterdam

37 The Netherlands
Vopak Terminal Botlek (Zuid) - Rotterdam

38 The Netherlands
Vopak Terminal Chemiehaven - Rotterdam

39 The Netherlands
Vopak Terminal Europoort - Rotterdam

40 The Netherlands
Vopak Terminal Laurenshaven - Rotterdam

41 The Netherlands
Vopak Terminal TTR - Rotterdam

42 The Netherlands
Vopak Terminal Vlaardingen

43 The Netherlands
Vopak Terminal Vlissingen

44 Pakistan
Engro Vopak Terminal

45 Saudi Arabia
SabTank - Al Jubail

46 Saudi Arabia
SabTank - Yanbu

47 South Africa
Vopak Terminal Durban

48 Spain
Terquimsa - Barcelona Terminal

49 Spain
Terquimsa -Tarragona Terminal

50 Sweden
Vopak Terminal Gävle

51 Sweden
Vopak Terminals Gothenburg

52 Sweden
Vopak Terminal Malmö

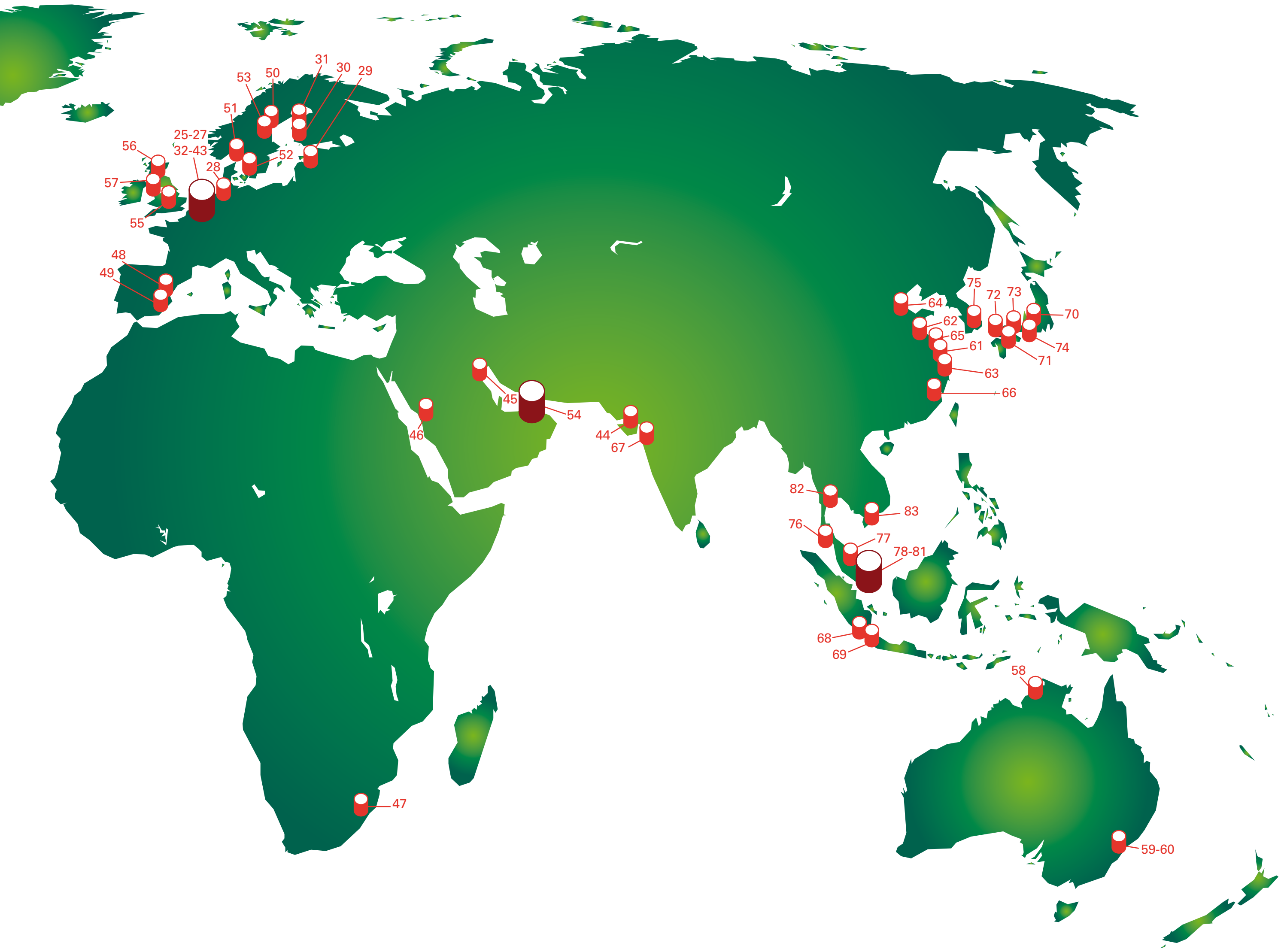
53 Sweden
Vopak Terminal Södertälje

54 United Arab Emirates
Vopak Horizon Fujairah

55 United Kingdom
Vopak Terminal London

56 United Kingdom
Vopak Terminal Teesside - Middlesbrough

57 United Kingdom
Vopak Terminal Windmill



Asia & Australia

26 terminals, 10 countries
7,081,300 cbm storage capacity

58 Australia
Vopak Terminal Darwin

59 and 60 Australia
Vopak Terminal Sydney - Location A and B

61 China
Vopak Shanghai - Caojing Terminal

62 China
Vopak Terminal Shandong Lanshan

63 China
Vopak Terminal Ningbo

64 China
Vopak Terminal Tianjin

65 China
Vopak Terminal Zhangjiagang

66 China
Xiamen Paktank

67 India
Vopak Terminal Kandla

68 Indonesia
Vopak Terminal Jakarta

69 Indonesia
Vopak Terminal Merak

70 Japan
Nippon Vopak - Kawasaki Terminal

71 Japan
Nippon Vopak - Kobe Terminal

72 Japan
Nippon Vopak - Moji Terminal

73 Japan
Nippon Vopak - Nagoya Terminal

74 Japan
Nippon Vopak - Yokohama Terminal

75 Korea
Vopak Terminals Korea - Ulsan

76 Malaysia
Kertih Terminals

77 Malaysia
Vopak Terminal Pasir Gudang

78 Singapore
Vopak Singapore - Banyan Terminal

79 Singapore
Vopak Singapore - Penjuru Terminal

80 Singapore
Vopak Singapore - Sakra Terminal

81 Singapore
Vopak Singapore - Sebarok Terminal

82 Thailand
Thai Tank Terminal

83 Vietnam
Vopak Vietnam

Terminal(s) at hub location
Terminal

Review by Division and Global LNG activities

Chemicals Europe, Middle East & Africa (CEMEA)

Market developments

"Our operating profit – excluding exceptional items – of EUR 87.8 million decreased 3% compared to 2010. Despite the uncertain economic situation in Europe, no significant changes were experienced with regard to the utilization of our storage capacity and throughput volumes. The results of the European petrochemical industry continued to be relatively stable in comparison to 2010, although the outlook appears to give reason to be somewhat cautious. Furthermore, we saw reasonably stable market conditions for tank storage services. We do not only depend on the consumption in Europe. The German automotive industry, in which chemicals are also used, went into overdrive in the first six months of 2011 as the demand for luxury cars increased particularly in China. The volumes of the chemical products used in the construction industry are lower, but they only count for a limited part of the total of our tank storage volumes.

The market that Vopak serves has grown over recent years although the chemical market is developing less rapidly than the oil and biofuels markets. As a result our chemical terminals are being increasingly used for the storage of oil products, biodiesel and bio-ethanol. These experienced sufficiently encouraging growth to compensate for the limited growth in the chemical market. It is worth noting that the market for biodiesel lagged behind in the first half of 2011, but rebounded over the last two quarters. Bio-ethanol has been a good and sustained business throughout the entire year. In general we have seen encouraging signals in the regulatory environment with regard to biofuels, albeit that this market is yet to mature."

Safety and sustainability

"The safety record has remained more or less the same as that of 2010. Although the number of process incidents increased, they involved predominantly minor incidents. When it comes to the severity of the incidents we have made substantial progress. We are confident that we will also achieve an improvement in the number of minor incidents if we continue the course we have embarked on. We continue to focus on safety improvements."

"We are making major investments in the area of sustainability. We have invested in, for example, new vapor recovery units in the Botlek terminal, Rotterdam (the Netherlands) in order to further reduce our emission levels. Energy saving programs are also being carried out. All terminals have their own energy-efficiency programs. As part of our European Leadership Program we have made a social contribution in Durban (South Africa) by setting up a unique project called Water for Health. During this program our future senior managers helped people and schools with the drinking water supply. A team of twelve people improved the quality of drinking water, together with a non-governmental organization, by introducing a purification technology that enables the purification of drinking water using sunlight."

Customers, service and operational excellence

"In Europe, competition in the tank storage industry has increased. New players have stepped onto the playing field. This requires a continuous focus on further improving the quality of our services, both for today's market and customer requirements as well those of the future. In addition to the increased competition, the even stricter environmental legislation also plays an important role when it comes to further developing and professionalizing our services. In order to maintain our service at a consistently high level,

“At all terminals customer appreciation has increased.”

we will need to continue to invest in the quality of our organization and infrastructure. The terminal master plans play an important role in this. In Belgium, the United Kingdom and the Netherlands, the master plans are progressing well. These efforts have had notable results. At all terminals the customer appreciation of our service has increased.”

Capacity expansions

“In Barcelona (Spain) we have expanded the terminal significantly. Where until recently only chemical products were stored, 155,200 cbm of additional storage capacity for oil products, including a new jetty, has now been built on site.
Together with the chemical terminal in Tarragona (Spain) the terminal serves as a transshipment hub for the entire Mediterranean region. Vopak and joint venture partner Compania de Logistica Hidrocarburos have made significant investments in the terminals in order to benefit from its functionality as a regional hub even more in the future. In Vlaardingen (the Netherlands), we have expanded our storage capacity for vegetable oils and biofuels by more than 38,100 cbm.”

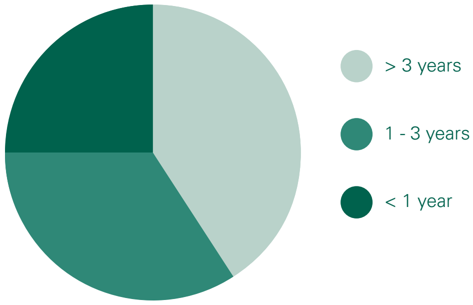
Jan Bert Schutrops, Division President Chemicals EMEA

Key figures

In EUR millions	2011	2010
Revenues	328.9	325.1
Operating profit before depreciation and amortization (EBITDA)	134.2	137.5
Operating profit (EBIT) *	87.8	90.6
Average gross capital employed	1,036.6	983.0
Average capital employed	570.9	554.4
ROCE *	15.4%	16.3%
Storage capacity (cbm)	4,329,600	4,220,200
Occupancy rate	90%	89%

* Excluding exceptional items

Contract position



Oil Europe, Middle East & Africa (OEMEA)

Market developments

"The demand for oil storage has, in particular in the long term, remained robust. Sufficient storage capacity still needs to be added. The global economic slowdown has had its impact, but Vopak's growth has hardly been affected. We realized an operating profit – excluding exceptional items – of EUR 161.4 million (2010: EUR 156.4 million) and our outlook is encouraging. Almost all capacity currently under construction, which will become operational at a later stage, has already been contracted. There is a structural demand for long-term tank storage capacity. The imbalance in the world and the major demand in Asia requires that products are transported from places with a surplus to places with a shortage. Europe has a significant fuel oil surplus from Russia, a large gasoline surplus from north-west Europe and a shortage in gas oil: all these products need to be transshipped. The imbalance with regard to gas oil and gasoline between Europe and North America continued to exist. With the new Amsterdam Westpoort terminal (the Netherlands), Vopak is perfectly positioned to facilitate these logistic fuel flows. Moreover, the petro-chemical industry in North America in particular will receive a major boost due to changes in the American market and the discovery of large quantities of shale gas."

Safety and sustainability

"In 2011, we carried out major construction work within the division, such as the construction of the new terminals in Amsterdam Westpoort (the Netherlands) and Algeciras (Spain) and the large-scale expansion projects in Fujairah (UAE) and Rotterdam (the Netherlands). All these projects have a good safety record. Many millions of hours of work were put in, but without personal accidents. In the areas of personal safety and process safety, we also achieved good results at our operational terminals. The entire division participated in the Safety Culture Survey. We are very positive about the results. It is a great testimony of the fact that all our efforts over the past few years are bearing fruit, and that safety awareness is on top of our employees' minds."

"When it comes to sustainability, we have continued to support the Water for Growth project in Africa. In addition, many initiatives have been taken in our subsidiaries aimed at taking responsibility, together with the community, and at giving something back to the communities in which we operate. Our new Amsterdam Westpoort terminal (the Netherlands), is designed and built in such a way that the burden on the environment and the surroundings is kept to an absolute minimum. There are hardly any emissions, we have taken the very latest safety measures and built a sustainable office. In addition we have asked the artists of the 'Ruigoord artists' community' to decorate a tank with a piece of art. We also have made a contribution to the renovation of the Maritime museum in Amsterdam to help preserve the unique Dutch maritime culture."

Customers, service and operational excellence

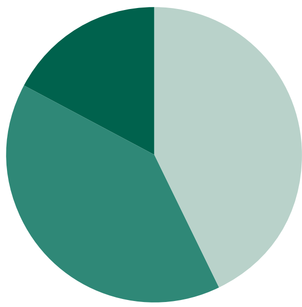
"The progress we have made in the area of customer satisfaction is clearly visible at nearly all terminals. At a number of locations a change in the customer needs can be noticed. Volatile international transport patterns mean that customers' requirements for our local infrastructures change too. We are experiencing, for example, an increasing customer demand for loading large vessels in Rotterdam (the Netherlands) bound for the Middle East. This loading process could be more efficient, but loading large vessels often results in odor nuisance. For this reason, we are making significant investments in vapor recovery units in order to be able to offer our services at the desired speed."

Key figures

In EUR millions	2011	2010
Revenues	298.5	278.1
Operating profit before depreciation and amortization (EBITDA)	216.9	185.7
Operating profit (EBIT) *	161.4	156.4
Average gross capital employed	919.8	775.3
Average capital employed	576.5	463.9
ROCE *	28.0%	33.7%
Storage capacity (cbm)	12,280,000	11,121,100
Occupancy rate	94%	95%

* Excluding exceptional items

Contract position



"There is a structural demand for long-term tank storage capacity."

Employees

"If we want to achieve our desired growth, we will need highly qualified employees. For this reason, human capital is the cornerstone of our company. We are fortunate that the commitment among our staff at the terminal is great, judging by the worldwide employee satisfaction and engagement survey which was carried out early in 2011. Within the OEMEA division the response was overwhelming, and the so-called 'engagement' score was high once again. This shows how engaged and passionate our employees are."

Capacity expansions

"With regard to capacity expansion, Rotterdam (the Netherlands) continues to show growth as an important international hub. In 2011, we commissioned 160,000 cbm of new capacity at Vopak Terminal Europoort as well as three new tanks with a total capacity of 360,000 cbm at the Maasvlakte Oil Terminal. In Amsterdam Westpoort (the Netherlands) the new terminal became operational with an initial storage capacity of 620,000 cbm. Additional storage capacity of 570,000 cbm is under construction and is expected to be delivered in phases up to the end of the second quarter of 2012. In Eemshaven (the Netherlands) a terminal is currently being constructed, with a capacity of 660,000 cbm. In Algeciras (Spain) a new terminal for oil products is under construction with a capacity of more than 403,000 cbm, and in Fujairah (UAE) the sixth phase with a capacity of 606,000 cbm will be completed in the first half year of 2012."

Frank Erkelens, Division President Oil EMEA

Asia

Market developments

"During 2011 the global economic problems had a relatively limited impact in Asia. The consumption of oil products and chemical products has steadily increased in 2011, in which our terminals at important hub locations, such as Singapore, have played an important role. Overall and in spite of the economic and market developments we have seen an increase in the operating profit – excluding exceptional items – by 12% to EUR 185.3 million.

In China, the government responded sensibly to the current economic situation and market developments. They are trying to manage the economy in a sustainable manner, and aim to achieve primarily qualitative growth. Increasing inflation and the fact that both employment and material costs are rising present risks. Malaysia has implemented a policy for attracting foreign investments. The oil and gas sector is one of the industries that the government is focusing on by way of economic stimulation programs. This has positively contributed to our decision to invest in a new storage terminal for crude oil and oil products in Pengerang (Malaysia)."

Developments at Vopak

"One of the highlights of the last year was the acquisition of CRL Terminals (Vopak Terminal Kandla), our first venture in India. Given the size and growth of the economy as well as the strong and growing demand for bulk liquid storage services, we see this as a first important step in establishing a network in India. The demand from our international customer base has been the main driver behind our ambition to establish ourselves in the Indian market. With our terminal in Kandla (India) we will initially focus on chemicals and vegetable oils.

We are positive about Vopak's growth in China. Although competition is increasing, with the right choice of locations and the right partners Vopak can improve its leading position. In China, three terminals are currently under construction, including one in Hainan, the first independent terminal for crude oil and oil products in the south of the country."

Safety and sustainability

"In general Asia has recorded good results. We have however not been able to continue our trend of improving safety performance levels of the past couple of years. In China there has unfortunately been a fatal personal incident this year. During cleaning activities in a storage tank, one of our employees lost his life. The ambition to take our safety performance to the next level will be one of the major challenges we will be focusing on in the coming years.

In Japan, the combination of an earthquake, a tsunami and a nuclear disaster has caused an indescribable humanitarian disaster. Vopak was not physically affected by the disaster – no employees (or family members) were involved and our terminals have not been damaged – but the events have affected us deeply."

"At a number of locations in Asia, we have developed initiatives to reduce our energy consumption. The focus on the reduction of energy consumption is a good example of an initiative that has benefits in the areas of people, planet and profit. In a large number of countries in the division our employees are actively involved in various local community projects."

Customers, service and operational excellence

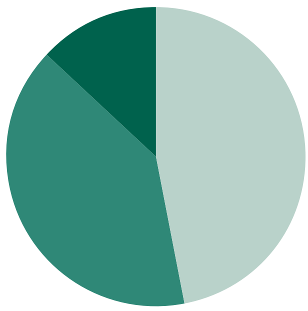
"The iCare program which focuses on the improvement of our customer service level is bearing fruit. In Asia we are seeing this in the appreciation of our customers in the form of a preliminary higher NPS. When it comes to improving operational alignment with our customers, there are many new initiatives. In China, Vopak has taken a big leap forward in the area of customer satisfaction this year. Here, we have

Key figures

In EUR millions	2011	2010
Revenues	308.7	272.5
Operating profit before depreciation and amortization (EBITDA)	235.0	213.7
Operating profit (EBIT) *	185.3	165.7
Average gross capital employed	1,446.3	1,324.3
Average capital employed	968.1	908.6
ROCE *	19.1%	18.2%
Storage capacity (cbm)	7,081,300	6,778,000
Occupancy rate	94%	92%

* Excluding exceptional items

Contract position



"One of the highlights was the acquisition in India."

also put more emphasis on further increasing customer engagement. We are considered to be reliable and customer loyalty is strong."

Employees

"A program has been launched for accelerated growth and development. In Singapore, positions have been made available, aimed at training and developing people who we need for future critical positions. It remains a challenge in both Singapore and China to retain our capable and talented people. For this reason we continue to invest in development opportunities, training, promotions and a strong culture."

Capacity expansions

"A large number of growth projects are taking place in Asia. In Pengerang (Malaysia) together with partner Dialog Group we have commenced the construction of a new oil terminal with a capacity of 1.278 million cbm. In addition to the chemical terminals under construction in Dongguan and Tianjin in China, which we started in 2010, we are, together with partner SDIC from China, developing our first Chinese oil terminal in Hainan with an initial capacity of 1.35 million cbm. We have also decided to expand the new terminal in Tianjin by 240,000 cbm for the storage of LPG, and we are expanding our chemical terminal in Zhangjiagang (China) by 55,600 cbm. We are also expanding our storage capacity in Banyan (Singapore) by 100,200 cbm and in Map Ta Phut (Thailand) by 15,000 cbm."

Patrick van der Voort, Division President Asia
Yan Chen, President China Region

North America

Market developments

"The results of Vopak in North America for the first half of 2011 lagged to some extent behind expectations whereas they improved in the second half of the year. Group operating profit – excluding exceptional items – declined by 27% to EUR 33.8 million (2010: EUR 46.0 million), mainly as a result of the sale of Vopak's 20% equity stake in BORCO (Bahamas) in 2011. The improvement in the second half of the year is partly due to the recovery of the North American petrochemical industry, and partly due to the recovery of the market for the storage of biofuels.

Ethanol is developing into a global commodity. As commodities are mainly traded at large international hub locations, in Houston we have a strong position with regard to ethanol and biofuels in general. Although we have modern and efficient facilities in Houston to store and transship large quantities of ethanol, unfortunately we are currently not able to fully utilize the infrastructure because of restrictions on the dispatch of rail cars, resulting from a dispute with our neighboring competitor."

Growth opportunities

"The petrochemical industry started well in 2011 and has developed significantly in North America. This is largely a result of the availability of large quantities of extractable shale gas, which offers cost savings as feedstock for the production of chemicals. For this reason, the international prospects for the North American petrochemical industry have significantly improved and the outlook for enhancing the competitive position is good. Furthermore, we also see growth opportunities in North America for oil-related storage. New York plays an important logistic role for oil products. We are in the process of developing plans to construct a storage terminal for oil products in Perth Amboy (New Jersey). In addition, we want to strengthen and expand the key locations that we currently own."

Safety and sustainability

"Our record in the area of personal safety has improved strongly compared to the prior year. We also have the severity of the incidents much better under control.
The same can be said for process safety. For the second consecutive year there were no incidents involving absenteeism of our own staff in the division, something of which we are, of course, proud. The major challenge is to keep it low for the long term. Compliance with the Vopak Fundamentals on Safety is essential in achieving this: these prevent 90% of all major incidents. Fortunately, in the United States and Canada our employees are comfortable with raising matters concerning unsafe behavior, which forms a good basis for making topics open for discussion."

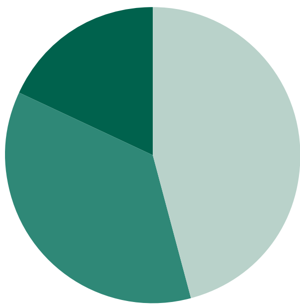
"In the area of sustainability, there are high-profile voluntary initiatives at almost all of our terminals. In order to encourage staff participation in Vopak's voluntary work, a number of employees have themselves set up the Vopak Gulf Coast Employee Volunteer Initiative. The Volunteer Initiative has supported various projects during the year, from building and distributing bicycles as gifts to underprivileged children to fundraising events and participating in a special walking and running relay for the American Cancer Society. On the West Coast, a large number of community projects are also being supported. Vopak Terminal Los Angeles received fantastic recognition for this and was chosen as 'Business of the Year' in the town of Wilmington. In addition, we are investing in reducing our energy consumption, for example by better insulating our tanks so that they require significantly less heating."

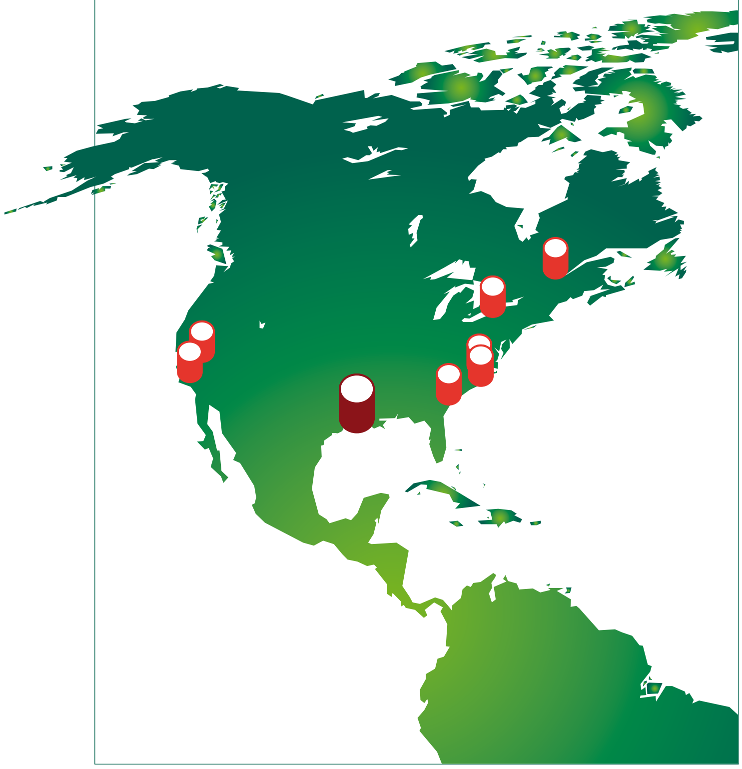
Key figures

In EUR millions	2011	2010
Revenues	137.7	138.3
Operating profit before depreciation and amortization (EBITDA)	163.0	59.3
Operating profit (EBIT) *	33.8	46.0
Average gross capital employed	437.3	451.6
Average capital employed	234.2	275.0
ROCE *	14.4%	16.7%
Storage capacity (cbm)	2,323,800	5,732,100
Occupancy rate	93%	94%

* Excluding exceptional items

Contract position





"Our record in the area of personal safety has improved strongly."

Customers, service and operational excellence

"In North America we are striving to increase operational accuracy and to align this with the Lean philosophy. This has already delivered improvements. We are also investing in the infrastructure at our terminals to increase efficiency, in order that we can further improve our level of service. For this reason, we have made a substantial investment in a new jetty at our Deer Park terminal, which has already become operational. This enables us to handle more vessels at the same time resulting in significantly reduced waiting times for our customers. This has made an important contribution to service improvement, with higher customer satisfaction as a result."

Employees

"We are in the middle of a change process in North America. We are able to recruit competent people and to complement our teams with internal staff to whom we want to offer development opportunities. This change in our workforce goes hand in hand with the creation of a new office environment for staff to support open communication. Both at Deer Park and at the divisional headquarters in Houston, we have opened new offices. Departments have been placed together in a logical way to make communication and cooperation easier. We are already noticing that this is starting to bear fruit."

Dick Richelle, Division President North America

Latin America

Market developments

"A number of Latin American countries have very rich prospects in raw materials. Argentina, for example, is the largest producer of soya oil in the world. Besides in Venezuela (with the largest proven oil reserves in the world), also the proven oil reserves in Colombia, Peru and Brazil are increasing. Shale gas has experienced a boom not only in North America, but also in Latin America. A new discovery is made nearly every month.

The standard of living in a number of Latin American countries is improving. The middle class in Brazil, Peru and Chile is growing fast. This has an impact on the petrochemical industry, also in the form of new production facilities. Potential for growth is large, but inflation and obtaining concessions do not always make it easy to satisfy the growth in the market with additional tank storage facilities and services. Nevertheless, we have also experienced growth in 2011 and our operating profit – excluding exceptional items – has grown by 10% to EUR 28.2 million."

Developments at Vopak

"In general, Vopak is excellently prepared for the emerging developments in Latin America. We have made the right preparations to facilitate future growth by continuing to focus on improving our performance in all areas that are important to our customers and employees. We have, for example, positioned ourselves well in the past year to anticipate in particular the major developments in the oil and chemical sectors. With regard to oil related storage we have made deliberate steps in 2011. Together with customer and partner Chevron, we aim to anticipate the expected demand for independent tank storage facilities and related services in Panama resulting from the expansion of the Panama Canal. Besides operating the existing Chevron facility, we are investigating the possibility of developing 655,000 cbm of new independent tank storage capacity in Bahia Las Minas, which is located at the international trade crossing near the Atlantic entrance to the Panama Canal. We expect to be able to take further steps once we have obtained final approval from the government."

Safety and sustainability

"In the area of personal safety – while we kept our focus on all our terminals – we concentrated additional efforts on Peru, Venezuela and Brazil, where we were suffering adverse trends. The extra efforts in 2011 have paid off successfully with significantly fewer incidents than in the past. We have also definitely learned from the things that nearly went wrong. We are implementing specific programs to prevent process incidents. While all trends are positive, in the area of safety, the job is never finished."

"The chemical industry in Latin America operates the Responsible Care program. It is comparable with the ISO methodology, but is more focused on sustainability. Vopak is involved in this program in Chile, Ecuador, Colombia and Brazil. In parallel, we are working on energy savings in order to reduce CO_2 emissions across the division. Our people also actively participate in many community projects in the vicinity of our terminals. These range from supporting an elementary school in Chile to orphanages in Ecuador and Peru."

Customers, service and operational excellence

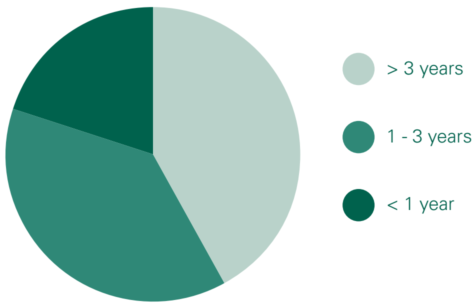
"In 2011, we again achieved a very high customer satisfaction score in the area of service. Over the past few years, we have succeeded in maintaining this high level. Within the division, it has been agreed to use the same methodology everywhere. Objectives are being set for our performance in sub-areas: in the event of complaints, a customer must receive the correct response within 48 hours. We also monitor how long it takes before a solution has been found,

Key figures

In EUR millions	2011	2010
Revenues	93.6	88.2
Operating profit before depreciation and amortization (EBITDA)	32.6	39.3
Operating profit (EBIT) *	28.2	25.7
Average gross capital employed	245.4	218.9
Average capital employed	164.3	148.7
ROCE *	17.1%	17.3%
Storage capacity (cbm)	994,300	967,700
Occupancy rate	89%	90%

* Excluding exceptional items

Contract position



"Employees in Latin America feel very engaged with the company."

and whether this has been agreed with the customer. In the area of operational excellence, we have increasingly focused on the Lean methodology, which has been very successful in a number of countries."

Employees

"Employees in Latin America feel very engaged with the company. That is not something we take for granted: we strive to make sure that the Latin passion is kept alive. If you do that and take good care of your people, then you will get their commitment. We have been making every effort to involve our employees in the organization, to employ and retain the right people, to work on talent development in the organization, and to continuously attract new talents. We are extremely satisfied with the results. The objective set in 2010 to identify at least 15% of our employees in Latin America as talents in 2012 has already been achieved this year. We will continue to challenge and develop these talents, including giving them the opportunity to work in another country within the division."

Capacity expansions

"Over the past year, we have successfully expanded our storage capacity for chemicals with 26,300 cbm in Aratu (Brazil). In addition to some smaller expansion projects at existing terminals, we are investigating the possibility to develop 655,000 cbm of independent tank storage capacity in Panama."

Jos Steeman, Division President Latin America

Global LNG activities

Natural gas is an energy source of increasing importance for the future. It is the cleanest fossil fuel that we know of. Natural gas can be transported by pipeline or by tanker as LNG. LNG is natural gas which is cooled down into a liquid state (-160 °C), whereby it shrinks to 600 times less volume without reducing its content. This enables LNG to be efficiently transported and stored. As such, LNG behaves essentially in the same way as all other bulk liquids. That is why LNG fits perfectly in the portfolio of products for which Vopak offers storage and handling services.

LNG has clear environmental advantages over other fossil fuels. Moreover, the transport costs are lower, in particular for longer distances. This also makes it possible to access more remote sources and locations where pipeline networks are lacking. Moreover, purchasers of LNG are no longer dependent on pipeline-connected suppliers, as LNG can be compounded using gas from different sources and locations.

The LNG trading patterns have changed significantly over the past number of years. The international product flows used to be limited and the total chain – from extracting to supplying to the end users – was in the hands of a limited number of companies. Due to the increasing demand for LNG, the number of trading patterns worldwide has increased substantially over recent years. Furthermore, energy companies have increased their focus on their core business, as a result of which there is an increasing demand for a logistic infrastructure for import purposes in a large number of regions.

When it comes to product characteristics, LNG fits perfectly with the product groups for which Vopak has been offering logistic services for many decades. This, in combination with the strong growth in the LNG market, led Vopak to decide at an early stage that it wanted to take a leading role in facilitating the import of LNG. The LNG market is expected to grow as a result of the growing geographic imbalances between the demand and supply of natural gas and the environmental push for lower CO_2 emissions. In addition, compared to pipeline gas LNG offers the advantage of diversity of supply. Vopak is approaching this, on the one hand by developing new independent terminals, and on the other by acquiring LNG terminals and subsequently operating them independently. At these terminals, used by different energy companies and traders (open access principle), the temporary storage and regasification take place. Infrastructure with an open access, multiple customers, and an independent operator did not exist in the gas market until recently. In this way, Vopak can offer multiple customers cost-efficient market access by sharing infrastructure at the same time.

With two LNG import terminals operational in 2011 – Gate terminal in the Netherlands and Terminal LNG Altamira in Mexico – and the investigations in Fos-sur-Mer (France) and Small Scale and Bunkering in Rotterdam (the Netherlands), Vopak has established itself as a credible player in the LNG world.

Gate terminal

In September 2011, Gate terminal in Rotterdam opened its doors. Vopak (42.5%) developed Gate (Gas Access To Europe) in collaboration with Nederlandse Gasunie (42.5%). It is the first independent LNG import terminal in the Netherlands and comprises three tanks of 180,000 cbm each and two jetties. The imported LNG is discharged and stored at the terminal, after which it is regasified into natural gas. This gas is subsequently distributed to the gas transport network for further distribution to the European markets. As an independent distribution point for European energy companies, the terminal will be able to respond to the

increasing import needs for natural gas in northwestern Europe. The terminal will increase both the security of supplies and the opportunity for new players to enter the European gas market. Gate terminal has an initial throughput capacity of 12 billion cubic meters per annum (bcma), which can be expanded to up to 16 bcma in the future. Five European energy companies (DONG Energy of Denemark, EconGas of Austria, E.ON Ruhrgas of Germany, RWE Supply & Trading of Switzerland and Eneco of the Netherlands) have concluded long-term agreements with Gate terminal.

With Gate terminal, Vopak has made a crucial step towards developing the Netherlands into the so-called gas roundabout for northwestern Europe. Gas is no longer a local energy source, but has become increasingly a global commodity, in which Gate terminal can play a pivotal role. The terminal supports the international flows of trade with a new opportunity for import, and dovetails with Dutch and European energy policies, which is based on strategic diversification of the supply of natural gas, sustainability, safety and environmental awareness.

Terminal LNG Altamira

In September 2011 Vopak (60%) and the Spanish Enagas (40%) acquired in Altamira (Mexico) the existing Terminal LNG Altamira with joint management control. Enagas is the operator of the Spanish high pressure gas network and is the main operator of the LNG storage infrastructure and underground storage in Spain. Enagas owns LNG terminals in Barcelona, Cartagena, Huelva, Gijón and Bilbao (40%). Since 2006, the terminal in Altamira has facilitated overseas LNG imports and as such also facilitates an important part of the gas supply into Mexico. The modern terminal comprises two fully operational tanks with a capacity of 150,000 cbm each, and a jetty capable of receiving LNG vessels with a capacity of up to 216,000 cbm. The terminal has a throughput capacity of 7.4 bcma, which is fully contracted for a long-term period. The capacity can be expanded to up to 10 bcma by building and operating a third tank.

"Vopak has established itself as a credible player in the LNG world."

Growth opportunities

Natural gas, and along the same lines LNG, is a growth market with a growing importance as part of the energy portfolio. Vopak's strategy is aimed at capitalizing on these developments. We are currently investigating various international growth opportunities, including an LNG project in Fos-sur-Mer, near Marseille (France). In collaboration with Shell, we are assessing the opportunities for an LNG terminal with an envisaged initial throughput capacity of around 8 bcma – which is equivalent to more than 15% of the current annual gas consumption in France. Like Gate terminal, it involves an independent terminal which can serve different international customers.

Small scale and bunkering

Small scale LNG is a next step in serving new LNG markets. By the transshipment of LNG onto smaller vessels at our terminals, countries without a closely-knit gas network can be supplied with gas by sea. In addition, we see opportunities for LNG as a fuel for transport by land and waterways, as it is much cleaner than other fossil fuels. Especially the shipping industry, which needs to change over to other fuels for environmental reasons, may benefit from this. We are currently investigating the development of services which would allow us to bunker barges and to further distribute LNG by road at or in the vicinity of our terminals. For this, we are initially focusing on Rotterdam in relation to Gate terminal.

Risks and risk management

A clear strategy which plainly identifies a company's opportunities and risks is vital for doing business successfully. Although it is complicated to assess the probability, impact and timing of risks and opportunities properly, it remains a core responsibility of the Executive Board to make clear decisions based on thorough analyses and to communicate the significance of potential risks affecting the strategy within the organization and to the market. Consequently, balanced communication on both opportunities and risks is essential. At Vopak, this is done at every level of the organization, making risk management an integral part of our day-to-day operations, which is considered fundamental to implementing the corporate strategy successfully.

The Vopak business model is characterized by a balanced global portfolio, with a geographical spread of terminals (OECD, non-OECD, in politically stable/less stable countries), with different types of terminals (distribution, hub, industrial), handling different type of products (oil, chemicals, natural gas, biofuels, LPG and vegetable oils), contracted differently (industrial, long, medium, short term) with different types of customers (international and national producers, traders, end users, governments). Any changes are subject to clear management decisions, in line with Vopak's risk-reward appetite.

Defining Vopak's risk-reward appetite is very much a responsibility for the Executive Board, as it is intimately linked to defining the overall strategy of Vopak. In this balancing act, the Board takes into account the expectations of customers, shareholders, employees, regulators and other stakeholders.

Main risks

This section explains the principal risks, set out in order of our strategic pillars: growth leadership, customer leadership and operational excellence.

The principal risks described hereafter follow the Strategic analysis on page 28 of the Report of the Executive Board.

Growth leadership

Increasing competition

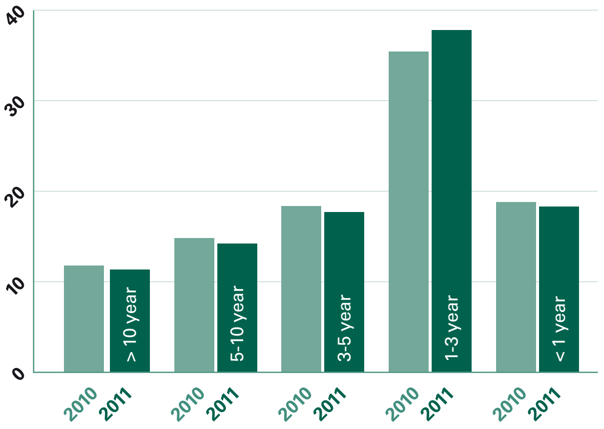
In a dynamic marketplace, existing competitors and new players could negatively affect Vopak's market position. In recent years, we have faced increasing competition from existing providers in the storage industry, but also from various newcomers. Traders, some NOCs, private equity and infrastructure funds in particular have entered our markets. In response to this development, Vopak is prioritizing targeted growth, especially in logistically strategic locations; we have been strengthening our business development functions, while further strengthening the service and safety culture.

We ensure that we continue to be closely connected to our core business, enabling swift, efficient and effective decision making and project execution by people that truly understand our business, reducing waste in terms of costs and time. We are also aiming to achieve higher customer satisfaction by providing high-quality service and highly efficient operational processes. In addition, we strive for a balanced duration of our sales contracts which has resulted in the spread as shown in the chart on the next page.

Risk category (COSO)	Strategic pillars Vopak	Vopak's risk-reward appetite
Strategic risks	Growth leadership Customer leadership	**Moderate/High:** right balance between risk and reward
Operational risks	Operational excellence	**Low:** on safety issues, and **Moderate:** on other areas/topics with alignment of targets and related cost, and a clear focus on sustainable EBIT maximization
Compliance risks		**Low:** full compliance with law, regulations and political environments
Financial reporting risks		**Low:** full compliance with financial reporting rules and regulations

Revenue in relation to contract duration

As a percentage



Besides our focus on growth, commercial excellence and safety, we are working on effective cost management through simplification of the organization structure, optimizing sustaining capex (based on terminal master plans) and providing high service levels in order to be able to offer competitive prices. Maintaining and strengthening our market position depends on the optimal use of our worldwide network.

Sector developments show positive demand for storage

Sector developments have provided a continuous solid demand for liquid storage services. We have a solid insight into product flows and the forecasted development of these flows. This insight is supportive to our terminal strategies, the locations where we want to have terminals and the layout of such terminals. Currently, the picture in most sectors is clear, like in the oil storage market, which continued to be robust. The chemical sector remained at a healthy level comparable to that of last year. The overall occupancy rate remains stable at 93%.

New projects bring additional challenges

Our new projects grow in number, they frequently represent more sizeable investments and their complexity might increase due to environmental, political or social circumstances or alignment with interests of new joint venture partners. Also non-recourse project financing might be challenging to obtain or take longer to finalize. These risks are mitigated through our standard Vopak project methodology, the Vopak repeatable formula with standard design criteria, hiring specific experts, knowledge management, strong relationship management and country studies. Also our internal procedures on fraud prevention and reporting, anti-corruption and compliance program, the smart and high quality investment proposals as well as the commitment from our Global Treasury department to timely investigate alternative sources of finance and/or to secure sufficient funds to finance the project are supportive of the continued success rate in executing projects at new and existing locations.

Customer leadership

Improving customer satisfaction creates opportunities

High-quality service is of fundamental importance to our commercial strategy and, although we are pleased with the results of our annual customer satisfaction survey that show that our customers' satisfaction improved further, we continue to give our full attention to focusing on customers when doing business and performing operational activities. We aim to provide even better service through training courses and competence management, standardization of processes and further improvements to our information systems. Also our intensive sustaining capex programs - to upgrade our infrastructure where necessary or considered effective - will support us in further reducing delays and complaints. The Vopak Service Quality Index (VSQI) shows that these efforts are recognized by our customers, who have seen that various business processes have been enhanced in 2011. In order to truly embed a service culture, customer satisfaction is a key criterion for all eligible employees in the short-term incentive plans. We will continue our efforts in this area in 2012. In the end, the quality of our service is a distinctive factor for choosing Vopak, which is why we seek to make continuous improvements.

Operational excellence

Safety and environmental risks continue to be a key focus area

Vopak continues to give safety the highest priority as we care about people and the environment. In addition, incidents can also affect our license to operate and harm our reputation. Through various programs during 2011 focusing on leadership, safety awareness, safety behavior and bottom-up improvements, our safety attitude has further progressed. In addition, our terminal health assessments (THAs) stimulate continuous improvements. Our continuous intensive sustaining capex programs to upgrade infrastructure where necessary or considered effective, will also further reduce safety and environmental risks. Our ambition and targets are aimed at realizing further enhancements in the near future.

Safety is non-negotiable. It is the cornerstone of our business and something which we also require from our contractors. The 2011 safety performance has been overshadowed by an operator fatality that occurred at Vopak Terminal Zhangjiagang (China) on July 2, 2011. Apart from this regrettable fatality, the 2011 Vopak personal safety performance shows a promising improvement compared to the personal safety performance record for 2010 and has exceeded the objectives set. In contrast, the process safety performance worsened substantially when compared to the performance as recorded during 2010 and trails the objectives set. Although the increasing number of expansion projects at existing terminals has contributed to this trend, we do not see this as an excuse. Accordingly, we continue to emphasize the importance of safety, health and the environment through internal communications, training courses on visible leadership and the sharing of best practices in order to make continuous improvements.

Clear sustainability vision and targets for the near future
During 2011, we further aligned our strategy and goals on sustainability with the overall Vopak strategy and already managed to achieve further management commitment, energy savings and more attention for further developing our people. The section about sustainability (pages 34-38) provides further details on this strategy and on the certification of the internationally recognized guidelines of the GRI to a B+ level. More importantly, the journey to a higher compliance level (i.e. from last year C+ to a current B+ level) indicates Vopak's commitment to be truly focused on people, planet and profit.

Risk of insufficient number of people with the right skills
Vopak is a rapidly growing company, meaning that in the coming years we could be short of sufficient and capable people in key positions. As a company with worldwide operations and as a leader in the independent tank storage market, we face the possibility that our people will be approached and recruited by competitors or customers.

Relevant remarks related to, amongst others, our risk response:

- We aim to take on sufficient people to cover both the expansion of our business activities and the expected outflow, while offering a balanced remuneration package and an environment in which new employees can develop quickly in the organization.
- Our HR strategy is executed in line with our three strategic pillars. We continue to focus on competency and skills management, performance management based on a worldwide talent management strategy, leadership and management development, and further improvements to the HR organization with more efficient processes and a supporting HR information system. Succession planning for senior management positions is coordinated centrally.
- Our employee engagement surveys show that our employees are prepared to make every effort to support our key factors of success. Their satisfaction is high, as is their pride in the company and willingness to stay.
- Further, we have the challenge of balancing between continuous improvement/growth projects and the inspiring but also potentially high work pressure resulting from that. Through clear priority setting and support in the personal development of employees, we aim to realize a balanced match with our high performance ambition.

IT/Information security
The integrity and availability of 'fit for purpose' IT systems could be affected by increasingly aggressive cyber threats (like the Stuxnet worm), thereby impacting our service reliability but also the safety at our terminals. Our current security IT governance is already set up to mitigate this risk and through the fit for purpose implementation of ISO27001 we will be even better protected and prepared to timely resolve most issues. We also run awareness training programs, perform terminal security risk assessments and are investigating the impact of social media and cloud computing.

Insurable risks
Vopak's enterprise risk management (ERM) approach offers insight into the potential dangers the company could face. Our insurance policy aims to strike the right balance between arranging insurance cover for the Group's risks and financing them ourselves, or transferring such risks to external insurance companies. The principal factors underlying our insurance policy are risk tolerance and risk transfer costs. On this basis, Vopak has purchased worldwide insurance cover for such risks as product and third-party liability, property damage and business interruption.

Vopak's insured risks are partly covered by a Vopak captive reinsurance company and by transferring risks to the insurance market. The financial credit ratings of the insurance companies involved are reviewed on a regular basis and, where appropriate, risks are spread across multiple insurance companies.

Legal and compliance risks
Vopak may be held liable for any non-compliance with laws and regulations, e.g. in a number of countries there is specific legislation in relation to the administration and tracking of 'controlled products' (the United Nations lists those products). We mitigate this risk through monitoring and by adapting to significant and rapid changes in the legal systems, regulatory controls and customs and practices in the countries in which we operate. Some stocks (e.g. ethanol) that we store and transport for customers are subject to import duties. As more products with import duties are handled, Vopak's financial risk exposure has risen, requiring continuous attention for adequate procedures, processes and controls. Adequate working capital, inventory management and supportive processes are preconditions that we safeguard through a key control framework and a global diagnostic instrument. Where necessary, control mechanisms are being tightened. The effects of stricter environmental regulation are covered as far as possible by making specific and sustainable investments and by sharing the risks with customers.

Financial risks

Our financial risks are considered in detail on page 107.

Currency and exchange rate risks

The currency exchange risks associated with foreign activities are limited. As a rule, income, expenditure and financing are in the same currency.

The main foreign currency risk is known as the translation risk of local functional currencies into euros. This arises on conversion of the results on the one hand, and capital invested on the other, from e.g. Singapore dollars and US dollars to euros. The euro is the currency we use in our financial reporting.

Sensitivity to exchange rate movements of the US dollar (USD) and the Singapore dollar (SGD) impact on the 2011 result is as follows:
An average movement of 10 dollar cent in the USD exchange rate against the euro affects Vopak's net profit by EUR 2.5 million.
An average movement of 10 dollar cent in the SGD exchange rate against the euro affects Vopak's net profit by EUR 4.3 million. As required by IFRS 7, a sensitivity analysis has been performed on the balance sheet items. The results are set out on page 109.

Each quarter, exchange rate risks relating to the translation of capital invested in foreign operations, comprising equity and internal financing, are established and the optimum hedging/financing strategy is reviewed and submitted to the Executive Board for approval. Net investment in foreign activities is generally hedged by loans in the same currency, supplemented where necessary with cross-currency interest rate swaps and forward exchange contracts, and hedge accounting is applied.

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 company's long-term profile. The funds obtained recently from private placements mean that we have long-term funding at fixed interest rates.

Refinancing and liquidity risks

Vopak is a capital-intensive company. The focus of our strategic finance funding policy is to ensure flexible access to various capital markets and funding sources to support Vopak's growth strategy, facilitating a continuous balanced and well-spread debt maturity profile at appropriate terms and conditions, matching Vopak's solid credit quality.
Following various long-term funding transactions (US and Asian private placements, revolving credit facility) the remaining duration of the outstanding long-term debt is approximately 10 years and the repayment profile is well-spread over an even longer period.
The development of our Net debt : EBITDA ratio is frequently monitored and discussed in the Strategic Finance Committee, the Executive Board, the Audit Committee and the Supervisory Board. Vopak's funding strategy is focused on ensuring continuous access to the capital markets so that funding capital is always available at a time of our choice at acceptable cost.
Accordingly, we have a proactive financing policy so that we can act flexibly, irrespective of the prevailing financing climate. In February 2011 Vopak closed a new EUR 1.2 billion senior unsecured multicurrency revolving credit facility which replaces the previous revolving credit facility of EUR 1 billion. The new revolving credit facility is available for drawdown and has an initial maturity of five years with two mutual extension options of one year each. At 31 December 2011 EUR 100 million was drawn under this facility. The facility can be repaid at any time. Subsidiaries are funded centrally by the Global Treasury department, which acts as a type of in-house bank. Where possible, joint ventures are funded by debt on a non-recourse basis for Vopak.

Liquidity requirements are monitored continuously. Long-term liquidity risks are reviewed each quarter and ahead of every significant investment. Active cash management is a daily responsibility.

Credit risk and credit risk management

Vopak's maximum exposure to credit risks is the carrying amount of financial assets amounting to EUR 388.7 million (2010: EUR 442.8 million) (see notes 14 and 31) and the credit replacing guarantees amounting to EUR 53.7 million (2010: EUR 58.7 million). Loans granted to joint ventures are not secured by collateral. Exposure to the risk of bad debt is limited due to effective working capital management whereby 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 claims may have priority ranking over the right of retention in a bankruptcy case. Therefore, Vopak is constantly monitoring the outstanding receivables and the value of the stored products. Assessing the financial positions of counterparties is part of our credit management and tendering process, but cannot exclude all credit risk.

For each of the reporting dates under review, the Group's management considers that all the financial assets are of good quality. The credit risk for cash and cash equivalents and derivative financial instruments is considered negligible. Vopak manages the counterparty risk by spreading the financial instruments and cash and cash equivalents evenly across a select group of highly rated financial institutions while limiting the cash and cash equivalents within the Group and assessing the exposure to each financial institution on a daily basis. Vopak applies credit limits per institution and regularly reviews these limits. These treasury activities are concluded with financial institutions that have at least an A- Standard & Poor's credit rating. When necessary appropriate action is taken in compliance with Vopak's treasury policy.

The credit risk of derivative financial instruments with a positive value is mitigated by ISDA Master Agreements with its counterparties and by setting quality and financial limits to the derivative counterparties. The Group maintains a control system that includes the authorization, reporting and monitoring of derivative activities, including the Credit Default Swaps developments of counterparties observed on the secondary market. Vopak believes there are no material credit risks to the Group's financial position.

Management of pension risks

Vopak operates a number of pension schemes, including defined benefit schemes. The liabilities and pension charges related to the defined benefit schemes are subject to risks regarding changes in discount rates, plan asset values and returns derived from these assets, future salary increases, inflation and life expectancy. Such changes can negatively influence the liabilities and necessitate additional future pension charges under IAS 19. A sensitivity analysis with respect to the impact on pension charges of changes in the major assumptions is included in note 27 of the consolidated financial statements (see page 142).
The Board of the Vopak pension fund manages the risks of market-related fluctuations in the value of plan assets through prudent investment strategies and close monitoring. Asset liability modeling, including stress-scenario testing, is part of their portfolio management.
On a local basis, cash contributions may be needed if local funding levels deteriorate. These contributions are subject to local arrangements and legal requirements. Vopak aims to reduce the volatility in cash contributions as much as possible.

Financial reporting

Vopak prepares its financial reports using reliable systems with clear procedures, solid internal controls and integrity in reporting. The various duties are segregated, performed by trustworthy professionals and tested in specific audits.
The results of internal and external audits are discussed with terminal and divisional managers each quarter. Vopak gives a great deal of attention to these procedures. We use a finance excellence model to support terminals and divisions in developing their financial departments.

Reports are prepared using a clearly-defined, mandatory process with regular consultations across the management layers involved. The reports and related discussions are not limited to the financial results but also cover key operational, human resources and commercial performance indicators. Joint ventures are included in this process and there is at least one Vopak representative in a supervisory role in the joint venture organization who pays particular attention to these points.

Vopak has an effective internal control structure. A number of controls are automated to reduce the risk of variations and errors. A specific group of representatives from the Global Control & Business Analysis department and from all divisions is responsible for the ongoing application and enhancement of internal control procedures. Staff at the terminals are instructed about IFRS standards and kept up to date about amendments. The potential impact is assessed promptly. External advisors are engaged to value acquisitions (acquisition accounting method). The external auditor examines compliance with IFRS at the main terminals, using standards set in IFRS and Vopak's accounting manual.

Risk management

Risk management is strongly embedded in all layers of the organization. Divisional managers assess risks and set and check the effect of the strategy for risk mitigating actions and monitor effective implementation. Risk reports are prepared and topics are analyzed at a corporate level. Enterprise risk management is on the agenda of the Stratcom. The Stratcom comprises of members of the Executive Board, the Commercial President and the Division Presidents who met four times this year and held two video conference meetings on certain topics supported by selected global functional directors. This committee selects what are known as risk themes, and appoints functional directors at a global level to develop the right approach to these themes.

Our risk appetite remains unchanged

At year-end 2011, Vopak has 83 terminals in 31 countries. This extensive network adds value to our internationally operating customers and enables us to spread the risks of political and economic instability in an entrepreneurial manner. Every Vopak location pays considerable attention to environmental risks and attempts to keep safety risks to the absolute minimum. Many products we store and transport are potentially harmful to public health and the environment. Our focus on safety is reflected in the design of our terminals, the conduct of our employees and in our policy and standards, which meet or exceed local legislation and regulations. Our employees undergo regular training to keep know-how, skills and conduct up to standard. Key performance indicators are monitored monthly and there are also internal and external audits.

We are prepared to take different risks in different areas. Taking calculated risks to benefit from exceptional opportunities is part of our growth strategy. To ensure that risks and the loss of opportunities are sufficiently under control, each business decision is supported by a balanced system of selection, prioritization, internal financial and operational reviews and authorization profiles. Our standards and values are set out in the 'Vopak Values', which guide our actions. We make no concessions on this. Where it involves our business, we ensure proper funding and have adequate cash and cash equivalents available on time for developing growth projects.

Risk Management Framework

Risk management and the internal control structure

The aim of our risk management and internal control structure is to achieve a balance between an effective, professional enterprise, and the risk profile that we are aiming for as a business. Our risk management and internal controls, based on the COSO Enterprise Risk Management Framework, makes a significant contribution to the prompt identification and adequate management of strategic and market risks. They also support us in achieving our operational and financial targets and complying with legislation and regulations.

Risk management approach

The Executive Board, under the supervision of the Supervisory Board, has ultimate responsibility for Vopak's risk management and internal control structure. The divisional management teams are responsible for implementing the strategy, achieving results, identifying underlying opportunities and risks and ensuring effective operations. They have to act in accordance with the policy and standards set by the Executive Board, in which they are supported by global functional departments.

Division management teams have risk management integrated in their strategic, tactical and operational business activities. Opportunities and risks assessments and follow-up actions to mitigate risks are discussed as part of the standard management review cycles. The quality of these activities is regularly audited. At a corporate level, the ERM process is coordinated, the ERM information is analyzed, consolidated and reported to the Executive Board, to the division management teams and to global functional directors.

The Executive Board approves the annual budget and the consecutive two-year plans for each division. These budgets contain clear objectives for each of the three strategic pillars, risks and opportunities, activities and performance indicators. It also designates the managers with ultimate responsibility. To avoid execution risk, the Executive Board discusses the conditions (enablers) with the divisions. Each quarter, the Executive Board and the division management teams discuss progress on implementing the company's strategy, business plans, key performance indicators, quarterly results, key risks, opportunities and progress on mitigating measures.

At the end of the year, terminal and divisional managers use the Control Risk Self-Assessment to assess how effective the risk management and internal control structures have been. The results and trend analyses are discussed with the Executive Board.

The Executive Board, which bears ultimate responsibility for the proper functioning of risk management and the internal control structure, discusses the company's results, key performance indicators and strategy (and adjustments to it), the outcomes and effectiveness of risk management and the internal control structure with the Audit Committee and the Supervisory Board. Global Internal Audit provides further assurance on the functioning of risk management and the internal control framework. The external auditor also offers assurance on the internal control framework and the adequacy of the financial reporting systems. The results are discussed with the Audit Committee.
Management of our terminals, divisions and the Executive Board sign Letters of Representation at the end of the half year and the full year.

With all the challenges associated with operating in an entrepreneurial manner in a complex dynamic world, Vopak is well positioned to capture the opportunities while mitigating the risks through a focused core business, supported by a fit for purpose business model and management teams with the right competences, skills and experiences.

Our in-control statement is included on the next page.

Executive Board Declaration

In-control statement

In the Risks and Risk Management section (pages 66 through 71) we set out in detail our risks and risk management framework, as well as the responsibilities of the Executive Board.

In compliance with the best practice principle II.1.5 laid down in the Dutch Corporate Governance Code, and taking into account the limitations outlined below (and based on our evaluation), we confirm that our internal risk management and control systems relating to financial reporting risks worked properly in 2011 and provide a reasonable assurance that the financial reporting does not contain any errors of material importance.

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

Pursuant to the Financial Supervision Act, Section 5:25c, paragraph 2, sub-paragraph c, we declare that, to the best of our knowledge:

a) the financial statements on pages 85 through 185 give a true and fair view of the Group's assets, liabilities, financial position and profit or loss; and
b) the Report of the Executive Board on pages 23 through 81 gives a true and fair view of the situation on the balance sheet date, of developments during the financial year of the company and entities affiliated with it; and
c) on pages 66 through 71, the Report of the Executive Board includes a description of the principal risks the company faces.

Rotterdam, 28 February 2012

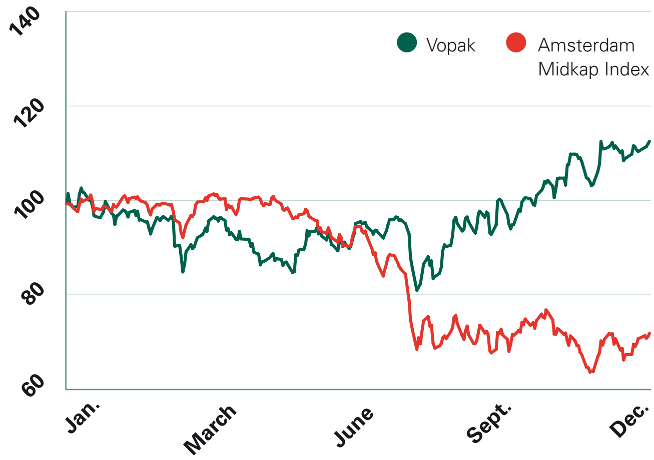
The Executive Board

Eelco Hoekstra (Chairman and CEO)
Jack de Kreij (Vice-chairman and CFO)
Frits Eulderink (COO)


F200
Vopak
Vopak

Information for shareholders

Share price movement 2011 (%)



Information per ordinary share of EUR 0.50

In EUR	2011	2010
Earnings	3.08	2.06
Earnings excluding exceptional items	2.16	2.08
Equity attributable to owners of parent	12.73	10.57
Dividend (proposal 2011)	0.80	0.70
Pay-out ratio	26%	34%
Pay-out ratio excluding exceptional items	37%	34%

Share price developments

In EUR	2011	2010
Share price at 1 January	35.35	27.74
Highest share price	40.95	37.20
Average closing share price	34.96	31.80
Lowest share price	27.43	25.72
Share price at 31 December	40.83	35.35
Average number of shares traded per day	305,385	311,078
Market Capitalization at year-end	5,219,520,607	4,518,982,451

Investor relations

Vopak conducts an open and active information policy for investors and other parties interested in the status (financial and otherwise) of the company. The objective is to provide quality information to stakeholders about developments at Vopak, ensuring that relevant information is equally and simultaneously provided and accessible to all interested parties. Such information is made available through annual and semi-annual reports, trading updates, press releases, presentations to investors and the Vopak website. In addition, Vopak organizes analyst conferences and regular road shows to meet investors.

Members of the Executive Board and the Investor Relations department organized more than 300 meetings with current or potential investors during 2011. Vopak holds a press conference coinciding with the publication of the annual results. Following the publication of the annual and semi-annual results, Vopak also organizes a meeting with financial analysts. The publication of first and third quarter results 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 also published timely on the company's website.

Listing

Vopak ordinary shares are listed on the Euronext stock exchange in Amsterdam (the Netherlands) and are part of the Midkap Index (ticker symbol VPK; ISIN NL0009432491). Options on Vopak shares are also traded on Euronext Amsterdam.

Closed periods

Closed periods are the periods prior to the publication of financial results during which in principle no meetings will be held with and no presentations will be given to financial analysts and investors. In addition, during closed periods no other communication with analysts and investors will take place, unless such communication would relate to factual clarifications of previously disclosed information. Usually the length of the closed period is eight weeks prior to full year results (and publication of the Annual Report), 4 weeks prior to half-yearly results and 2 weeks before Q1 and Q3 statements ('trading updates').

Bilateral contacts

Vopak may engage in bilateral contacts with (potential) shareholders. The main objective of such bilateral contacts is to explain Vopak's strategy and operational performance and answer questions from (potential) shareholders. Vopak takes the Dutch Corporate Governance Code (December 2008) into account when engaging in bilateral contacts with shareholders.

Therefore the following guidelines have been established:

- A dialogue with shareholders outside the context of a formal shareholder meeting can be useful for both investors and Vopak.
- Vopak reserves the right to determine, at its sole discretion, whether it will accept invitations from shareholders, or parties representing shareholders, to engage in such a dialogue. Vopak may ask for further clarification on the views, aims and investment objectives of such shareholders before accepting or rejecting any invitation to engage in dialogue outside the context of a formal shareholder meeting.
- Vopak communicates as openly as possible to maximize transparency.
- Response to (draft) analyst reports (third party publications) is only provided by reference to public information and published guidance. Comments on these reports are given only for incorrect factual information.
- Vopak's contacts with investors and sell side analysts will at all times be conducted in compliance with applicable rules and regulations, in particular those concerning selective disclosure, price sensitive information and equal treatment.

Dividend policy

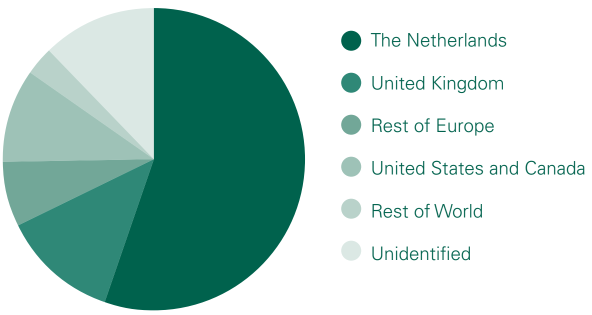
Barring exceptional circumstances, the principle underlying Vopak's dividend policy is the intention to pay an annual cash dividend of 25% to 40% of the net profit – excluding exceptional items – attributable to holders of ordinary shares.

The net profit – excluding exceptional items – that forms the basis for dividend payments may be adjusted for the financial effects of one-off events, such as changes in accounting policies, acquisitions, reorganizations, etc.

In setting the amount of the dividend, account is taken not only of the company's desirable capital ratios and financing structure, but also of the flexibility it requires to successfully pursue its growth strategy. At the same time, Vopak seeks to assure its shareholders of a stable trend in dividends.

Investors and their advisors can put their questions directly to Mr Tom Smeenk, Manager Investor Relations, tel. +31 10 2002776. E-mail: tom.smeenk@vopak.com

Geographical distribution of holders of shares outstanding



Royal Vopak shareholders

Pursuant to the Financial Supervision 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.

	Ordinary share-holdings [1]	Total share-holdings [2]	Voting right [3]	Date of notification
HAL Holding N.V. [5]	48.15%	39.70%	46.90%	01-11-06
ING Groep N.V.	5.37%	11.84%	6.33%	21-05-08
Aviva Plc (Delta Lloyd)	< 5%	8.07%	< 5%	01-11-06
ASR Nederland N.V.	< 5%	7.45%	< 5%	06-10-08
Stichting Administratiekantoor Financieringspreferente Aandelen Vopak ('the Foundation')			3.62% [4]	31-08-09

[1] Number of ordinary shares divided by total number of ordinary shares

[2] Number of ordinary shares and financing preference shares divided by the total number of ordinary shares and financing preference shares

[3] Number of ordinary shares divided by the total number of votes of ordinary and financing preference shares

[4] AFM reporting indicates 24.46%. The variance is due to an incorporated limit of hundred and sixteen votes for every thousand financing preference shares. See also page 178

[5] Percentages has been amended upon verification with HAL Holding N.V. after the mentioned date of notification

Shares outstanding 2011

Weighted average number of ordinary shares	127,251,388
Weighted average number of ordinary shares, diluted	127,251,388
Number of ordinary shares at year-end	127,835,430
Financing preference shares	41,400,000
Total number of shares outstanding	**169,235,430**
Ordinary shares (excluding 548,207 treasury shares)	127,287,223
Financing preference shares *	41,400,000
Total voting rights at year-end	**168,687,223**

* On the financing preference shares there will be voted in accordance with a limit of 116 for every 1,000 financing preference shares (4,802,400)

Financial calendar

2012

29 February 2012	Publication of 2011 annual results
14 March 2012	Formal announcement Annual General Meeting of Shareholders
28 March 2012	Record date Annual General Meeting of Shareholders
25 April 2012	Publication of 2012 first-quarter results in the form of a trading update
25 April 2012	Annual General Meeting of Shareholders
27 April 2012	Ex-dividend quotation
02 May 2012	Dividend record date
03 May 2012	Dividend payment date
24 August 2012	Publication of 2012 half-year results
12 November 2012	Publication of 2012 third-quarter results in the form of a trading update

2013

01 March 2013	Publication of 2012 annual results
13 March 2013	Formal announcement Annual General Meeting of Shareholders
27 March 2013	Record date Annual General Meeting of Shareholders
24 April 2013	Publication of 2013 first-quarter results in the form of a trading update
24 April 2013	Annual General Meeting of Shareholders
26 April 2013	Ex-dividend quotation
30 April 2013	Dividend record date
02 May 2013	Dividend payment date
23 August 2013	Publication of 2013 half-year results
08 November 2013	Publication of 2013 third-quarter results in the form of a trading update


CHEMIEHAVEN
Vopak

Corporate Governance

Introduction

Vopak complies with the vast majority of the principles and best practices laid down in the Dutch Corporate Governance Code, as amended on December 10, 2008 (the 'Code'). The limited number of exceptions to the best practice provisions in 2011 as set out below remained the same compared to 2010. 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 included in this section the various risks and the manner in which the organization manages these risks in our external accountability and reporting on risks and risk management.

Setup and Policy

Vopak aims to strike 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 has developed a clear policy towards sustainability, a copy can be downloaded from Vopak's website. 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 (part of sustainability) and quality, strategy and policy, and the related development of results.

The Supervisory Board reviews 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 members 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 sustainable nature and meet the highest ethical standards. Since Vopak qualifies as an international holding company within the meaning of the Dutch Large Companies Act, it is exempted from the provisions of this Act.

The Supervisory Board has been carefully selected to ensure inclusion of members with a diverse background and experience in areas relevant to the core business of Vopak, and with experience in the foreign markets in which Vopak operates. Their experience ranges from economic, financial, technical, operational and social areas, 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 authorities such as the passing of resolutions for legal mergers and split-offs, and the adoption of the financial statements and profit appropriation. Furthermore, the General Meeting determines 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 2010 General Meeting. Vopak will continue to facilitate proxy voting. As of 1 July 2010 Dutch law provides for a mandatory registration date for the exercising of voting and attendance rights of 28 days before the day of the shareholders' meeting.

The Dutch Corporate Governance Code

Vopak has evaluated its corporate governance setup against the Code and concluded that it satisfies the principles and best practice provisions of the Code with the five (unchanged compared to 2010) exceptions below to the best practice provisions of the Code applied in 2011.

1. 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 came into effect.

2. 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, including as Chairman of the Executive Board up to 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. The reappointment of Mr Van der Vorm and Mr Cremers for a new term of a maximum of four years will be proposed on the agenda of the 2012 General Meeting.

3. Best practice provision II.2.8 (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 came into effect and rights acquired may not be impaired.

4. Principle III.3 and best practice provision III.3.1 (expertise and composition Supervisory Board)

These provisions relate to diversity and states that the Supervisory Board should strive for a diverse composition as to gender and age and should formulate concrete targets to achieve this. The Supervisory Board of Vopak strives to achieve a diverse composition of its board and has formulated key elements of the profile of members of the Supervisory Board. These elements are available on the Corporate Governance section of the corporate website. Vopak does not strictly follow the recommendation to put an explicit target on diversity in terms of gender nor age and has not formulated concrete targets in this respect. The overriding principle for Vopak is that the Supervisory Board has a diverse composition of persons with a valuable contribution to the board in terms of experience and knowledge of the oil, petrochemical or LNG industry in the regions in which Vopak is active or other business knowledge. The appointment of Mr Chun Kai Lam from Singapore during the General Meeting of 27 April 2011 is an example of Vopak's aim to strive towards diversity within the Supervisory Board.

5. Best practice provision III.5.11 (Remuneration Committee)

With respect to this best practice provision, it should be noted that Mr Van den Driest, being a non independent member of the Supervisory Board, has been appointed Chairman of the Remuneration Committee.
The Supervisory Board believes that Mr Van den Driest, is none the less fully qualified to perform the role of Chairman of the Remuneration Committee given his background and experience.

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 of 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 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 ('whistleblower 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
- Policy related to bilateral contacts with shareholders
- Code of Conduct
- Corporate Governance Compliance Manual
- Remuneration report, containing the main points of the remuneration policy
- Report of Stichting Administratiekantoor Financierings-preferente Aandelen Vopak
- Management Authorization Policy
- Corporate Governance Statement (the content of which forms part of this Annual Report and is deemed incorporated here by reference).

Anti-takeover Measures

Vopak's principal defense against a hostile takeover is the company's ability to issue cumulative preference shares ('Protective 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 protective 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 call option to Stichting Vopak has been entered in the Company Registry and is disclosed in this Annual Report on page 177. The objective of Stichting Vopak is to promote the interests of Vopak and companies affiliated to the Vopak group, in such a way that the interests of Vopak 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 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 protective 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 scenarios. As necessary, Vopak reviews its anti-takeover measures against implementation acts enacted from time to time pursuant to EU directives.

Information referred to in Section 1 of the Takeover Directive (Article 10) Decree.

Capital structure

A description of Vopak's capital structure, the various classes of shares and the rights and obligations attached to them can be found in Note 22 of the financial statements on page 136. At 31 December 2011, a total of 127,835,430 ordinary shares had been issued, as well as 41,400,000 financing preference shares, all with a nominal value of EUR 0.50 each. At 31 December 2011, the ordinary shares represented 75.54% of the issued share capital, with the financing preference shares representing 24.46%.

Restrictions on the transfer of shares and depositary receipts for shares

Vopak's Articles of Association do not provide for a restriction on the transfer of ordinary shares. They do, however, provide for a restriction on the transfer of financing preference shares. Financing preference shares may only be transferred to natural persons, subject to specific exceptions involving Stichting Vopak and other parties pursuant to Article 10A, paragraph 7 of the Articles of Association. No restrictions apply to the transfer of depositary receipts for financing preference shares issued by the Stichting Administratiekantoor Financieringspreferente Aandelen Vopak. With regard to the protective preference shares, the Articles of Association provide that any transfer requires approval from the Executive Board.

Major holdings subject to mandatory disclosure

More information on major shareholdings that are subject to mandatory disclosure pursuant to Sections 5:34, 5:35, and 5:43 of the Decree can be found in the section 'Royal Vopak shareholders' on page 75.

System of control over employee share plans

Information on share plans can be found on pages 145-151 of the Annual Report (Long-term incentive plans).

Restrictions on voting rights attaching to financing preference shares

A description of the depositary receipts for financing preference shares and a restriction on the voting rights attaching to those shares can be found in the section 'Stichting Administratiekantoor Financieringspreferente Aandelen Vopak ('the Foundation') on page 178.

Rules governing the appointment and dismissal of members of the Executive Board and Supervisory Board and the amendment of the Articles of Association

Under Vopak's Articles of Association, members of the Executive Board and Supervisory Board are appointed and dismissed by the general meeting of shareholders. For the appointment of members of the Executive Board, the Supervisory Board makes a non-binding nomination. Upon the appointment of members of the Supervisory Board, the Supervisory Board may make a non-binding or binding nomination.

The general meeting of shareholders may only resolve to amend the Articles of Association following a proposal from the Executive Board that is subject to approval from the Supervisory Board. Such a resolution of the general meeting of shareholders requires a majority of at least two-thirds of the number of votes validly cast.

Share issuance and repurchase

The general meeting of shareholders or the Executive Board, if so designated by the general meeting of shareholders, resolves or decides on the issuance of shares. Any share issuance is subject to approval from the Supervisory Board. At 31 December 2011, no authorization to issue shares had been granted to the Executive Board. The Executive Board is authorized until 28 October 2012, however, to repurchase fully paid-up shares in Vopak's capital, subject to approval from the Supervisory Board. Any repurchase must be limited to the maximum number held by virtue of the law and the Articles of Association (10% at 31 December 2011). Their purchase price must be between the nominal value of the ordinary shares and 110% of the average share price listed on the five most recent trading days prior to the date of the purchase. During 2011 this authorization has not been exercised.

Key agreements containing change-of-control provisions

An agreement entered into with the holders of financing preference shares on 8 July 2009 provides that, in the event that a public bid for the shares in Vopak's capital is made that may result in a change of control over the shares carrying the right to cast more than 50% of the votes attaching to all issued shares in its capital, Vopak will be obliged, subject to approval from the holders of a majority of the depositary receipts for financing preference shares, to convene a general meeting of shareholders before the period set for offering shares under the public bid has expired, in which a resolution to cancel all outstanding financing preference shares will be placed on the agenda for discussion.

Please also refer to the change-of-control provision on loans on page 114.

With respect to agreements entered into with members of the Executive Board and employees that provide for payment upon termination of their employment following a public bid, please refer to the description of change of control of the LTIP on page 104 and the Corporate Governance section, particularly the explanation of the departure from best practice provision II.2.8 of the Code on page 79.

Financial Statements

Contents

Consolidated Financial Statements

Consolidated Statement of Income

In EUR millions	Note		**2011**		**2010**
Revenues		1,171.9		1,106.3	
Other operating income	2	13.2		8.5	
Total operating income			**1,185.1**		**1,114.8**
Personnel expenses	3	319.2		293.5	
Depreciation, amortization and impairment	4	178.0		151.5	
Other operating expenses	5	322.8		311.2	
Total operating expenses			**820.0**		**756.2**
Operating profit			**365.1**		**358.6**
Result of joint ventures and associates using the equity method	6		220.4		83.4
Group operating profit			**585.5**		**442.0**
Interest and dividend income	7	7.3		4.6	
Finance costs	8	- 85.9		- 73.0	
Net finance costs			**- 78.6**		**- 68.4**
Profit before income tax			**506.9**		**373.6**
Income tax	9		- 71.3		- 72.8
Net profit			**435.6**		**300.8**
Attributable to:					
- Holders of ordinary shares		392.4		261.9	
- Holders of financing preference shares		8.2		8.2	
Attributable to owners of parent			**400.6**		**270.1**
- Non-controlling interests			35.0		30.7
Net profit			**435.6**		**300.8**
Basic earnings per ordinary share	10		**3.08**		**2.06**
Diluted earnings per ordinary share	10		**3.08**		**2.06**

Consolidated Statement of Comprehensive Income

In EUR millions	Note		2011		2010
Net profit			**435.6**		**300.8**
Exchange differences and effective portion of hedges					
on net investments in foreign activities		19.6		48.7	
Use of exchange differences and effective portion of hedges					
on net investments in foreign activities	23	0.6		0.2	
Effective portion of changes in fair value of cash flow hedges		- 22.2		- 1.5	
Use of effective portion of cash flow hedges to statement					
of income	23	- 1.0		- 0.6	
Effective portion of changes in fair value of cash flow hedges					
joint ventures	23	- 25.2		- 11.5	
Use of effective portion of cash flow hedges joint ventures	23	2.6		–	
Other comprehensive income, net of tax			**- 25.6**		**35.3**
Total comprehensive income			**410.0**		**336.1**
Attributable to:					
- Holders of ordinary shares		362.6		282.5	
- Holders of financing preference shares		8.2		8.2	
Attributable to owners of parent			**370.8**		**290.7**
- Non-controlling interests			39.2		45.4
Total comprehensive income			**410.0**		**336.1**

Consolidated Statement of Financial Position at 31 December

In EUR millions	Note		2011		2010
ASSETS					
Intangible assets	11		72.6		53.9
Property, plant and equipment	12		2,904.5		2,546.1
Joint ventures and associates	13	602.4		607.0	
Loans granted	15	4.6		7.9	
Other financial assets	16	0.8		0.8	
Financial assets			607.8		615.7
Deferred taxes	17		30.9		6.4
Derivative financial instruments	31		18.2		3.3
Pensions and other employee benefits	27		178.9		114.1
Other non-current assets	18		32.3		31.0
Total non-current assets			**3,845.2**		**3,370.5**
Trade and other receivables	19	237.4		216.0	
Loans granted	15	37.4		5.3	
Prepayments		29.0		24.9	
Derivative financial instruments	31	2.4		28.5	
Cash and cash equivalents	20	88.7		181.8	
Assets held for sale	21	–		3.9	
Pensions and other employee benefits	27	0.1		0.1	
Total current assets			**395.0**		**460.5**
Total assets			**4,240.2**		**3,831.0**
EQUITY					
Issued capital	22	84.6		84.6	
Share premium	22	281.2		281.2	
Treasury shares	22	- 13.0		- 14.9	
Other reserves	23	- 25.9		4.1	
Retained earnings	24	1,402.4		1,098.4	
Equity attributable to owners of parent			1,729.3		1,453.4
Non-controlling interests	25		108.5		96.7
Total equity			**1,837.8**		**1,550.1**
LIABILITIES					
Interest-bearing loans	26	1,521.5		1,388.5	
Derivative financial instruments	31	37.6		9.2	
Pensions and other employee benefits	27	34.7		37.6	
Deferred taxes	17	248.1		204.0	
Other provisions	29	21.4		22.9	
Total non-current liabilities			**1,863.3**		**1,662.2**
Bank overdrafts	20	155.7		34.0	
Interest-bearing loans	26	17.1		190.7	
Derivative financial instruments	31	16.4		31.8	
Trade and other payables	30	273.5		306.1	
Taxes payable		57.0		38.7	
Pensions and other employee benefits	27	2.0		2.5	
Other provisions	29	17.4		14.9	
Total current liabilities			**539.1**		**618.7**
Total liabilities			**2,402.4**		**2,280.9**
Total equity and liabilities			**4,240.2**		**3,831.0**

Consolidated Statement of Changes in Equity

In EUR millions	Note	Issued capital	Share premium	Treasury shares	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
		Equity attributable to owners of parent							
Balance at 1 January 2010		**84.6**	**281.2**	**- 5.7**	**- 15.4**	**907.5**	**1,252.2**	**80.6**	**1,332.8**
Total comprehensive income		**–**	**–**	**–**	**19.5**	**271.2**	**290.7**	**45.4**	**336.1**
- Dividend paid in cash	24, 25	–	–	–	–	- 82.4	- 82.4	- 36.4	- 118.8
- Repurchase own shares	22	–	–	- 9.2	–	–	- 9.2	–	- 9.2
- Non controlling interest movement due to acquisition	25	–	–	–	–	–	–	7.1	7.1
- Measurement of equity-settled share-based payment arrangements	24	–	–	–	–	2.1	2.1	–	2.1
Total transactions with owners		**–**	**–**	**- 9.2**	**–**	**- 80.3**	**- 89.5**	**- 29.3**	**- 118.8**
Balance at 31 December 2010		**84.6**	**281.2**	**- 14.9**	**4.1**	**1,098.4**	**1,453.4**	**96.7**	**1,550.1**
Total comprehensive income		**–**	**–**	**–**	**- 30.0**	**400.8**	**370.8**	**39.2**	**410.0**
- Dividend paid in cash	24, 25	–	–	–	–	- 97.3	- 97.3	- 27.4	- 124.7
- Measurement of equity-settled share-based payment arrangements	24	–	–	–	–	2.4	2.4	–	2.4
- Vested shares under equity-settled share-based payment arrangements	22, 24	–	–	1.9	–	- 1.9	–	–	–
Total transactions with owners		**–**	**–**	**1.9**	**–**	**- 96.8**	**- 94.9**	**- 27.4**	**- 122.3**
Balance at 31 December 2011		**84.6**	**281.2**	**- 13.0**	**- 25.9**	**1,402.4**	**1,729.3**	**108.5**	**1,837.8**

Consolidated Statement of Cash Flows

In EUR millions	Note		2011		2010
Cash flows from operating activities (gross)	33	**495.8**		455.1	
Interest received	7	6.6		3.7	
Dividend received	7	0.7		0.9	
Finance costs paid		- 69.2		- 70.0	
Settlement of derivative financial instruments					
(interest rate swaps)		0.6		6.7	
Income tax paid		- 28.1		- 11.2	
Cash flows from operating activities (net)			**406.4**		385.2
Investments:					
- Intangible assets	11	- 11.1		- 11.9	
- Property, plant and equipment	12	- 479.2		- 456.5	
- Joint ventures and associates	13	- 37.5		- 42.5	
- Loans granted	15	- 82.5		- 8.8	
- Other non-current assets		- 0.7		- 2.2	
- Acquisition of subsidiaries including goodwill (page 117)		- 44.0		- 32.9	
- Acquisition of joint ventures	13	- 55.9		- 9.9	
Total investments			**- 710.9**		- 564.7
Disposals:					
- Intangible assets	11	0.1		0.4	
- Property, plant and equipment	12	3.1		–	
- Joint ventures and associates	13	214.1		–	
- Loans granted	15	54.5		12.4	
- Subsidiaries		5.6		–	
- Assets held for sale		3.9		–	
Total disposals			**281.3**		12.8
Cash flows from investing activities (excluding derivatives)			**- 429.6**		- 551.9
Settlement of derivatives (net investments hedges)			- 13.1		- 53.0
Cash flows from investing activities (including derivatives)			**- 442.7**		- 604.9
Financing activities:					
- Repayment of interest-bearing loans	26	–		- 143.5	
- Proceeds from interest-bearing loans	26	95.4		451.5	
- Dividend paid in cash	24	- 89.1		- 79.6	
- Dividend paid on financing preference shares	24	- 8.2		- 2.8	
- Repurchase own shares	22	–		- 9.2	
- Movements in short-term financing	26	- 179.5		- 27.7	
Cash flows from financing activities			**- 181.4**		188.7
Net cash flows			**- 217.7**		- 31.0
Exchange differences			- 3.0		6.0
Net change in cash and cash equivalents due to (de)consolidation			5.9		0.2
Net change in cash and cash equivalents (including bank overdrafts)			**- 214.8**		- 24.8
Net cash and cash equivalents (including bank overdrafts) at 1 January			**147.8**		172.6
Net cash and cash equivalents (including bank overdrafts) at 31 December	20		**- 67.0**		147.8

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 2011 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 28 February 2012 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 (IFRSs) as adopted by the European Union (EU). The amendments to standards and interpretations endorsed by the EU were as follows:

(a) New and amended standards adopted by the Group

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on 1 January 2011 that have a material impact on the Group.

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning on 1 January 2011 and not early adopted and also not yet endorsed by the EU

IAS 19, *Employee benefits*, was amended in June 2011. The Group intends to apply the amendments retrospectively for annual periods beginning on 1 January 2013 (effectively at 1 January 2012). The impact on the Group will be significant as the deferral of actuarial gains and losses or cost of plan changes will no longer be allowed as the 10% corridor smoothing mechanism will be eliminated. Further the amendment introduces significant changes to the recognition and measurement of defined benefit plan expenses and their presentation in the income statement. The revised standard requires expected returns on plan assets, recognized in profit or loss, to be calculated based on the rate used to discount the defined benefit obligation, which generally is a lower rate than used under the current IAS 19. The remeasured actuarial gains and losses are recognized in Other comprehensive income and will increase net pension liabilities. The unrecognized actuarial gains and losses at 31 December 2011 amounted to a loss of EUR 107.4 million.

IFRS 10, *Consolidated financial statements*, builds on the existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Group is yet to assess IFRS 10's full impact and will adopt IFRS 10 no later than the accounting period beginning on 1 January 2013, assuming endorsement by the EU in 2012.

IFRS 11, *Joint Arrangements*, replaces IAS 31 (Interest in Joint Ventures). A 'Joint arrangement' is defined as a contractual arrangement over which two or more parties have joint control. Joint control exists only when the decisions about activities that significantly affect the returns of an arrangement require unanimous consent of the parties sharing control. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties. In the new standard a distinction is made into two types of joint arrangements: joint operations and joint ventures. Compared to IAS 31 the jointly controlled operations and jointly controlled assets are merged into joint operations in IFRS 11. The existing policy, choice of proportionate consolidation for jointly controlled entities, has been eliminated. Equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operation will follow the methodology similar to proportionate consolidation (share of assets and liabilities, income and expenses). Some jointly controlled entities under IAS 31 may under IFRS 11 be classified as joint operation.
Since the adoption of IFRS, joint ventures within Vopak are accounted for by using the equity method. The Group is yet to assess the other impacts of IFRS 11 and will adopt IFRS 11 no later than the accounting period beginning on 1 January 2013, assuming endorsement by the EU in 2012.

IFRS 12, *Disclosures of interests in other entitie*s, includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance sheet vehicles. The Group is yet to assess IFRS 12's full impact and will adopt IFRS 12 no later than the accounting period beginning on or after 1 January 2013, assuming endorsement by the EU in 2012.

IFRS 13, *Fair value measurement*, aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. The Group is yet to assess IFRS 13's full impact and will adopt IFRS 13 no later than the accounting period beginning on or after 1 January 2013.

There are no other amendments to existing standards or new IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

Basis of preparation

The consolidated financial statements are presented in euros 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 statement of financial position 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 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 99) 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 27.

(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 deferred tax assets. A maturity schedule of the unrecognized carry-forward losses is included in note 17.

(e) Environmental provisions
In accordance with the policies stated under Other provisions, environmental provisions are formed based on current legislation and the best estimate of future expenses (see also note 29 and note 36).

(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 end of the reporting period. For a sensitivity analysis we refer to the chapter Financial Risks and Risk Management.

The accounting policies based on IFRS, as described below, have been applied consistently for the years 2011 and 2010 by all entities.

Basis of consolidation

Subsidiaries
The consolidated financial statements incorporate the financial statements of Royal Vopak and its subsidiaries. Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies of a company by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Group’s voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies. 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 acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The consideration transferred for the acquisition of a subsidiary are the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any assets or liability resulting from a contingent consideration arrangement. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interests in the acquiree, on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred to the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to have control any retaining interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amount previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group has directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

For a list of the principal subsidiaries, please refer to page 183 of this report.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of the net asset of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

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 new. 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 these assets. 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
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. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

The results of joint ventures are recognized based on the equity method from the date on which the joint control 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.

When an interest in a joint venture is acquired, the acquisition method of accounting is used. The cost of the investment includes transaction costs. Under the equity method, goodwill (less accumulated impairments) is allocated to the carrying amount of the investment. When an interest in a joint venture 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, please refer to page 184 of this report.

Associates
Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, whereby the accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. The Group's investment in associates includes goodwill identified on acquisition. For the associates please refer to page 184 of this report.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss where appropriate.

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 statement of income.

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
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. The segments are based on geographical markets. Business activities that can not be allocated to any other segment are reported under Non-allocated. These include primarily the global LNG activities, headquarter costs and expenses related to other interests like real estate interests in Rotterdam (the Netherlands). The global LNG activities are shown separately under Non-allocated. When significant operations are transferred between segments, comparative period figures are reclassified.

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 euros, the company's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income, except when deferred in other comprehensive income as qualifying cash flow hedges and net investment hedges.

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 at the end of the reporting period. The items of the statement of income of foreign activities, excluding foreign operations in hyperinflationary economies, are translated at the average exchange rates for the reporting period.

The income and expenses of foreign operations in hyperinflationary economies are translated to euro at the exchange rate at reporting date. Prior to translating the financial statements of foreign operations in hyperinflationary economies, their financial statements for the current year are restated to account for changes in the general purchasing power of the local currency. The restatement is based on relevant price indices at the reporting date.

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

Net investments in foreign activities

Foreign currency differences resulting from the translation of the net investments in foreign activities are recognized in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation reserve is allocated to the non-controlling interests. The exchange differences on loans drawn and other financial instruments in foreign currencies are also taken to the translation reserve, through other comprehensive income, to the extent that these hedge the exchange risks on net investments in foreign companies and are effective. 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 translation reserve.

When a foreign activity is disposed of such that control, joint control or significant influence is lost, the entire cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant portion of the cumulative amount is not transferred to profit or loss but reattributed to non-controlling interests. On disposal of a foreign activity with a non-controlling interest the cumulative amount relating to the non-controlling interests shall be derecognized, but shall not be reclassified to profit or loss. When the Group disposes of only part of its investment in a joint venture or associate that includes a foreign operation while retaining joint control or significant influence, the relevant portion of the cumulative amount recognized in the translation reserve is reclassified to profit or loss. Disposal may occur either through sale, liquidation, repayment of share capital or abandonment of all, or part of, the entity. A share capital or share premium distribution by an entity is not considered to be a partial disposal when the Group retains its relative share in the entity.

Foreign exchange differences arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognized directly in equity in the translation reserve.

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

	Closing exchange rate		Average exchange rate	
EUR 1.00 is equivalent to	**2011**	**2010**	**2011**	**2010**
US dollar	1.29	1.34	1.39	1.33
Singapore dollar	1.68	1.71	1.75	1.81
Chinese yuan	8.14	8.81	9.00	8.98
Brazilian real	2.41	2.22	2.33	2.33

Income

Revenues

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services provided, stated net of discounts, returns and value added taxes. The Group recognizes revenue in the statement of income to the extent it seems probable that the economic benefit associated with a service will flow to the Group and the revenue can be reliably measured. The revenue is recognized in the statement of income in proportion to the stage of the rendered performance as at the end of the reporting period. Tank rentals including minimum guaranteed throughputs are recognized on a straight-line basis over the contractual period. Revenues from excess throughputs and other services are recognized on completion of the services. If the revenue cannot be reliably measured, only the income up to the level of the expenses to be claimed will be recognized. Modifications of property, plant and equipment upfront paid by customers are accounted for as prepaid revenues and recognized in the statement of income over the contractual period on a straight-line basis.

Other operating income
Gains on the sale of assets are deemed realized at the time the benefits and the risks of the assets 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.

Government 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 recognized using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Dividend income is recognized when the right to receive payment is established.

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 statement of income 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 statement of income 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 statement of income 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. Government 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 statement of income.

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 statement of income using the effective interest method.

Exceptional items
The items in the statement of income 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 (acquisition method).

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 at least annually for impairment. Impairment losses on goodwill are not reversed. In the case of joint ventures and associates, the carrying amount of goodwill is included in the carrying amount of the entity.

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 end of the reporting period. The expected useful life of software is subject to a maximum of seven years.

Other intangible assets also comprise contractual customer relationships, concessions and favorable leases ensuing from business combinations. 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

Assets owned

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 expense related to the period of time during which active construction is ongoing is capitalized when the period is exceeding one year. Capitalization ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use are complete. As the financing activity of the Group is coordinated centrally the capitalization rate is in principle based on the weighted average of the borrowing costs of the Group. The capitalized interest expense is amortized over the estimated useful life of the underlying asset.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. 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. Land is not depreciated.

Property, plant and equipment under construction are carried at the costs incurred up to the end of the reporting period. Spare parts are classified under Property, plant and equipment to which it relates and is carried at the lower of cost and net recoverable amount.

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

Leased assets
At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is subject of a lease if fulfillment of the arrangement is dependent on the use of that specific asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

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 statement of financial position 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.

Other leases are operating leases and are not recognized in the Group's statement of financial position.

Impairment of assets

General
For the carrying amount of the non-current assets, other than deferred tax assets and financial assets, assets will be reviewed for possible impairment on the end of each reporting period. Should this be the case, the recoverable amount 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 recoverable amount, the difference is charged to the statement of income 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 statement of income under Depreciation, amortization and impairment.

For financial assets the group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The impairments for joint ventures and associates and loans granted are presented under Result of joint ventures and associates using the equity method and Finance costs respectively. For the impairment of trade and other receivables we refer to Current assets.

Calculating the recoverable amount
The recoverable amount 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 independent cash flows, the recoverable amount 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 the recoverable amount. 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.

Financial assets classification
The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months. Otherwise, they are classified as non-current. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. Dividend income from financial assets at fair value through profit or loss is recognized in the statement of income as part of other income when the Group's right to receive payments is established. The Group's financial assets at fair value through profit or loss are other financial assets.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. The Group's loan and receivables comprise: loans granted, trade and other receivables, and cash and cash equivalents. For the accounting principles we also refer to Loans granted and drawn and Current assets.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences, are recognized in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognized, the gain or loss accumulated in equity is reclassified to profit or loss. For the accounting principles we also refer to Asset held for sale.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Derivative financial instruments

Derivative financial instruments are initially recognized at fair value at trade date 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 is not applied, all value adjustments are taken to the statement of income. 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 other comprehensive income. Vopak's own credit risk on hedged financial instruments is not part of the hedge relationship. The profit or loss as a result of ineffectiveness is recognized directly in the statement of income. This also applies to the credit risks on derivatives counterparties and the interest component that is a result of the time value of money in the valuation of the derivative financial instrument.

Amounts accumulated in equity are reclassified to profit or loss at the same time as the hedged transaction affects profit or loss. The effects are shown under Finance costs.

If the established agreement or the foreseeable transaction that is hedged results in the recognition of a non-financial asset, the accumulated gains or losses previously deferred in equity 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 in the income statement 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 statement of income 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 statement of income. The hedged position is 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 statement of income. The group only applies fair value hedge accounting for hedging fixed interest risk on loans drawn.

Hedging of net investments in foreign activities
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 euros are recognized in other comprehensive income, to the extent that the hedge is effective. The ineffective part is recognized in the statement of income 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 in other comprehensive income. The ineffective part of the hedge, due to changes in the credit risks on counterparties, and the interest component of the fair value movement of the derivative financial instrument are taken to the statement of income.

Accumulated exchange losses and gains in equity are reclassified at the time foreign activities are (partially) disposed of (see also Net investments in foreign activities on page 96).

Current assets
Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment is formed if there is objective evidence as at the end of the reporting period 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 other operating expenses in the statement of income. When a receivable is uncollectable, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited against other operating expenses in the statement of income.

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 statement of financial position.

Assets held for sale
Non-current assets and disposal groups are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower value of the carrying amount and the fair value less expected selling costs. When specific criteria for the held for sale have been met the non-current assets subject to depreciation or amortization are no longer depreciated or amortized. The assets and liabilities are presented separately under Total current assets and Total current liabilities respectively. In addition, equity accounting for joint ventures and associates ceases once classified as held for sale.

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. Incremental costs directly attributable to the issue of new shares are shown in equity as a reduction, net of tax, from the proceeds.

Treasury shares
Shares that are repurchased to cover equity-settled share-based payments are included in the financial statements of the Group. The purchase price of the shares is charged to equity. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium. Treasury shares are not taken into account in the calculation of earnings per share.

Dividends
Dividends are recognized as a liability from the moment they are granted until they are actually paid out.

Loans granted and drawn

Interest-bearing loans are initially recognized at fair value, plus or less transaction costs. Loans are subsequently carried at amortized cost, with the difference between the cost and the redemption value taken to the statement of income over the term of the loan, based on the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Loans for which the interest rate has been converted in a hedge relation 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.

Employee benefits

Pensions and other employee benefits
The pension plans are generally administered by separate company pension funds and partly insured 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 plan assets of the fund and the present value of the pension entitlements at the beginning of the financial year are recognized in the statement of income over the average remaining service years of employees.

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 statement of income 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 (LTIPs 2007, 2008, 2009 and 50% of the LTIP 2010) and a cash-settled share-based compensation plan (50% of the LTIP 2010) under which the entity receives services from employees as consideration for respectively equity instruments of the Group and for cash equivalent to the value of the underlying equity instruments.

Equity-settled share-based compensation plans
The fair value of the employee services received in exchange for the equity instruments is recognized as an expense in the statement of income 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 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, being the last day of the performance period. At the end of each reporting period, Vopak determines if it is necessary to revise the previous estimate of the number of shares 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 statement of income with an equivalent adjustment in equity.

Cash-settled share-based compensation
The cash-settled share-based compensation is an equivalent in cash of the number of shares that are expected to vest. Contrary to equity-settled arrangements the fair value of the employee services is not determined at grant date but at each reporting date and at the settlement date. The fair value of the amount payable to employees in respect of the cash-settled share-based compensation is recognized over the vesting period as an expense with a corresponding increase of liabilities. The vesting period starts at the first date of the performance period and ends when employees unconditionally become entitled to payment at vesting date, being the last day of the performance period. Any changes in the fair value of the liability and any revised expectations of the number of shares that are expected to vest based on the non-market vesting conditions are recognized as personnel expenses in the statement of income.

Change of Control
In the event of a significant change of the management and/or structure of the company or part of the company resulting from a merger, takeover, sale, divestiture or similar transaction (Change of Control) the Supervisory Board is entitled to cancel the conditionally granted shares and pay the participants a (pro rata) amount in cash based on the average stock price over the quarter preceding the date of the press release announcing the intended transaction. As the likelihood of such a situation occurring is considered remote, for this period all equity-settled compensation plans are treated entirely as equity-settled share-based payments plans.

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 the end of each reporting period.

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 the time horizon 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 fulfil 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 statement of income unless they relate to items directly recognized in equity through other comprehensive income.

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 end of the reporting period, plus any adjustments to prior-year tax payable.

Deferred taxes are provided for using the 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 end of the reporting period.

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 if a decision has been made to distribute such earnings.

Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured 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.

Dividend received from joint ventures and associates and result joint ventures and associates are both presented under Cash flows from operating activities (gross). Receipts and expenditures relating to interest and dividends received on participating interests of less than 20% are stated under Cash flows from operating activities (net).

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 statement of income

An abridged company statement of income is presented in accordance with Section 402 of Book 2 of the Dutch 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 Global 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 risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. Reports on risk and risk management are submitted on a regular basis.

Hedging alternatives 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 risks arising mainly from US dollar (USD), Singapore dollar (SGD), Chinese yuan (CNY), Brazilian real (BRL) and Japanese yen (JPY). 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 currency. However, in some countries (in particular, in Latin America), a substantial portion of the income flow is in US dollar (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 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 based on the optimal net financing position : EBITDA ratio. In such situations, the nominal value of the hedge might exceed the carrying amount of the underlying net investment. As was the case in 2010, there were no hedges that exceeded the carrying amount of the underlying assets in the 2011 financial year.

In line with the currency risk policy, Vopak has converted fixed-interest loans respectively USD 175 million and JPY 16 billion into fixed-interest loans for a total amount of EUR 280 million (2010: USD 373 million, GBP 20 million and JPY 16 billion into fixed-interest loans for a total amount of EUR 435 million) by means of cross currency interest rate swaps (CCIRS) as the funding in these foreign currencies were 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 statement of income 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 2011 and 2010.

Sensitivity of exchange rate changes of financial instruments
The value of debt and 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 equity.
The sensitivity analysis for currency risks is based on the following assumptions:

- The transaction risk on the foreign currency accounts receivable and accounts payable 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 as an indication for a 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 offset by movements in the net investments.

The US dollar (USD), the Singapore dollar (SGD), the Chinese yuan (CNY), the Brazilian real (BRL) and the Japanese yen (JPY) were the main currencies for which Vopak ran translation risks. The sensitivity to these currencies for the positions at 31 December 2011 and 31 December 2010 can be broken down as follows.

Sensitivity of statement of financial position items at 31 December 2011

		USD		SGD		CNY		BRL		JPY
Closing exchange rate 2011	1.29	1.29	1.68	1.68	8.14	8.14	2.41	2.41	99.56	99.56
Reasonably possible change [1)]	12%	- 12%	8%	- 8%	18%	- 18%	12%	- 12%	21%	- 21%
Effect on net profit	**- 0.3**	**0.2**	**- 0.5**	**0.3**	**- 0.4**	**0.3**	**0.1**	**- 0.1**	**–**	**–**
Exchange differences on net investments	- 42.4	54.0	- 15.0	17.6	- 33.4	48.0	- 8.4	10.7	- 6.6	10.0
Effective part of hedges of net investments	36.7	- 46.7	11.1	- 13.0	14.0	- 20.0	–	–	5.2	- 7.9
Effect on revaluation reserve derivatives	- 1.2	1.5	0.2	- 0.2	–	–	–	–	- 4.7	7.1
Effect on equity	**- 6.9**	**8.8**	**- 3.7**	**4.4**	**- 19.4**	**28.0**	**- 8.4**	**10.7**	**- 6.1**	**9.2**

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

Sensitivity of statement of financial position items at 31 December 2010

		USD		SGD		CNY		BRL		JPY
Closing exchange rate 2010	1.34	1.34	1.71	1.71	8.81	8.81	2.22	2.22	108.63	108.63
Reasonably possible change [1)]	12%	- 12%	14%	- 14%	13%	- 13%	18%	- 18%	18%	-18%
Effect on net profit	**- 0.8**	**1.0**	**- 0.3**	**0.4**	**- 0.6**	**0.8**	**0.2**	**- 0.2**	**–**	**–**
Exchange differences on net investments	- 40.5	51.7	- 19.0	25.2	- 20.0	26.1	- 11.2	16.2	- 5.1	7.4
Effective part of hedges of net investments	34.5	- 44.0	18.0	- 23.8	8.9	- 11.6	1.7	- 2.4	4.2	- 6.0
Effect on revaluation reserve derivatives	- 0.7	1.0	0.4	- 0.4	–	–	–	–	- 3.2	5.2
Effect on equity	**- 6.7**	**8.7**	**- 0.6**	**1.0**	**- 11.1**	**14.5**	**- 9.5**	**13.8**	**- 4.1**	**6.6**

[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 euros 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 2011):
- Revenues would differ by EUR 12.9 million (2010: EUR 13.6 million).
- Group operating profit (EBIT) would differ by EUR 3.7 million (2010: EUR 4.7 million).
- Net profit would differ by EUR 2.5 million (2010 EUR 3.3 million).

A 10 dollar cent change in the EUR/SGD exchange rate approximately affects Vopak's figures as follows (based on figures for 2011):
- Revenues would differ by EUR 12.5 million (2010: EUR 10.9 million).
- Group operating profit (EBIT) would differ by EUR 7.7 million (2010: EUR 6.4 million).
- Net profit would differ by EUR 4.3 million (2010: EUR 3.6 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 floating rate expose the group to cash flow interest rate risk.

Interest rate swaps may be used to take advantage of market opportunities to reduce costs and interest rate risk. Interest rate risks are identified and possible hedges considered when obtaining or providing new financing.

At 31 December 2011, taking account of interest rate swaps, 84% (2010: 91%) of the total interest-bearing loans of EUR 1,538.6 million (2010: EUR 1,579.2 million) was financed at a fixed interest rate with remaining terms of up to twenty-nine years. As a consequence of the fixed interest the company is both exposed to cash flow risk and fair value interest rate risk.

Hedging fixed foreign currency interest rates to fixed EUR interest rates

As part of the interest rate risk policy, Vopak has converted fixed-interest loans totalling USD 175 million into fixed-interest loans for the amount of EUR 134 million and JPY 16 billion into fixed-interest loans for the amount of EUR 146 million by means of cross currency interest rate swaps (CCIRS). The objective of these hedges is to restrict fluctuations in interest charges as a result from changes in the currency exchange rates. Cash flow hedge accounting is applied for these CCIRSs.

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 2011 and 2010.

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 SGD 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 2011 and 2010.

Hedging fixed interest rates to floating interest rates

The current interest-bearing debt consists largely of fixed-interest financing, of which SGD 100 million is 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 2011 and 2010.

Sensitivity of changes in market interest rates (IFRS 7)

The sensitivity analysis shows how changes in market interest rates affect net profit and 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 Vopak has used a fixed percentage of 25% as a reasonable change at year-end 2011 and year-end 2010.
- 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 statement of income 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 equity and taken into account when performing the 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 statement of income. The hedged risk portion of the hedged positions is likewise recognized at fair value and the changes in value are taken directly to the statement of income. Since the hedge relationship is 100% effective, the effect of the movement in fair value of the hedging instrument is 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 2011

		EUR		USD		SGD		JPY
Closing level 3-month interest rate 2011	1.38%	1.38%	0.63%	0.63%	0.36%	0.36%	0.23%	0.23%
Reasonably possible change	25%	- 25%	25%	- 25%	25%	- 25%	25%	- 25%
Effect on net profit	**- 0.9**	**0.9**	**- 0.1**	**0.1**	**- 0.6**	**0.6**	**–**	**–**
Effect on revaluation reserve derivatives equity	**33.3**	**- 37.4**	**0.8**	**- 0.9**	**0.3**	**- 0.3**	**- 14.2**	**15.6**

Sensitivity of changes in market interest rates for 2010

		EUR		USD		SGD		JPY
Closing level 3-month interest rate 2010	0.79%	0.79%	0.65%	0.65%	0.40%	0.40%	0.04%	0.04%
Reasonably possible change	25%	- 25%	25%	- 25%	25%	- 25%	25%	- 25%
Effect on net profit	**- 0.1**	**0.1**	**- 1.7**	**1.7**	**- 0.5**	**0.5**	**–**	**–**
Effect on revaluation reserve derivatives equity	**41.7**	**- 48.3**	**–**	**–**	**0.1**	**- 0.1**	**- 13.4**	**15.1**

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 statement of income.

Credit risk and credit risk management

Vopak's maximum exposure to credit risks is the carrying amount of financial assets amounting to EUR 388.7 million (2010: EUR 442.8 million) (see notes 14 and 31) and the credit replacing guarantees amounting to EUR 53.7 million (2010: EUR 58.7 million). Loans granted to joint ventures and associates are not secured by collaterals. Exposure to the risk of bad debt is 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, Vopak is constantly monitoring the outstanding receivables and the value of the stored products. Assessing the financial positions of counterparties is part of our credit management and tendering process, but cannot exclude all credit risk.

The Group's management considers that all the financial assets that are not impaired or past due for each of the reporting dates under review are of good quality. The credit risk for cash and cash equivalents and derivative financial instruments is considered negligible. Vopak manages the counterpart risk by spreading the financial instruments and cash and cash equivalents evenly across a select group of high rated financial institutions with daily limiting the cash and cash equivalents within the Group and assessing the exposure to each financial institution. Vopak applies credit limits per institution and regularly reviews these limits. These treasury activities are concluded with financial institutions that have at least an A- Standard & Poor's credit rating. When necessary appropriate action is taken within Vopak's treasury policy.
The credit risk of derivative financial instruments with a positive value is mitigated by ISDA Master Agreements with its counterparties and by setting quality and financial limits to the derivative counterparties. The Group maintains a control system that includes the authorization, reporting and monitoring of derivative activities including the Credit Default Swaps developments of counterparties observed on the secondary market. Vopak believes there are no material credit risks to the Group's financial position.

Liquidity risks and liquidity risk management

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. 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 costs. The liquidity requirements are continuously monitored and funding is planned in such a way as to avoid excessive short-term financing needs. The long-term liquidity risk is assessed prior to every major investment obligation and the current financing policy is reviewed on the basis of this assessment and adjusted where necessary. The Group works actively to maintain and further develop the diversified funding base it already has, with regard to the number of markets and the number of investors.

Global Treasury acts as an in-house bank that internally allocates funds raised centrally. Surplus cash held by the operating entities over and above balance required for working capital management is transferred to Global Treasury and operating companies are funded by a combination of equity and inter-company loans. The local 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. Active cash management is a daily responsibility and each quarter the liquidity requirements are identified based on thorough scenario planning. Global Treasury invests surplus cash in interest-bearing current accounts and deposit accounts.
In February 2011 Vopak has closed a new EUR 1.2 billion senior unsecured multicurrency revolving credit facility which replaces the old revolving credit facility of EUR 1.0 billion. The revolving credit facility has an initial maturity of five years with two mutual extension options of one year each. At year-end 2011 EUR 100 million of the facility was drawn (see note 26).
At 31 December 2011 the Group also has committed unused lines of credit of EUR 55 million that are available to meet short-term liquidity needs. There are no significant restrictions on the use of these facilities.

The table below analyses the group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. Derivative financial instruments are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The table also analyses the maturity profile of financial assets in order to provide a complete view of the contractual commitments and liquidity. The amounts disclosed in the table are the contractual undiscounted cash flows. The financial guarantees and securities are contingent liabilities.

Liquidity risk at 31 December 2011

				Years
In EUR millions	< 1	1-2	2-5	> 5
Cash and cash equivalents	88.7	–	–	–
Trade debtors	83.8	–	–	–
Taxes receivable	55.2	–	–	–
Other accounts receivable	98.4	–	–	–
Total undiscounted financial assets (excluding gross settled derivatives)	**326.1**	**–**	**–**	**–**
Redemption of interest-bearing loans	17.1	99.5	336.2	1,085.8
Interest payments	65.8	62.9	179.3	347.5
Trade creditors	41.9	–	–	–
Other trade payables	84.7	–	–	–
Cash-settled equity-based liability	–	–	3.8	–
Wage tax and social security charges	5.8	–	–	–
Financial guarantees and securities	86.2	–	–	–
Interest rate swaps	- 24.2	- 29.0	- 66.2	- 130.4
Total undiscounted financial liabilities (excluding gross settled derivatives)	**277.3**	**133.4**	**453.1**	**1,302.9**
Derivative financial instruments outflow	492.4	–	–	–
Derivative financial instruments inflow	- 512.1	–	–	–
Total undiscounted gross settled derivatives	**- 19.7**	**–**	**–**	**–**
Liquidity movement	**68.5**	**- 133.4**	**- 453.1**	**- 1,302.9**

Liquidity risk at 31 December 2010

				Years
In EUR millions	< 1	1-2	2-5	> 5
Cash and cash equivalents	181.8	–	–	–
Trade debtors	73.7	–	–	–
Taxes receivable	53.5	–	–	–
Other accounts receivable	88.8	–	–	–
Total undiscounted financial assets (excluding gross settled derivatives)	**397.8**	**–**	**–**	**–**
Redemption of interest-bearing loans	190.7	16.0	326.2	1,046.3
Interest payments	69.0	63.3	180.5	372.7
Trade creditors	48.7	–	–	–
Other trade payables	128.3	–	–	–
Cash-settled equity-based liability	–	–	1.4	–
Wage tax and social security charges	5.6	–	–	–
Financial guarantees and securities	91.3	–	–	–
Interest rate swaps	- 7.2	4.3	13.7	88.6
Total undiscounted financial liabilities (excluding gross settled derivatives)	**526.4**	**83.6**	**521.8**	**1,507.6**
Derivative financial instruments outflow	522.1	–	–	–
Derivative financial instruments inflow	- 513.8	–	–	–
Total undiscounted gross settled derivatives	**8.3**	**–**	**–**	**–**
Liquidity movement	**- 136.9**	**- 83.6**	**- 521.8**	**- 1,507.6**

The lenders have the right to demand complete repayment of the outstanding amounts in case any person or any group of persons acting together, except for the shareholders with a shareholding of more than 5 per cent as per end of 2010, acquires control of more than 50% of the voting rights of Koninklijke Vopak N.V. (Change of Control).

Management of pension risk

Vopak operates a number of pension schemes including defined benefit schemes. The Dutch pension scheme represents 80% of the total defined benefit obligation, whilst the pension schemes in the United Stated and United Kingdom each represents approximately 8% of the total defined benefit obligation.

The liabilities and pension charges related to the defined benefit schemes are subject to risks regarding changes in discount rates, plan asset values and returns derived from these assets, future salary increases, inflation and life expectancy. Such changes can negatively influence the liabilities and necessitate additional future pension charges under IAS 19. A sensitivity analysis with respect to the impact on pension charges of changes in the major assumptions is included in note 27 to the consolidated statement of financial position.

The risks of market related fluctuations in the value of plan assets are managed through prudent investment strategies and by close monitoring. The investment strategies are set in line with liabilities and local practice and usually derive from asset liability studies executed in consultation with external advisors. In order to match liabilities, interest rate hedging and currency hedging strategies have been implemented and in order to stabilize returns, diversification is pursued. The monitoring covers for example risks related to interest rates, equities, currencies, credit and insurance. The investment strategies are set within the relevant directions of regulatory authorities (for the Netherlands: De Nederlandsche Bank).

On a local basis cash contributions may be needed if local funding levels deteriorate. These contributions are subject to local arrangements and legal requirements. As far as possible Vopak aims to reduce the volatility of these cash contributions.

In 2011 Vopak made, in addition to the regular annual pension contribution, an additional contribution in the amount of EUR 50 million to the Dutch pension scheme. EUR 40 million of this contribution is to strengthen the financial position of the pension fund and the remaining EUR 10 million for granting an increase of 1.5% to the pensions of participants, former employees and pensioners as per 1 January 2012.

The additional contribution of EUR 40 million increased the cover ratio of the pension fund by approximately 6% points to 106.1% per year-end 2011 (31 december 2010: 106.3%). In the event of a cover ratio exceeding 140%, the additional contribution of EUR 40 million flows back to Vopak through a premium reduction.

Although under the financial agreement there is no obligation to make any additional contributions, Vopak has taken this decision based on the following considerations:

- The recovery of the pension fund lagging behind compared to the recovery plan submitted to De Nederlandsche Bank;
- The lack of indexation of the pensions of (former) participants and pensioners in the last three years based on the financial agreement between Vopak and the pension fund;
- The realization of an exceptional after-tax profit of EUR 106.9 million in the first quarter of 2011 due to the sale of Vopak's 20% equity stake in BORCO (Bahamas).

This additional contribution had no effect on Vopak's group operating profit in 2011 under IAS 19.

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. The global LNG activities are shown separately under Non-allocated.

Since 1 January 2011 the joint venture in Pakistan is transferred from the Asia division to the management of the Oil Europe, Middle East & Africa division. The comparable figures for 2010 are adjusted accordingly.

Starting from 1 January 2012 the divisions Oil Europe, Middle East & Africa and Chemicals Europe, Middle East & Africa are restructured into a Netherlands division and a Europe, Middle East & Africa division (EMEA). The new structure further aligns our structure with the leading principle of geographical markets and enables Vopak to optimize given the fact that all subsidiaries in the Netherlands are relatively close to each other. In the segmentation the new structure has been reflected under Total Europe, Middle East & Africa.

Segmentation

	Revenues		Depreciation and amortization		Result of joint ventures and associates		Group operating profit	
Statement of income	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
Chemicals Europe, Middle East & Africa	328.9	325.1	48.1	46.4	2.1	1.5	86.1	91.1
Oil Europe, Middle East & Africa	298.5	278.1	36.5	29.9	68.9	45.5	180.4	155.8
Total Europe, Middle East & Africa	627.4	603.2	84.6	76.3	71.0	47.0	266.5	246.9
of which the Netherlands	*400.8*	*386.4*	*54.5*	*48.5*	*1.5*	*1.7*	*157.4*	*157.1*
of which EMEA	*226.6*	*216.8*	*30.1*	*27.8*	*69.5*	*45.3*	*109.1*	*89.8*
Asia	308.7	272.5	49.7	48.0	29.6	29.7	185.3	165.7
of which Singapore	*217.6*	*195.7*	*29.4*	*31.2*	–	–	*133.8*	*115.6*
North America	137.7	138.3	17.7	15.5	112.7	8.6	145.3	43.8
of which Bahamas	–	–	–	–	*112.7*	*8.6*	*112.7*	*8.6*
Latin America	93.6	88.2	12.4	10.8	- 1.6	1.1	20.2	28.5
Non-allocated	4.5	4.1	2.2	2.3	8.7	- 3.0	- 31.8	- 42.9
of which global LNG activities	*2.1*	*1.5*	–	–	*9.9*	*- 3.0*	*4.4*	*- 6.9*
Total	**1,171.9**	**1,106.3**	**166.6**	**152.9**	**220.4**	**83.4**	**585.5**	**442.0**

Reconciliation with the consolidated net profit		
Group operating profit	585.5	442.0
Net finance costs	- 78.6	- 68.4
Profit before income tax	506.9	373.6
Income tax	- 71.3	- 72.8
Net profit	**435.6**	**300.8**

As the Group neither allocates interest expense to segments nor accounts 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 revenues.

In addition to amortization and depreciation, impairments were recognized by the divisions Latin America, Chemicals Europe, Middle East & Africa and Oil Europe, Middle East & Africa. The impairment in Latin America is related to the Ilha Barnabe terminal in Brazil (EUR 5.6 million), due to insufficient legal certainty with regard to the prolongation of the concession agreement. The impairments at the other divisions related to tank capacity taken out of use, at Vlaardingen (the Netherlands) and Hamburg (Germany), impairments were recognized of respectively EUR 1.7 million and EUR 1.6 million. Furthermore, an impairment was recognized within Non-allocated for the obsolescence of software (EUR 2.5 million).

The result of joint ventures and associates included a total impairment of EUR 3.6 million. At the division Latin America an impairment of EUR 2.4 million was recognized for Vopak's interest (50%) in the joint venture in Chile, due to intensified competition as result of overcapacity in Mejillones. Under Non-allocated an impairment of EUR 1.2 million was taken for the 50% interest in a new office building in the Netherlands due to weak market demand for rental of office buildings.

In 2010 a reversal of an impairment of EUR 1.4 million was recognized by the division Oil Europe, Middle East & Africa for the relocation of the Waltershof terminal to another Vopak location in Hamburg.

The result of joint ventures and associates in 2010 included a total impairment of EUR 1.6 million. At the division Oil Europe, Middle East & Africa an impairment of EUR 0.6 million was taken for the joint venture Interstream Barging B.V. (the Netherlands) at the reclassification to held for sale. Under Non-allocated an impairment of EUR 1.0 million was taken for the development of a LNG-project in Eemshaven (the Netherlands), in which Vopak had a 25% equity stake, as there was not enough economic basis to come to a positive investment proposal.

	Assets of subsidiaries		Joint ventures and associates		Total assets		Total liabilities	
Statement of financial position	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
Chemicals Europe, Middle East & Africa	804.3	754.0	18.4	18.3	822.7	772.3	131.7	126.9
Oil Europe, Middle East & Africa	946.2	752.1	204.5	209.0	1,150.7	961.1	129.0	141.0
Total Europe, Middle East & Africa	1,750.5	1,506.1	222.9	227.3	1,973.4	1,733.4	260.7	267.9
of which the Netherlands	*1,080.9*	*965.9*	*3.7*	*3.9*	*1,084.6*	*969.8*	*84.5*	*99.8*
of which EMEA	*669.6*	*540.2*	*219.2*	*223.4*	*888.8*	*763.6*	*176.2*	*168.1*
Asia	971.2	869.9	275.4	232.7	1,246.6	1,102.6	290.2	259.6
of which Singapore	*539.1*	*497.9*	–	–	*539.1*	*497.9*	*246.7*	*226.7*
North America	367.7	302.3	–	100.5	367.7	402.8	97.3	90.5
of which Bahamas	–	–	–	*100.5*	–	*100.5*	–	–
Latin America	247.5	269.8	3.4	6.6	250.9	276.4	38.3	40.0
Non-allocated	300.9	275.9	100.7	39.9	401.6	315.8	1,715.9	1,622.9
of which global LNG activities	*18.9*	*8.1*	*88.1*	*25.8*	*107.0*	*33.9*	*5.8*	*5.6*
Total	**3,637.8**	**3,224.0**	**602.4**	**607.0**	**4,240.2**	**3,831.0**	**2,402.4**	**2,280.9**

	Intangible assets		Property, plant and equipment		Other non-current assets		Joint ventures and associates		Total	
Investments [1]	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
Chemicals Europe, Middle East & Africa	1.4	2.0	105.4	97.2	0.1	0.1	–	–	106.9	99.3
Oil Europe, Middle East & Africa	2.6	0.8	218.6	220.8	–	–	- 0.8	4.3	220.4	225.9
Total Europe, Middle East & Africa	4.0	2.8	324.0	318.0	0.1	0.1	- 0.8	4.3	327.3	325.2
of which the Netherlands	*3.0*	*1.0*	*192.0*	*218.6*	–	–	*2.1*	–	*197.1*	*219.6*
of which EMEA	*1.0*	*1.8*	*132.0*	*99.4*	*0.1*	*0.1*	*- 2.9*	*4.3*	*130.2*	*105.6*
Asia	0.2	1.8	45.7	42.9	0.3	1.8	26.7	17.0	72.9	63.5
of which Singapore	*0.1*	*0.1*	*22.6*	*17.3*	*0.3*	*1.8*	–	–	*23.2*	*19.2*
North America	0.7	0.7	67.8	58.8	–	–	–	–	68.5	59.5
Latin America	0.9	1.7	39.6	34.5	0.3	0.3	–	1.8	40.8	38.3
Non-allocated	5.3	4.9	2.1	2.3	–	–	11.6	19.4	19.0	26.6
of which global LNG activities	–	*0.1*	*0.9*	*1.6*	–	–	*11.5*	*19.2*	*12.4*	*20.9*
Total	**11.1**	**11.9**	**479.2**	**456.5**	**0.7**	**2.2**	**37.5**	**42.5**	**528.5**	**513.1**

[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:

In EUR millions	2011 Acquisition	2011 Deconsolidation	2010 Acquisitions
Intangible assets other than goodwill	2.7	–	8.0
Property, plant and equipment	25.4	- 3.1	28.6
Joint ventures and associates	–	1.7	–
Derivative financial instruments	–	- 0.8	–
Loans granted	–	–	3.3
Deferred tax	–	- 0.1	0.3
Total non-current assets	**28.1**	**- 2.3**	**40.2**
Cash and cash equivalents	5.9	–	0.2
Other current assets	5.3	- 0.4	0.8
Total current assets	**11.2**	**- 0.4**	**1.0**
Total assets	**39.3**	**- 2.7**	**41.2**
Deferred tax	7.1	–	–
Other provisions	0.4	–	–
Total non-current liabilities	**7.5**	**–**	**–**
Other current liabilities	3.8	- 1.0	1.2
Total current liabilities	**3.8**	**- 1.0**	**1.2**
Total liabilities	**11.3**	**- 1.0**	**1.2**
Net identifiable assets and liabilities at fair value respectively carrying value	**28.0**	**- 1.7**	**40.0**
Goodwill on acquisitions	16.0	–	–
Non-controlling interests	–	–	- 7.1
Gains on sale of controlling interest subsidiary	–	- 2.8	–
Use of effective part of cash flow hedge (to statement of income)	–	0.4	–
Cash and cash equivalents paid and received (-)	**44.0**	**- 4.1**	**32.9**
Cash and cash equivalents of subsidiaries acquired	- 5.9	–	- 0.2
Net cash flows paid and received (-)	**38.1**	**- 4.1**	**32.7**

2011

Acquisition
On 8 July 2011, Vopak acquired 100% of the shares of the Indian company CRL Terminals Pvt. Ltd. The company operates 261,600 cbm for the storage of chemicals and edible oil products and is located in Kandla, one of the busiest ports in India. With this acquisition Vopak is buying presence in a growing market. The goodwill of EUR 16.0 million is attributable to the acquired workforce and the synergies expected to arise for the Group after the acquisition. None of the goodwill is expected to be deductible for income tax purposes.

The table on the previous page summarizes the consideration paid for CRL Terminals Pvt. Ltd. (Vopak Terminal Kandla) and the amounts of the assets acquired and liabilities assumed recognized at the acquisition date. Acquisition related expenses of EUR 0.4 million have been charged to other expenses in the consolidated statement of income.

The intangible assets and the property, plant and equipment have been valued by independent qualified appraisers at market value. There are no contingent consideration arrangements.

The revenue included in the consolidated statement of income since 8 July 2011 contributed by Vopak Terminal Kandla was EUR 3.6 million. Vopak Terminal Kandla also contributed a net profit of EUR 0.4 million over the same period.

Had the entity been consolidated from 1 January 2011, the consolidated statement of income would show a revenue of EUR 7.4 million and a net profit of EUR 0.8 million.

Deconsolidation
On 11 January 2011 Vopak reached agreement with NIBC European Infrastructure Fund (NEIF) to build and operate a new storage terminal for oil products in the port of Eemshaven. For this new Dutch storage facility a joint venture has been established in which both companies are equal shareholders. The terminal shall provide services to European governments for the storage of their strategic reserves of liquid oil products, such as crude oil, gasoil and gasoline. The gain on sale of controlling interest of subsidiary is the fee paid by our partner for participating in the project.

Vopak will operate the new terminal that has an initial storage capacity of 660,000 cbm, comprising of 11 tanks with a storage capacity of 60,000 cbm each, and a jetty for seagoing vessels. This capacity has already been rented-out for a long-term period and is expected to be commissioned in the third quarter of 2012. The terminal can be expanded to a total storage capacity of 2.76 million cbm in the future.

2010

Acquisitions
The transactions in 2010 were accounted for as asset acquisitions as the assets acquired and liabilities assumed did not constitute a business.

On 28 April 2010 Vopak acquired a 80% stake in the Spanish company Alpetrol. Alpetrol holds a concession granted by the Algeciras Port Authorities and obtained all relevant permits for the construction and operation of a bulk liquid storage terminal in the port of Algeciras.

In December 2010 Vopak acquired a 79% stake in the State Street terminal in Perth Amboy, New Jersey (USA). The terminal has been decommissioned for 15 years and consists of 26 owned acres with rights pertaining to shoreline and water usage on the Arthur Van Kil River. It is our intention to revamp part of the existing facilities and build new capacity to be used for the storage of oil products.

Notes to the Consolidated Statement of Income

All amounts are in EUR millions, unless stated otherwise.

1. Exceptional items

	Note	2011	2010
Gains on deconsolidations of subsidiaries	2	4.3	0.5
Reversal of use of grant to compensate impairments	2	–	- 1.4
Reorganization costs	3, 5	- 5.5	–
Impairments	4	- 11.4	–
Reversal of impairments	4	–	1.4
Write-off project costs	5	–	- 2.2
Gains on sale of joint ventures and associates	6	111.5	–
Result joint ventures and associates	6	20.8	–
Impairments joint ventures and associates	6	- 3.6	- 1.6
Group operating profit		**116.1**	**- 3.3**
Finance costs	8	- 5.0	–
Profit before income tax		**111.1**	**- 3.3**
Tax on above-mentioned items	9	5.9	0.4
Total effect on net profit		**117.0**	**- 2.9**

2. Other operating income

	Note	2011	2010
Gains on deconsolidations of subsidiaries		4.3	0.5
Gains on sale of property, plant and equipment		2.1	1.6
Management fee joint ventures and associates		5.8	5.9
Reversal of use of grant to compensate impairments	12	–	- 1.4
Other		1.0	1.9
Total		**13.2**	**8.5**

Gains on deconsolidations of subsidiaries related to the fee of EUR 2.8 million paid by our partner for participating in the project for oil storage in Eemshaven (the Netherlands) and the settlement of a commitment of the previous owned Nassau Terminals (USA) at EUR 1.5 million.

3. Personnel expenses

	Note	2011	2010
Wages and salaries		236.3	211.8
Social security charges		28.0	27.8
Contribution to pension schemes (defined contribution)	27	9.6	9.1
Pension charges (defined benefit plans)	27	15.9	10.0
Long-term incentive plans	28	4.8	4.3
Early retirement		1.4	2.9
Reorganization costs	29	4.9	–
Other personnel expenses		35.8	32.8
Capitalized personnel expenses		- 17.5	- 5.2
Total		**319.2**	**293.5**

The personnel expenses include a total provision for reorganization costs of EUR 4.9 million related to the reorganization of Vopak Dupeg Terminal Hamburg GmbH (Germany) and the restructuring of the divisions Oil Europe, Middle East & Africa and Chemicals Europe, Middle East & Africa into the divisions the Netherlands and Europe, Middle East & Africa.

Average number of employees (in FTEs)

During the year under review, the Group employed an average of 4,276 employees and temporary staff (2010: 4,004).

Movements in the number of own employees (in FTEs)

	2011	2010
Number at 1 January	**3,763**	**3,707**
Acquisitions	68	4
Entered/left service	90	52
Number at 31 December	**3,921**	**3,763**

4. Depreciation, amortization and impairment

	Note	2011	2010
Intangible assets	11	7.7	7.8
Property, plant and equipment	12	158.9	145.1
Impairments	11, 12	11.4	–
Reversal of impairments	12	–	- 1.4
Total		**178.0**	**151.5**

5. Other operating expenses

	Note	2011	2010
Maintenance		55.3	54.4
Energy and utilities		48.1	47.7
Operating lease		43.5	41.7
Advisory fees		29.8	26.6
Environmental, safety and cleaning		29.0	27.6
Insurance		20.9	20.4
Rents and rates		16.2	16.1
Third party logistics		15.7	15.2
IT		13.7	11.1
Travel		11.0	11.0
Accomodation		6.8	6.6
Communication		4.6	4.3
Reorganization costs	29	0.6	–
Losses on sale of intangible assets and property, plant and equipment		0.4	2.7
Write-off project costs		–	2.2
Reversal of provision for onerous contracts		–	- 0.3
Other		27.2	23.9
Total		**322.8**	**311.2**

In 2011 in total EUR 0.9 million of costs were compensated by government grants (2010: EUR 1.3 million).

The operating expenses include restructuring costs of EUR 0.6 million due to the new division structure (see page 115).

The fees listed on the next page 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:

	2011	2010
Financial statements audit fees	1.3	1.2
Other assurance fees	0.1	0.2
Tax fees	0.2	0.2
Total	**1.6**	**1.6**

The total fees of PricewaterhouseCoopers Accountants N.V., the Netherlands, charged to the company and its consolidated group entities amounted to EUR 0.6 million in 2011 (2010: EUR 0.8 million).

The financial statements audit fees include the aggregate fees in each of 2011 and 2010 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 including 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 is set out in the Report of the Supervisory Board (see page 15).

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

	Note	2011	2010
Result of joint ventures and associates	13	112.5	85.0
Gains on sale of joint ventures and associates		111.5	–
Impairments joint ventures and associates	13	- 3.6	- 1.6
Total		**220.4**	**83.4**

In February 2011 our 20% equity stake in BORCO (Bahamas) was sold to Buckeye Partners, LP. The sale resulted in a gain of EUR 111.5 million. As consideration for the sale Vopak received besides cash also Buckeye Class B units and Buckeye LP units. The Class B units were sold at a discount of EUR 5.0 million below the fair value at selling date, which loss is shown under Finance costs (see note 8). The LP units were sold at fair value.

The result joint ventures and associates includes the release of tax provisions of EUR 20.8 million.

When a triggering event occurs, such as a 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 2011 impairments were recognized for the joint venture Terminal Maritimo Vopak-Oxiquim Mejillones S.A in Chile of EUR 2.4 million, due to intensified competition as result of overcapacity in Mejillones, and for a 50% interest in a new office building in the Netherlands (EUR 1.2 million) due to a weak market demand for rental of office buildings.

In 2010 an impairment of EUR 0.6 million was recognized for the joint venture Interstream Barging B.V. (the Netherlands) and an impairment of EUR 1.0 million was taken for the LNG-project in Eemshaven (the Netherlands) as there was not enough economic basis to come to a positive investment proposal.

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 statement of income and the statement of financial position are shown on the next page.

Statement of income	2011	2010
Revenues	**280.1**	**259.0**
Group operating profit	**135.3**	**111.5**
Net profit of tank storage activities	108.4	83.1
Net profit of other activities	0.5	0.3
Total net profit	**108.9** [1]	**83.4**

[1] Excluding gains on sale of joint ventures and associates (EUR 111.5 million)

Statement of financial position	Note	2011	2010
Non-current assets		1,326.5	1,080.7
Current assets		156.6	111.1
Total assets		**1,483.1**	**1,191.8**
Non-current liabilities		- 690.5	- 494.9
Current liabilities		- 207.4	- 107.9
Total liabilities		**- 897.9**	**- 602.8**
Joint ventures in tank storage activities		**585.2**	**589.0**
Joint ventures in other activities		17.2	18.0
Joint ventures	13	**602.4**	**607.0**

The effects of the proportionate consolidation method on the statement of financial position and statement of income of the Group are shown on page 45.

7. Interest and dividend income

	2011	2010
Interest income	6.6	3.7
Dividends on other financial assets	0.7	0.9
Total	**7.3**	**4.6**

8. Finance costs

	Note		2011		2010
Interest expense			79.7		79.4
Capitalized interest			- 13.9		- 10.3
Interest component of provisions	27, 29		1.1		1.1
Exchange differences:					
- Use of translation reserve (hedged item)	23	–		0.2	
- Other		4.1		- 14.9	
			4.1		- 14.7
Derivative financial instruments:					
- Interest component derivative financial instruments (net investment hedge)		2.5		0.9	
- Fair value adjustments to derivative financial instruments (no hedge accounting)		3.7		15.1	
- Fair value adjustments to interest rate swaps (fair value hedge)		1.6		–	
- Fair value adjustments to loans (fair value hedge)		- 1.5		–	
- Use of revaluation reserve derivatives (cash flow hedge)	23	- 0.8		- 0.8	
			5.5		15.2
Assets at fair value through profit or loss:					
- Fair value changes		- 0.8		–	
- Discount on sale	6	5.0		–	
			4.2		–
Commitment fee			2.6		1.1
Other			2.6		1.2
Total			**85.9**		**73.0**

Capitalized interest during construction was subject to an average interest rate of 4.5% (2010: 5.0%). The assets at fair value through profit or loss relate to the Buckeye Class B units and Buckeye LP units received as part of the consideration for the sale of BORCO (Bahamas). The Class B units were sold at a discount of EUR 5.0 million below the fair value at selling date (see also note 6). The LP units were sold at fair value.

9. Income tax

9.1 Recognized in the statement of income

		2011		2010
Current taxes				
Current financial year	41.2		53.0	
Adjustments for prior years	12.4		- 13.3	
		53.6		39.7
Deferred taxes				
Adjustments for prior years	- 12.7		10.3	
Temporary differences	34.0		25.6	
Recognition of tax losses and tax credits	- 2.7		- 1.5	
Changes in tax rates	- 0.9		- 1.3	
		17.7		33.1
Tax on profit		**71.3**		**72.8**

9.2 Reconciliation of effective tax rate

The income tax expense for 2011 amounted to EUR 71.3 million (2010: EUR 72.8 million). The effective tax rate for 2011 decreased from 19.5% in 2010 to 14.1% in 2011 mainly as a result of the gain on the sale of Vopak's 20% equity stake in BORCO (Bahamas) of which EUR 108.5 million is exempted for tax purposes. Excluding exceptional items, the effective tax rate for 2011 amounted to 19.5%.

		2011		2010
Profit before income tax		506.9		373.6
Tax on profit		71.3		72.8
Effective tax rate		**14.1%**		**19.5%**
Composition:	Amount	%	Amount	%
- Weighted average statutory tax rates	121.8	24.0	92.6	24.8
- Participation exemption	- 55.0	- 10.8	- 20.7	- 5.5
- Non-deductible expenses	7.5	1.5	7.1	1.9
- Changes in tax rates	- 0.8	- 0.2	- 1.3	- 0.4
- Recognition of tax losses and tax credits	2.1	0.4	2.3	0.6
- Tax facilities	- 0.9	- 0.2	- 0.9	- 0.2
- Movements in prior-year taxes	- 0.2	–	- 3.0	- 0.8
- Other effects	- 3.2	- 0.6	- 3.3	- 0.9
Effective tax rate	**71.3**	**14.1**	**72.8**	**19.5**

9.3 Taxes recognized in other comprehensive income

	Note	2011	2010
On exchange differences and hedges	23	- 15.7	- 26.4
On use of exchange differences and hedges	23	4.0	–
On changes in the value of cash flow hedges	23	- 7.4	- 0.6
On use of cash flow hedges	23	- 0.2	- 0.2
Total		**- 19.3**	**- 27.2**

10. Earnings per ordinary share

Basic earnings per ordinary share are calculated by dividing the net profit attributable to holders of ordinary shares by the time-weighted average number of outstanding ordinary shares (excluding the average number of treasury shares). The weighted average number of outstanding shares was 127,251,388 in 2011 (2010: 127,296,101).

In calculating the diluted earnings per ordinary share, the weighted average number of outstanding shares is adjusted for the dilutive effects of all dilutive potential ordinary shares, like share option schemes. Both at 31 December 2011 and 31 December 2010 no options were outstanding, there was no dilutive effect.

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	2011	2010
Issued ordinary shares at 1 January	22	127,175	127,475
Repurchase for treasury stock	22	–	- 179
Vested shares under equity-settled share-based long-term incentive plan	28	76	–
Weighted average number of ordinary shares at 31 December		**127,251**	**127,296**
Dilutive effect		–	–
Diluted weighted average number of ordinary shares at 31 December		**127,251**	**127,296**

During 2011 Vopak did not repurchase own shares, in 2010 Vopak repurchased 300,000 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. During 2011 111,793 shares were vested.

Notes to the Consolidated Statement of Financial Position

All amounts are in EUR millions, unless stated otherwise.

11. Intangible assets

Movements in intangible assets were as follows:

	Note	Goodwill	Software	Other	Total
Purchase price of operating assets		17.1	58.2	9.4	84.7
Accumulated amortization and impairment		- 0.1	- 43.5	- 5.1	- 48.7
Carrying amount in use		17.0	14.7	4.3	36.0
Purchase price under construction		–	5.0	–	5.0
Carrying amount at 1 January 2010		**17.0**	**19.7**	**4.3**	**41.0**
Movements:					
- Acquisitions		–	–	8.0	8.0
- Additions		–	10.5	1.4	11.9
- Disposals		–	- 0.4	–	- 0.4
- Amortization	4	–	- 6.4	- 1.4	- 7.8
- Exchange differences		0.4	0.6	0.2	1.2
Carrying amount at 31 December 2010		**17.4**	**24.0**	**12.5**	**53.9**
Purchase price of operating assets		17.4	67.0	19.4	103.8
Accumulated amortization and impairment		–	- 51.0	- 6.9	- 57.9
Carrying amount in use		17.4	16.0	12.5	45.9
Purchase price under construction		–	8.0	–	8.0
Carrying amount at 31 December 2010		**17.4**	**24.0**	**12.5**	**53.9**
Movements:					
- Acquisitions		16.0	–	2.7	18.7
- Additions		–	10.1	1.0	11.1
- Disposals		–	- 0.1	–	- 0.1
- Amortization	4	–	- 6.4	- 1.3	- 7.7
- Impairment	4	–	- 2.5	- 1.9	- 4.4
- Exchange differences		1.8	- 0.5	- 0.2	1.1
Carrying amount at 31 December 2011		**35.2**	**24.6**	**12.8**	**72.6**
Purchase price of operating assets		35.2	77.4	23.1	135.7
Accumulated amortization and impairment		–	- 58.5	- 10.3	- 68.8
Carrying amount in use		35.2	18.9	12.8	66.9
Purchase price under construction		–	5.7	–	5.7
Carrying amount at 31 December 2011		**35.2**	**24.6**	**12.8**	**72.6**

On 8 July 2011 Vopak announced the 100% acquisition of the company CRL Terminals Pvt. Ltd. (India). As part of the purchase price allocation (see pages 117 and 118) goodwill and other intangibles (contractual and non-contractual customer relationships) of respectively EUR 16.0 million and EUR 2.7 million were recognized. Impairments were recognized in 2011 for obsolescence of software (EUR 2.5 million) and for other intangible assets (EUR 1.9 million).

In 2010 there were no acquisitions constituting a business combination.

Impairment tests for goodwill

The cash flow generating components to which goodwill is allocated are reviewed for impairments. The recoverable amount is based on the value-in-use calculation. These calculations use cash flow 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 rates based on the risk-free rates for 15-year bonds issued by the government in the relevant market, adjusted for a risk premium and specific risks relating to the countries.

During 2011 and 2010 no impairment of goodwill was recognized.

12. Property, plant and equipment

Movements in property, plant and equipment were as follows:

	Note	Land	Buildings	Tank storage terminals	Machinery and equipment	Total
Purchase price of operating assets		44.0	188.3	2,763.6	149.5	3,145.4
Accumulated depreciation and impairment		–	- 85.7	- 1,242.8	- 89.5	- 1,418.0
Carrying amount in use		44.0	102.6	1,520.8	60.0	1,727.4
Purchase price under construction		25.3	4.7	275.9	17.4	323.3
Carrying amount at 1 January 2010		**69.3**	**107.3**	**1,796.7**	**77.4**	**2,050.7**
Movements:						
- Acquisitions		15.6	–	13.0	–	28.6
- Additions		0.2	12.6	432.7	11.0	456.5
- Reclassification		–	- 14.2	14.2	–	–
- Disposals		–	- 0.9	- 1.2	- 0.4	- 2.5
- Depreciation	4	–	- 6.4	- 127.5	- 11.2	- 145.1
- Reversal of impairment	4	–	–	1.4	–	1.4
- Exchange differences		5.7	9.1	136.4	5.3	156.5
Carrying amount at 31 December 2010		**90.8**	**107.5**	**2,265.7**	**82.1**	**2,546.1**
Purchase price of operating assets		48.1	196.4	3,224.8	173.9	3,643.2
Accumulated depreciation and impairment		–	- 97.8	- 1,418.9	- 104.3	- 1,621.0
Carrying amount in use		48.1	98.6	1,805.9	69.6	2,022.2
Purchase price under construction		42.7	8.9	459.8	12.5	523.9
Carrying amount at 31 December 2010		**90.8**	**107.5**	**2,265.7**	**82.1**	**2,546.1**
Movements:						
- Acquisitions		–	0.6	24.6	0.2	25.4
- Additions		34.4	19.2	402.4	23.2	479.2
- Disposals		–	0.5	- 1.8	- 0.1	- 1.4
- Deconsolidation		–	–	- 3.1	–	- 3.1
- Depreciation	4	–	- 6.7	- 139.4	- 12.8	- 158.9
- Impairment	4	–	–	- 7.0	–	- 7.0
- Exchange differences		- 5.8	1.1	28.4	0.5	24.2
Carrying amount at 31 December 2011		**119.4**	**122.2**	**2,569.8**	**93.1**	**2,904.5**
Purchase price of operating assets		47.8	214.0	3,777.8	196.1	4,235.7
Accumulated depreciation and impairment		–	- 100.9	- 1,555.4	- 113.0	- 1,769.3
Carrying amount in use		47.8	113.1	2,222.4	83.1	2,466.4
Purchase price under construction		71.6	9.1	347.4	10.0	438.1
Carrying amount at 31 December 2011		**119.4**	**122.2**	**2,569.8**	**93.1**	**2,904.5**

No property, plant and equipment was leased on finance leases as at 31 December 2011 and at 31 December 2010.

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

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. In previous years Vopak has received a total compensation of EUR 104 million for the costs of the relocations of the terminal and the office building.

The movement in government grants were as follows:

	Note		2011		2010
Carrying value at 1 January			**26.1**		**45.1**
- Investments		- 18.2		- 23.1	
- Costs attributable to relocation	5	- 0.9		- 1.3	
- Reversal of impairment		–		1.4	
- Reversal of demolition provision		–		2.7	
- Revenue of scrap metal		–		1.3	
Used			**- 19.1**		**- 19.0**
Carrying value at 31 December			**7.0**		**26.1**
Non-current liabilities			–		–
Current liabilities	30		7.0		26.1
Carrying value at 31 December			**7.0**		**26.1**

For the acquisitions and deconsolidation we refer to pages 117 and 118.

A number of major projects which were still underway at 31 December 2010 were commissioned in 2011. In the Netherlands the capacity for storage of oil products increased by 780,000 cbm due to the opening of the first phase (620,000 cbm) of a new terminal at Westpoort, Amsterdam and the expansion of the terminal Europoort by 160,000 cbm. In Latin America the capacity was increased by 26,300 cbm at Aratu (Brazil).

At 31 December 2011, the cost of the assets under construction totaled EUR 438.1 million, of which EUR 239.0 million is attributable to large-scale projects. The main projects at the subsidiaries are:

- The second phase of the new terminal (570,000) at Westpoort (Amsterdam, the Netherlands), which capacity is expected to be commissioned in phases up to the second quarter of 2012;
- The construction of a new storage terminal for oil products with a capacity of 403,000 cbm in Algeciras, strategically located in Spain on the Straits of Gibraltar and the Mediterranean Sea. This terminal is expected to be commissioned at the beginning of 2013;
- The expansion of the capacity by 400,000 cbm for the storage of fuel oil at the Europoort terminal in Rotterdam, the Netherlands (commissioning in the first half of 2013);
- The expansion of the capacity by 100,200 cbm at Banyan (Singapore), of which commissioning is expected at the beginning of 2013.

13. Joint ventures and associates

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

	Note	2011	2010
Carrying amount at 1 January		**607.0**	**494.9**
Share in profit	6	112.5	85.0
Dividends received	33	- 104.1	- 44.7
Investments		37.5	42.5
Acquisitions		55.9	9.9
Divestments		- 102.6	–
Impairments	6	- 3.6	- 1.6
Fair value changes of derivative financial instruments	23	- 22.6	- 11.5
Deconsolidation of a subsidiary (page 118)		1.7	–
Reclassification to assets held for sale	21	–	- 3.9
Exchange differences		20.7	36.4
Carrying amount at 31 December		**602.4**	**607.0**

The fair value changes of derivatives are related to the effective portion of changes in the fair value of cash flow hedges within the joint ventures, which are recognized through the consolidated statement of comprehensive income.

None of the joint ventures and associates is listed on the stock exchange. Joint ventures and associates are an important part of the Group. For a representative insight into the economic scope, the effects are shown on page 45 in the statement of financial position and the statement of income of the Group on application of the proportionate consolidation method to the joint ventures and associates, to the extent that tank storage activities are concerned.

2011

Acquisition

On 13 September 2011 the joint venture of Vopak (60%) and Enagas (40%) successfully completed the acquisition of the LNG import terminal (300,000 cbm) in Altamira (Mexico). The equity value of the new company was EUR 28.9 million. For this acquisition the acquisition 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 an independent, qualified appraiser. After revaluation of the identifiable assets and liabilities the goodwill at joint venture level on a 100% basis amounted to EUR 45.0 million. Vopak's part of goodwill (60%) is included in the carrying amount of the joint venture. The goodwill has been tested and no impairment was recognized. Our share in the net result of this acquisition since acquisition date amounted to EUR 2.5 million.

2010

Acquisitions

On 26 May 2010 Vopak has acquired 50% of the shares in the Sealink Storage Company (Sealink). Sealink owns 23.2 hectares land in Dongguan in the Province of Guangdong, which is located on the east bank of the Pearl River Delta in the South of China. The company also holds a concession granted by the authorities and obtained all relevant permits for the construction and operation of a bulk liquid storage terminal on this plot of land in Dongguan. The first phase of 153,000 cbm is expected to be commissioned in the second half of 2013. The terminal will provide independent storage and transshipment services to the petrochemical industry.

On 20 July 2010 Vopak increased its interest in Gate terminal B.V. from 40% to 42.5%.

14. Classification of financial instruments

Financial instruments at fair value

The financial assets and liabilities measured at fair value in the statement of financial position require to be classified and disclosed in a three-tier fair value hierarchy, which prioritizes the inputs used in measuring the fair value as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: unobservable inputs reflecting the reporting entity's own assumptions or external inputs from inactive markets.

The level within which the financial asset and liability is classified is determined based on the lowest level of significant input.

The financial assets and liabilities measured at fair value in the statement of financial position at 31 December 2011 and at 31 December 2010 are only grouped into the fair value hierarchy level 2. The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2011 and 31 December 2010.

			2011		2010
	Note	Assets	Liabilities	Assets	Liabilities
Financial instruments at fair value:					
Other financial assets	16	0.8	–	0.8	–
Derivative financial instruments designated as hedging instruments	31	18.2	- 42.5	31.5	- 38.4
Derivative financial instruments held for trading	31	2.4	- 11.5	0.3	- 2.6
Total		**21.4**	**- 54.0**	**32.6**	**- 41.0**

The methods and valuation techniques used for measuring fair value of the derivative financial instruments are unchanged compared to the previous year.

Normally the derivatives entered into by the Group are not traded in active markets. The fair value of these contracts is estimated using a valuation technique that maximizes the use of observable market inputs, e.g. market exchange and interest rates (Level 2). 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.

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.

Financial instruments carried at amortized cost

The following table summarizes the Group's financial assets and financial liabilities that are carried at amortized cost at year-end 2011 and year-end 2010.

	Note	Carrying amount 2011	Carrying amount 2010	Fair value 2011	Fair value 2010
Loans and receivables					
Loans to joint ventures and associates	15	37.7	5.6	37.7	5.6
Other loans	15	4.3	7.6	4.3	7.6
Trade receivables	19	83.8	73.7	83.8	73.7
Taxes receivable	19	55.2	53.5	55.2	53.5
Other receivables	19	98.4	88.8	98.4	88.8
Cash and cash equivalents	20	88.7	181.8	88.7	181.8
		368.1	**411.0**	**368.1**	**411.0**
Other financial liabilities					
Bank overdrafts	20	- 155.7	- 34.0	- 155.7	- 34.0
US Private Placements	26	- 856.7	- 1,020.1	- 1,006.9	- 1,177.9
SGD Private Placements	26	- 260.8	- 253.8	- 296.1	- 284.2
JPY Private Placement	26	- 200.9	- 184.1	- 246.3	- 222.0
Bank loans	26	- 119.2	- 116.7	- 120.5	- 118.7
Credit facility	26	- 95.1	–	- 96.6	–
Other long-term loans	26	- 5.9	- 4.5	- 5.9	- 4.5
Trade creditors	30	- 41.9	- 48.7	- 41.9	- 48.7
		- 1,736.2	**-1,661.9**	**- 1,969.9**	**- 1,890.0**
Net at amortized cost		**- 1,368.1**	**- 1,250.9**	**- 1,601.8**	**- 1,479.0**
Unrecognized financial instruments					
Standby credit facility	26			1,100.0	1,000.0
Standby bank loans				55.0	110.0
Total				**1,155.0**	**1,110.0**

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

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired are assessed as explained in the credit risk and credit risk management paragraph (see page 112).

At year-end 2011 there was no significant concentration of counterparty credit risk with regard to the cash and cash equivalents.

The credit risk exposure for trade receivables is considered as low. The services are mostly provided 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.

15. Loans granted

Movements in loans granted were as follows:

	Loans to joint ventures and associates		Other loans		Total	
	2011	2010	**2011**	2010	**2011**	2010
Carrying amount at 1 January	**5.6**	9.4	**7.6**	2.6	**13.2**	12.0
Movements:						
- Loans granted	81.9	5.6	0.6	3.2	82.5	8.8
- Repayments	- 50.7	- 10.5	- 3.8	- 1.9	- 54.5	- 12.4
- Exchange differences	0.9	1.1	0.1	0.4	1.0	1.5
- Effective interest	–	–	- 0.2	–	- 0.2	–
- Acquisitions	–	–	–	3.3	–	3.3
Carrying amount at 31 December	**37.7**	5.6	**4.3**	7.6	**42.0**	13.2
Non-current receivables	2.0	2.0	2.6	5.9	4.6	7.9
Current receivables	35.7	3.6	1.7	1.7	37.4	5.3
Carrying amount at 31 December	**37.7**	5.6	**4.3**	7.6	**42.0**	13.2

Loans granted include no subordinated loans.

Please see note 31 for information on the effective interest rates and the periods in which they are reviewed. Fair value is presented in note 14. With respect to the loans granted that are neither impaired nor past due, there are no indications as of the reporting date that the debtors will not meet their payment obligations. As of 31 December 2011 the expected maturities are as follows:

	2012	2013	2014	2015	2016	> 2016	Total
Loans to joint ventures and associates	35.7	–	–	–	–	2.0	37.7
Other loans	1.7	2.6	–	–	–	–	4.3
Total	**37.4**	**2.6**	–	–	–	**2.0**	**42.0**

16. 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.

17. Deferred taxes

The deferred tax assets and liabilities were allocated as follows:

		Temporary differences						
	Carry forward losses	Property plant & equipment	Loans granted	Employee benefits	Other	Other	Offset deferred tax assets and liabilities	Statement of financial position
Assets	11.9	13.8	–	4.1	4.6	2.0	- 30.8	5.6
Liabilities	–	- 134.0	- 7.6	- 23.6	- 27.1	–	30.8	- 161.5
Balance 1 January 2010	**11.9**	**- 120.2**	**- 7.6**	**- 19.5**	**- 22.5**	**2.0**	**–**	**- 155.9**
Movements:								
- Acquisitions/divestments	0.3	–	–	–	–	–		0.3
- Other comprehensive income	–	- 14.0	- 1.2	- 0.2	1.0	0.1		- 14.3
- Other	5.4	–	–	–	–	–		5.4
- Statement of income	2.1	- 34.8	1.1	- 4.9	4.2	- 0.8		- 33.1
Balance 31 December 2010	**19.7**	**- 169.0**	**- 7.7**	**- 24.6**	**- 17.3**	**1.3**		**- 197.6**
Assets	19.7	12.4	–	3.9	7.5	1.3	- 38.4	6.4
Liabilities	–	- 181.4	- 7.7	- 28.5	- 24.8	–	38.4	- 204.0
Balance 31 December 2010	**19.7**	**- 169.0**	**- 7.7**	**- 24.6**	**- 17.3**	**1.3**	**–**	**- 197.6**
Movements:								
- Acquisitions/divestments	–	- 7.1	–	–	–	–		- 7.1
- Other comprehensive income	–	- 2.4	0.6	- 0.1	7.2	0.1		5.4
- Other	- 0.2	–	–	–	–	–		- 0.2
- Statement of income	20.7	- 20.1	–	- 16.1	- 2.2	–		- 17.7
Balance 31 December 2011	**40.2**	**- 198.6**	**- 7.1**	**- 40.8**	**- 12.3**	**1.4**		**- 217.2**
Assets	40.2	15.2	0.1	4.2	17.7	1.4	- 47.9	30.9
Liabilities	–	- 213.8	- 7.2	- 45.0	- 30.0	–	47.9	- 248.1
Balance 31 December 2011	**40.2**	**- 198.6**	**- 7.1**	**- 40.8**	**- 12.3**	**1.4**	**–**	**- 217.2**

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 29.2 million at 31 December 2011 (2010: EUR 20.9 million). The maturity schedule is as follows:

2012	0.4
2013	0.4
2014	1.8
2015	3.7
2016 and further years	6.0
Offsettable for an unlimited period	16.9
Total	**29.2**

Deferred tax assets regarding carry-forward losses 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.

18. Other non-current assets

The prepaid land use rights are allocated to the period to which they relate. The terms remaining at 31 December 2011 vary between 10 to 48 years.

19. Trade and other receivables

	2011	2010
Trade debtors gross	84.5	75.4
Provision for impairment of trade debtors	- 0.7	- 1.7
Trade debtors net	83.8	73.7
Taxes receivable	55.2	53.5
Other receivables	98.4	88.8
Total	**237.4**	**216.0**

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

At 31 December 2011, trade receivables of EUR 28.7 million (2010: EUR 21.1 million) were past due but not impaired. 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. The ageing analysis of these trade receivables is as follows:

			2011			2010
	Gross	Provision	Net	Gross	Provision	Net
Not past due	55.1	–	55.1	52.7	0.1	52.6
Past due up to 3 months	26.1	0.1	26.0	19.8	–	19.8
Past due 3 to 6 months	1.6	0.2	1.4	–	–	–
Past due more than 6 months	1.7	0.4	1.3	2.9	1.6	1.3
Total	**84.5**	**0.7**	**83.8**	**75.4**	**1.7**	**73.7**

Movements on the provision for impairment of trade receivables are as follows:

	2011	2010
Balance at 1 January	**1.7**	**2.5**
Impairments	0.3	0.6
Reversal of impairments	- 0.3	- 1.3
Receivables written off during the year as uncollectible	- 1.0	- 0.3
Exchange differences	–	0.2
Balance at 31 December	**0.7**	**1.7**

The creation and release of provision for impaired trade receivables were recognized under Other operating expenses.

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

20. Cash and cash equivalents

	2011	2010
Cash and bank	48.5	69.7
Short-term deposits	40.2	112.1
Total	**88.7**	**181.8**

The effective interest rate on short-term deposits at year-end 2011 was 2.8% (2010: 4.3%); these deposits have an average term of 73 days (2010: 18 days) and are subject to limited value changes. The carrying amount is deemed equivalent to the fair value at the statement of financial position date.

Reconciliation with the consolidated cash flow statement is as follows:

	2011	2010
Cash and cash equivalents	88.7	181.8
Bank overdrafts	- 155.7	- 34.0
Total	**- 67.0**	**147.8**

The cash and cash equivalents were at free disposal of the Group as well as at 31 December 2011 as at 31 December 2010.

21. Assets held for sale

Movements in the assets held for sale were as follows:

	Asset	Liability
Balance at 1 January 2010	**–**	**–**
Reclassifications to assets held for sale	3.9	–
Disposals	–	–
Balance at 31 December 2010	**3.9**	**–**
Disposals	- 3.9	–
Balance at 31 December 2011	**–**	**–**

Following the reclassification to assets held for sale at the end of 2010, our 50% equity stake in Interstream Barging B.V. was sold in 2011 at book value.

22. Issued capital, share premium and treasury shares

The company's authorized share capital amounts at 31 December 2011 to EUR 190,800,000, divided into 140,000,000 ordinary shares, 190,800,000 protective preference shares and 50,800,000 financing preference shares, all with a nominal value of EUR 0.50 each.

The issued share capital at 31 December 2011 consists of 127,835,430 ordinary shares and 41,400,000 financing preference shares. Of the issued ordinary shares, 548,207 are held in the treasury stock in connection with existing commitments under the long-term incentive plans.

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 2010	**63,917,715**	**20,700,000**	**84,617,715**	**- 180,000**	**84.6**	**281.2**	**- 5.7**
Share split	63,917,715	20,700,000	84,617,715	- 180,000	–	–	–
Repurchase own shares	–	–	–	- 300,000	–	–	- 9.2
Balance at 31 December 2010	**127,835,430**	**41,400,000**	**169,235,430**	**- 660,000**	**84.6**	**281.2**	**- 14.9**
Vested shares under equity-settled share-based payment arrangements	–	–	–	111,793	–		1.9
Balance at 31 December 2011	**127,835,430**	**41,400,000**	**169,235,430**	**- 548,207**	**84.6**	**281.2**	**- 13.0**

The dividend percentage on the outstanding financing preference shares (nominal value plus share premium) has been 7.45%. The percentage will be set again every five years, for the first time on 31 August 2014. The dividend for 2011 will amount to EUR 8.2 million (2010: EUR 8.2 million).

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 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.

After adoption of the financial statements 2010 by the Annual General Meeting, the Company delivered 111.793 shares from treasury stock, for the purposes of fulfilling the Company's obligation of the vested conditional shares under the long-term incentive plans.

23. Other reserves

Movements in other reserves were as follows:

	Translation reserve	Revaluation reserve derivatives	Revaluation reserve assets	Total other reserves
Balance at 1 January 2010	**- 2.3**	**- 20.3**	**7.2**	**- 15.4**
Exchange differences on net investments	101.6	–	–	101.6
Effective part of hedges of net investments	- 94.3	–	–	- 94.3
Tax effect on exchange differences and hedges	26.4	–	–	26.4
Use of exchange differences on net investments (to statement of income)	0.2	–	–	0.2
Movements in effective part of cash flow hedges	–	- 1.8	–	- 1.8
Tax effect on movements in cash flow hedges	–	0.6	–	0.6
Use of effective part of cash flow hedges (to statement of income)	–	- 0.8	–	- 0.8
Tax effect on use of cash flow hedges	–	0.2	–	0.2
Movements in effective part of cash flow hedges joint ventures	–	- 11.5	–	- 11.5
Depreciaton on revaluation of assets	–	–	- 1.8	- 1.8
Tax effect on depreciation on revaluation of assets	–	–	0.7	0.7
Balance at 31 December 2010	**31.6**	**- 33.6**	**6.1**	**4.1**
Exchange differences on net investments	34.7	–	–	34.7
Effective part of hedges of net investments	- 34.9	–	–	- 34.9
Tax effect on exchange differences and hedges	15.7	–	–	15.7
Use of exchange differences on net investments joint ventures (to statement of income)	4.6	–	–	4.6
Tax on release exchange differences and hedges	- 4.0	–	–	- 4.0
Movements in effective part of cash flow hedges	–	- 29.7	–	- 29.7
Tax effect on movements in cash flow hedges	–	7.4	–	7.4
Use of effective part of cash flow hedges (to statement of income)	–	- 1.2	–	- 1.2
Tax effect on use of cash flow hedges	–	0.2	–	0.2
Movements in effective part of cash flow hedges joint ventures	–	- 25.2	–	- 25.2
Use of effective part of cash flow hedges joint ventures (to statement of income)	–	2.6	–	2.6
Depreciaton on revaluation of assets	–	–	- 0.2	- 0.2
Balance at 31 December 2011	**47.7**	**- 79.5**	**5.9**	**- 25.9**

The translation reserve includes all exchange differences resulting from the translation of the financial statements of foreign entities. It also includes 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:

	2012	2013	2014	2015	2016	> 2016	Total
Schedule for use of revaluation reserve derivatives	**9.6**	**8.0**	**7.1**	**8.3**	**7.1**	**39.4**	**79.5**

24. Retained earnings

Movements in retained earnings were as follows:

	2011	2010
Balance at 1 January	**1,098.4**	**907.5**
Dividend paid in cash	- 97.3	- 82.4
Vested shares under equity-settled share-based payment arrangements	- 1.9	–
Measurement of equity-settled share-based payment arrangements	2.4	2.1
Release of revaluation reserve due to depreciation	0.2	1.1
Net profit attributable to shareholders	400.6	270.1
Balance at 31 December	**1,402.4**	**1,098.4**

Of the retained earnings, EUR 1,134.0 million can be distributed freely (see page 165).
The dividend paid in cash consists of a dividend on the financing preference shares of EUR 8.2 million and a dividend in cash of EUR 0.70 per ordinary share.

25. Non-controlling interests

Statement of changes in non-controlling interests:

	2011	2010
Balance at 1 January	**96.7**	**80.6**
Net profit	35.0	30.7
Dividend	- 27.4	- 36.4
Movements in effective part of cash flow hedges	0.1	- 0.2
Acquisitions	–	7.1
Exchange differences	4.1	14.9
Balance at 31 December	**108.5**	**96.7**

The non-controlling interests mainly consist of the non-controlling interest of the activities in Singapore. The profits for the financial years 2011 and 2010 include no exceptional items.

Vopak's controlling interest in the subsidiary Vopak Terminal Perth Amboy LLC increased from 79.17% at year-end 2010 to 82.17% at year-end 2011 due to capital contribution. This contribution differed from its original pro rata share. There were no transactions in subsidiary equity interests between the parent and non-controlling interests in 2010. The acquisition 2010 is related to the 20% non-controlling interest in Vopak Terminal Algeciras S.A. (see also page 118).

26. Interest-bearing loans

In February 2011 Vopak has closed a new EUR 1.2 billion senior unsecured multicurrency revolving credit facility which replaces the previous revolving credit facility of EUR 1.0 billion. The new revolving credit facility is available for drawdown and has an initial maturity of five years with two extension options of one year each depending on approvals by the banks. At 31 December 2011 EUR 100.0 million was drawn under this facility. The facility can be repaid at any time.
The other interest-bearing loans consist of senior unsecured US Private Placements, unsecured Asian Private Placements and bank loans in SGD.

The unsecured US Private Placements consist of:

- The financing program entered into in 2001 still totalling EUR 50.3 million allows a maximum Senior Net Debt : EBITDA ratio of 3.75, with a floating 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 financing program entered into in May 2007 of in total USD 375 million, which has tranches with terms of 8, 10, 12 and 15 years and are 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 US Private Placement program drawn in 2009 with various tranches and maturities ranging from 8 to 20 years. The program was drawn in 3 different currencies of which 575 million is denominated in USD. The annual fixed interest rates for these US PPs are between 4.75% for the 8 years Euro tranche and 6.02% for the 20 years USD tranche with a weighted average annual interest rate of 5.5%.

The unsecured Notes in the Asian Private Placement market consist of:
- The Singapore Private Placements drawn in 2009 of in total SGD 210 million with a remaining 'bullet maturity' of 2.7 years and a fixed interest rate of 5%;
- The Singapore Private Placements drawn in November 2010 of in total SGD 225 million with a remaining 'bullet maturity' of 6.2 years and a fixed interest rate of 4%; and
- The Japanese yens drawn in December 2010 (JPY 20 billion) with a remaining 'bullet maturity' of 29 years and a fixed interest rate of 2.9%.

Vopak Terminals Singapore Pte. Ltd. entered into floating rate bank loans in 2006 and 2008 for respectively SGD 116 million and 84 million. The tranches mature in April 2013 and September 2015 and have a weighted average annual interest rate at the end of 2011 of 1.24%.

This note provides further information on the contractual provisions of the interest-bearing loans, which are measured at amortized cost. For further details on possible currency and interest rate risks, please see note 31. The fair value is presented in note 14.

A break-down is set out below:

	Note	2011	2010
Non-current interest-bearing loans			
US Private Placements	26.1	840.2	829.4
SGD Private Placements	26.2	260.8	253.8
JPY Private Placements	26.3	200.9	184.1
Bank loans	26.4	119.2	116.7
Credit facilities	26.5	95.1	–
Other long-term loans		5.3	4.5
Total		**1,521.5**	**1,388.5**
Current interest-bearing loans			
US Private Placements	26.1	16.5	190.7
Other long-term loans		0.6	–
Total		**17.1**	**190.7**
Total interest-bearing loans		**1,538.6**	**1,579.2**

Movements in interest-bearing loans were as follows:

	2011	2010
Balance at 1 January	**1,579.2**	**1,190.3**
Credit facilities drawn	94.0	141.9
Bank loans and other long-term loans drawn	1.4	0.7
SGD Private Placements drawn	–	124.8
JPY Private Placements drawn	–	184.1
Repayments credit facilities	–	- 143.5
Repayments bank loans and other long-term loans	- 0.1	- 0.4
Repayments US Private Placements	- 179.4	- 27.3
Effects of effective interest method	2.6	1.2
Effective part of fair value changes interest rate swaps (fixed to floating)	1.6	–
Exchange differences	39.3	107.4
Balance at 31 December	**1,538.6**	**1,579.2**

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

2013	99.5
2014	128.9
2015	110.1
2016	97.2
After 2016	1,085.8
Total non-current liability at 31 December 2011	**1,521.5**

Breakdown of loans by currency:

	Local currency		Euro	
	2011	2010	2011	2010
Euro (EUR)	151.5	56.4	151.5	56.4
US dollar (USD)	1,008.1	1,206.7	776.2	898.2
Pound sterling (GBP)	25.0	60.0	30.0	70.0
Singapore dollar (SGD)	635.0	635.0	380.0	370.5
Japanese yen (JPY)	20,000.0	20,000.0	200.9	184.1
Total			**1,538.6**	**1,579.2**

26.1 US Private Placements

The total US Private Placements (US PP) amounts to EUR 856.7 million, with an average remaining term of 8.8 years. The maximum remaining nominal term is 18 years and in most cases repayment is effected as at the end of the term. A regular repayment of EUR 16.5 million will be effected in 2012.

- 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 for the 2001 program and not below 3.5 for the 2007 and 2009 US PP programs. Shareholders' equity may not be less than EUR 725 million;
- A number of sub-holding companies have provided guarantees regarding compliance with the obligations under the terms of this financing.

26.2 SGD Private Placements

The following main conditions apply to the Singapore Private Placements (Singapore PP) of SGD 435 million:

- The Net Debt : EBITDA ratio may not exceed 3.75;
- The ICR may not be lower than 3.5;
- For the 2009 Singapore PP a number of sub-holding companies have provided guarantees regarding compliance with the obligations under the terms of this financing. For the 2010 Singapore PP only one sub-holding company has provided a guarantee as per year-end 2011.

26.3 JPY Private Placement

The following main conditions apply to the JPY 20 billion Private Placement:

- The Net Debt : EBITDA ratio may not exceed 3.75;
- The ICR may not be lower than 3.5;
- One sub-holding company has provided a guarantee regarding compliance with the obligations under the terms of this financing as per end of 2011.

26.4 Bank loans

The bank loan of SGD 200 million drawn by Vopak Terminals Singapore Pte. Ltd. (VTS) was granted on the basis of VTS's credit standing and is subject to the following financial ratios:

- 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.

26.5 Credit facilities

At 31 December 2011 EUR 100 million was drawn under the EUR 1.2 billion credit facility. The ratios applicable to this facility are the same as those for the Singapore Private Placement (see 26.2).

26.6 Financial ratios

At 31 December 2011, Vopak comfortably met the applicable financial ratios referred to in paragraphs 26.1, 26.2, and 26.3. Based on the consolidated figures, the ratios as at 31 December 2011 were as follows:

- The Net Debt : EBITDA ratio was 2.65 (31 December 2010: 2.63). For a breakdown of the calculation of the Net Debt, please see page 46 of this report;
- The ICR was 7.9 (31 December 2010: 8.2);
- The minimum required shareholders' equity, in accordance with the calculation method outlined in paragraph 26.1, is EUR 725 million (year-end 2010: EUR 725 million). The shareholders' equity for ratio calculation was EUR 1,736.4 million (31 December 2010: EUR 1,458.4 million).

Vopak Terminals Singapore Pte. Ltd. also met the financial ratios referred to in paragraph 26.4 at 31 December 2011 and 31 December 2010.

27. Pensions and other employee benefits

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

	2011	2010
Balance at 1 January	**- 74.1**	**- 51.5**
Movements:		
- Net periodic pension charges	25.5	19.1
- Interest accrual employer's contribution for years of past service	0.6	0.7
- Employer's contribution	- 94.3	- 42.9
- Exchange differences	–	0.3
- Other	–	0.2
Balance at 31 December	**- 142.3**	**- 74.1**
Current assets	- 0.1	- 0.1
Non-current assets	- 178.9	- 114.1
Current liabilities	2.0	2.5
Non-current liabilities	34.7	37.6
Balance at 31 December	**- 142.3**	**- 74.1**

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, and Belgium. In the Netherlands, most plans are average pay pension plans, while the other countries mostly operate 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.

In addition to the regular annual pension contribution, Vopak made an additional contribution in the amount of EUR 50 million to the Dutch pension fund in 2011 (see also page 114).

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 13 years, equal to the average years of future services.

Where applicable the asset ceiling test was performed in accordance with IAS 19.58 and IFRIC 14.

Out of the defined contribution plans, one plan relates to a multi-employer plan that takes the form of a defined benefit plan. The contribution to this multi-employer plan is treated as defined contribution because it is not possible to receive information to enable to account for it 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-cycle 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 4.7 million in 2011 (2010: EUR 5.1 million), of which EUR 2.6 million (2010: EUR 2.7 million) is compensated for by the release from the provision for defined contribution plans for years of past service.

The following table summarizes the effects on the statement of financial position, the statement of income and assumptions underlying the actuarial calculations relating to the average or final pay plans and the other benefit plans.

	Note	The Netherlands 2011	The Netherlands 2010	Foreign 2011	Foreign 2010	Total 2011	Total 2010
Movements in pension obligations							
Obligations at 1 January		**648.2**	604.3	**135.9**	123.5	**784.1**	727.8
Movements:							
- Costs of rights accrued in the financial year		8.2	8.2	3.7	3.4	11.9	11.6
- Interest expenses		33.1	30.8	6.9	7.1	40.0	37.9
- Actuarial gains (-) and losses		- 33.5	41.4	13.1	2.9	- 20.4	44.3
- Benefits paid from the pension fund		- 35.9	- 37.1	- 4.2	- 4.2	- 40.1	- 41.3
- Benefits paid directly by the employer		–	–	- 1.7	- 1.6	- 1.7	- 1.6
- Employees' contributions		0.9	0.6	0.3	0.3	1.2	0.9
- Exchange differences		–	–	4.4	4.5	4.4	4.5
Obligations at 31 December		**621.0**	648.2	**158.4**	135.9	**779.4**	784.1
Movements in plan assets							
Fair value of plan assets at 1 January		**655.2**	595.8	**93.1**	77.5	**748.3**	673.3
Movements:							
- Expected return on assets		34.4	36.8	5.9	6.0	40.3	42.8
- Actuarial gains and losses (-)		0.1	36.5	- 6.4	3.5	- 6.3	40.0
- Employer's contributions		73.3	22.7	8.8	8.4	82.1	31.1
- Employees' contributions		0.9	0.6	0.3	0.3	1.2	0.9
- Benefits paid		- 35.9	- 37.2	- 5.9	- 5.7	- 41.8	- 42.9
- Exchange differences		–	–	2.8	3.1	2.8	3.1
Fair value of plan assets at 31 December		**728.0**	655.2	**98.6**	93.1	**826.6**	748.3
Obligations less fair value of plan assets at 31 December		**- 107.0**	- 7.0	**59.8**	42.8	**- 47.2**	35.8
Net actuarial gains and losses (-) not yet recognized		- 66.3	- 102.7	- 41.1	- 21.5	- 107.4	- 124.2
Net pension assets (-) and obligations under defined benefit plans recognized at 31 December		**- 173.3**	- 109.7	**18.7**	21.3	**- 154.6**	- 88.4
Net pension obligations under defined contribution plans		10.6	12.9	1.7	1.4	12.3	14.3
Net pension obligations recognized at 31 December		**- 162.7**	- 96.8	**20.4**	22.7	**- 142.3**	- 74.1
Components of net periodic pension charges							
Current service costs		8.2	8.2	3.7	3.4	11.9	11.6
Interest expense		33.1	30.8	6.9	7.1	40.0	37.9
Expected return on assets		- 34.4	- 36.8	- 5.9	- 6.0	- 40.3	- 42.8
Amortization of actuarial gains and losses		2.8	2.0	1.5	1.3	4.3	3.3
Pension charges defined benefit plans	3	**9.7**	4.2	**6.2**	5.8	**15.9**	10.0
Employer's contribution to defined contribution plans		6.6	7.1	5.6	4.7	12.2	11.8
Release of provision for employer's contribution corresponding to years of past service		- 2.6	- 2.7	–	–	- 2.6	- 2.7
Pension charges defined contribution plans	3	**4.0**	4.4	**5.6**	4.7	**9.6**	9.1
Net periodic pension charges		**13.7**	8.6	**11.8**	10.5	**25.5**	19.1
Assumptions based on weighted average at 31 December							
Discount rate		5.50%	5.25%	4.68%	5.33%	5.33%	5.26%
Expected return on plan assets		5.00%	5.30%	6.65%	6.33%	5.20%	5.44%
Expected general salary increase		3.00%	3.00%	3.91%	3.95%	3.18%	3.14%
Expected price index increase		2.00%	2.00%	2.90%	2.95%	2.18%	2.14%

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 average life expectancy in years:

	The Netherlands		Foreign	
	2011	**2010**	**2011**	**2010**
Age 45				
Men	41.8	41.7	40.1	40.1
Women	43.6	43.6	42.8	43.1
Age 65				
Men	21.5	21.4	20.7	20.8
Women	24.0	23.9	23.4	23.7

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

The discount rates used in the determination of defined benefit obligations and pension charges are based on high quality corporate bonds (AA) with a duration matching the duration of the pension liabilities. The expected return on plan assets is based on the 10 year median (real) returns as determined in a global asset model from our asset consultant. The model delivers (average and real) returns and standard deviations for all major asset classes. In calculating the expected total return, the strategic asset allocations are taken into account. Future changes in the strategic asset allocations are only taken into account if they have already been decided on by the trustees of the pension funds.

Composition plan assets

Plan assets are comprised as follows:

	The Netherlands				Foreign			
		2011		**2010**		**2011**		**2010**
Bonds	505.2	69%	446.8	68%	41.5	42%	37.1	40%
Equity instruments	203.9	28%	197.9	30%	53.8	55%	53.2	57%
Real estate	18.9	3%	10.5	2%	3.3	3%	2.8	3%
Total	**728.0**	**100%**	**655.2**	**100%**	**98.6**	**100%**	**93.1**	**100%**

Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. The long-term government bonds at 31 December 2011 are all AAA rated. The value of the equity instruments are based on quoted prices (unadjusted) in active markets.

The German pension plans are not funded; the defined benefit obligations for these plans total EUR 15.0 million (2010: EUR 15.1 million). The pension funds have not invested directly in shares in Koninklijke Vopak N.V., parts of the Group or in real-estate of the Group.

Expected contribution and impact on result

As a result of an additional contribution in the amount of EUR 50 million, the total employer contribution for defined benefit plans in 2011 amounted to EUR 82.1 million. The regular contribution 2011 for defined benefit plans amounted to EUR 32.1 million and is expected to increase to approximately EUR 33.3 million in 2012. The pension charge from defined benefit plans is expected to decrease from EUR 15.9 million in 2011 to approximately EUR 13.0 million in 2012, mainly due to the expected increase of the return on plan assets.

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:

	2011	2010	2009	2008	2007
Obligations	779.4	784.1	727.8	711.0	716.0
Fair value of plan assets	826.6	748.3	673.3	624.1	764.9
Obligations minus fair value at 31 December	**- 47.2**	**35.8**	**54.5**	**86.9**	**- 48.9**
Actuarial gains (-) and losses pension obligations	**- 20.4**	**44.3**	**21.7**	**- 4.8**	**- 102.8**
Actual return on plan assets	34.0	82.8	64.2	- 110.5	22.4
Expected return on plan assets	40.3	42.8	35.3	44.1	42.6
Actuarial gains and losses (-) plan assets	**- 6.3**	**40.0**	**28.9**	**- 154.6**	**- 20.2**

Sensitivity analysis

The table below shows the estimated impact on the plan assets, defined benefit obligations and pension charges for defined benefit plans for each risk variable.

		Assets		Liabilities		Pension charges	
	Change	Increase	Decrease	Increase	Decrease	Increase	Decrease
Risk assumptions							
Price inflation	1.0%	–	–	101.8	- 82.2	17.5	- 7.7
Salary growth	1.0%	–	–	7.3	- 6.5	1.5	- 1.3
Discount rates	1.0%	–	–	- 95.1	119.6	- 3.0	11.6
Equity prices	20.0%	51.5	- 51.5	–	–	–	–
Life expectation	1 year	–	–	23.8	–	3.3	–

Given the IFRS methodology differences compared with the assumption do not affect the net pension charges for 2012.

28. Long-term incentive plans (LTIPs)

The conditional long-term incentive awards consist of the long-term variable income plan 2010 (Long Term Incentive Plan, 'LTIP'), the Performance Share Plan (2008 and 2009), the Share Ownership Plan (2007, 2008 and 2009) and the Cash Plan 2011-2013. The Performance Share Plans, the Share Ownership Plans and 50% of the LTIP 2010 are equity-settled share-based payments. The other 50% of the LTIP 2010 is a cash-settled share-based payment. The Cash Plan 2011-2013 is a long-term remuneration settled in cash. The charge to the statement of income of the conditional long-term incentive awards is set out below:

In EUR thousands	Costs from LTIP 2010 equity-settled	Costs from LTIP 2010 cash-settled	Costs from performance shares granted in prior years	Costs from matching shares granted in prior years	Costs from 2011 Cash Plan	Total 2011	Total 2010
E.M. Hoekstra	150.2	217.3	–	–	–	367.5	61.6
J.P. de Kreij	113.2	175.3	186.9	180.5	–	655.9	618.4
F. Eulderink	103.1	160.3	–	–	–	263.4	211.1
Current members Executive Board	**366.5**	**552.9**	**186.9**	**180.5**	**–**	**1,286.8**	**891.1**
Former members Executive Board	**–**	**–**	**46.7**	**105.6**	**–**	**152.3**	**107.5**
Other	**612.1**	**879.1**	**675.5**	**184.7**	**1,051.1**	**3,402.5**	**3,272.4**
Total	**978.6**	**1,432.0**	**909.1**	**470.8**	**1,051.1**	**4,841.6**	**4,271.0**

Total carrying amount of liabilities for cash-settled share-based payment at 31 December 2011 amounts to EUR 2.2 million (31 December 2010: 0.8 million).

Unvested awards are forfeited upon termination of employment prior to vesting. However, if the employment is terminated for certain reasons (death, retirement or disability) or participation is terminated as a consequence of an internal job change the participant retains the awards outstanding on a pro-rata basis subject to attainment of the predetermined performance conditions.

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 which value is equal to 100% of the annual base salary for the members of the Executive Board. For senior executives this target value for the portfolio of Vopak shares is equal to 50% or 25% of their annual base salary. The shareholding target is defined as a minimum number of shares that is calculated based on the average share prices of the fourth quarter of the prior year. The required share portfolio can be built up on the basis of the shares acquired as long-term variable remuneration and/or on the basis of shares purchased at own expense.

LTIP 2010

The long-term variable income plan (Long-term incentive plan, LTIP) for the Executive Board and a number of senior executives, awarded in 2010, consists of a 4-year period and aims to encourage to pursue a policy that focuses on long-term profitable growth and to reward Board members and the senior executives for that policy if successful. The LTIP 2010 replaces the long-term incentive awards under the Performance Share Plan (2008 and 2009) and the Share Owner Plan (2007, 2008 and 2009), which will be settled at the end of the plan periods in accordance with the terms and conditions agreed at the date of grant and will, therefore be phased out over the next few years. The LTIP 2010 is a grant for the period 2010-2013, accordingly there are no other annual awards under the long-term variable income plan. However, awards can be made under LTIP 2010 to (new) participants in special circumstances (e.g. new hires and promotions).

The LTIP 2010 rewards participants for the increase in Vopak's Earnings per Share (EPS) performance during the period from 2010 through 2013 at a pre-set target compared to the EPS performance of 2009. If a considerable, ambitious improvement in the EPS has been achieved during the said 4-year performance period, a long-term remuneration will be awarded that ranges from 0% to 100% per annum of the Chairman's average annual salary and from 0% to 82.5% per annum for other Board members. For key managers these annual percentages are 0% to 52.5% or 0% to 37.5% of the average annual salary.

In addition to the EPS growth, the value of the award at the end of the vesting period will be determined by the development of the Vopak share price during the plan period. Subject to the attainment of the performance condition 50% of the award will be paid in Vopak shares (equity-settled share-based payment) and 50% in cash (cash-settled share-based payment). The shares are to be held in a deposit for two years before they can be freely disposed of by the participants. The LTIP is awarded once every four years for a subsequent 4-year plan period. The financial objectives for these vesting conditions and the related award percentages were set by the Supervisory Board and were approved by the Annual General Meeting prior to the date the conditional awards were made.
The movements in the number of awards conditionally awarded, on a target level, are set out at the next page.

In numbers	E.M. Hoekstra	J.P. de Kreij	F. Eulderink	Other	Total
Equity-settled	8,075	9,156	8,568	66,371	92,170
Cash-settled	8,075	9,156	8,568	66,371	92,170
Outstanding at 1 January 2011	**16,150**	**18,312**	**17,136**	**132,742**	**184,340**
New awarded	–	–	–	28,004	28,004
Forfeited	–	–	–	- 4,590	- 4,590
Change in expected average salary [1]	–	36	- 314	7,020	6,742
Outstanding at 31 December 2011	**16,150**	**18,348**	**16,822**	**163,176**	**214,496**
Equity-settled	8,075	9,174	8,411	81,588	107,248
Cash-settled	8,075	9,174	8,411	81,588	107,248
Outstanding at 31 December 2011	**16,150**	**18,348**	**16,822**	**163,176**	**214,496**

[1] The conditional awards are based on an estimated average salary over the 4-year performance period. The estimated average salaries are updated annually, which could result in an increase or decrease of the number of conditional awards at target level

In September 2011 LTIP 2010 awards were granted to a limited number of senior executives who will participate on a pro rata basis for the remaining period starting from 1 January 2011. This resulted in an increase of 14,002 equity-settled conditionally awarded shares and 14,002 cash-settled conditionally awarded shares. The fair value at grant date for the equity-settled awards amounted to EUR 32.04 per award at an average share price of EUR 34.00. During 2011 4,590 conditional awards were forfeited.

The calculations of the estimated fair value of the equity-settled share-based payments are measured at the applicable grant dates, being the dates on which the terms and conditions are accepted by the participants. For the cash-settled share-based payments no fair value is required at grant date but at each subsequent reporting date and settlement date, the carrying value of the liability reflects the extent to which participants have rendered services to date. All valuations are made by an independent qualified appraiser.
The total charge to be recognized for the awards made, can only be estimated, because the actual vesting percentages of the share-based long-term incentive plans will not be known until the end of the respective vesting periods. The fair value of the equity-settled payment is based on the share price at the date of grant which has been reduced with the expected discounted future dividends payable during the respective vesting period. The fair value of the cash-settled payment is based on the share price at reporting date (EUR 40.83 per 31 December 2011) reduced with the expected discounted future dividends during the remaining vesting period. Expected dividends have been applied in accordance with the dividend policy of the company.

The estimated vesting percentages of the non-market vesting conditions of the share-based payment arrangements are revised at the end of each reporting period and the vesting date and the difference is charged or credited to the statement of income, with a corresponding adjustment to equity for the equity-settled share-based payments and the liability recognized for the cash-settled share-based payments.

The estimated vesting percentages are based on scenario analysis. For the LTIP 2010 the estimated vesting percentage for the 4-year period amounts to 200% (2010: 196%) for the Chairman, 164% (2010: 161%) for the other Board members and 105% or 75% (2010: respectively 103% and 74%) for the senior executives.

The total amount recognized during 2011 was EUR 2.4 million for the LTIP 2010 (2010: EUR 1.4 million) as shown in the tables below (amounts in EUR).

Participants	Conditionally awarded [1] Number	Conditionally awarded [1] Value at grant	Number of expected shares [2] Number	Number of expected shares [2] Value for cost allocation	Allocated [3] cost to 2011	Allocated [3] cost to 2010
Equity-settled, conditional						
and not vested						
E.M. Hoekstra [4]	8,075	240,151	15,927	473,669	150,248	29,040
J.P. de Kreij	9,174	268,890	15,045	440,969	113,170	105,490
F. Eulderink	8,411	246,526	13,793	404,273	103,084	98,713
Other senior						
executives	81,588	2,507,427	73,446	2,253,691	612,109	450,664
Total equity-settled	**107,248**	**3,262,994**	**118,211**	**3,572,602**	**978,611**	**683,907**
Cash-settled, conditional						
and not vested						
E.M. Hoekstra [4]	8,075	240,151	15,927	625,931	217,314	32,590
J.P. de Kreij	9,174	268,890	15,045	591,269	175,342	120,102
F. Eulderink	8,411	246,526	13,793	542,065	160,303	112,387
Other senior						
executives	81,588	2,507,427	73,446	2,886,428	879,109	492,196
Total cash-settled	**107,248**	**3,262,994**	**118,211**	**4,645,693**	**1,432,068**	**757,275**
Total LTIP 2010	**214,496**	**6,525,988**	**236,422**	**8,218,295**	**2,410,679**	**1,441,182**

1) On a target level of 100%, based on the average expected salary over 2010-2013 since date of appointment. The value at grant is the conditional number of shares multiplied by the average share price at grant date

2) The value for cost allocation for the equity-settled LTIP 2010 is based on the number of expected shares and multiplied by the fair value per share award at grant date. The grant date fair value per award for the equity-settled LTIP 2010 has been amended in 2011 to reflect that the participants are eligible to receive dividends from 2014. This increased the grant date fair value with EUR 0.68 per award, which has been reflected in the cost recognized for 2011. The value for cost allocation for the cash-settled LTIP 2010 is based on the number of expected shares and multiplied by the fair value per award at reporting date. No expected forfeitures of awards made to key executives are currently assumed apart from the actual forfeitures due to termination of employment

3) The fair value of the employee services received in exchange for the award of the LTIP 2010 is recognized rateably over the vesting period of four years

4) Expected shares for Mr Hoekstra are based on the expected vesting percentage applicable to a member of the Executive Board for the period 1 September 2010 until 31 December 2010 and the expected vesting percentage applicable to the Chairman of the Executive Board starting from 1 January 2011 until the end of the vesting period

Performance Share Plan 2008 and 2009

Under the Performance Share Plan 2008 and 2009 conditional ordinary shares in the company were awarded, which vest after three years following the start of the performance period to the extent that the associated service and the pre-set performance conditions are met. These conditions are treated as non-market vesting conditions. The participants are not permitted to dispose of their vested shares released until they have met their minimum shareholding target, except for meeting their tax liability with respect to the vesting of the conditional shares released.

The plan rules allow for vesting up to a maximum of 150% of the number of shares awarded at the beginning of the performance period. In 2009 awards were made with an underlying value of 50% of the fixed 2009 annual salary for the Chairman (2008: 45%) and at 45% of the fixed 2009 annual salary for the other members of the Executive Board (2008: 40%). For the awards made to other senior executives, award percentages of respectively 30% or 20% of the fixed annual salary were applied.

The performance conditions attached to performance share awards are based on the financial performance of the company during the performance period of three years. The financial performance during those three calendar years is measured by the average ROCE and EBITDA growth for the awards made in 2008 (Plan 2008) and by average EPS growth for the awards made in 2009 (Plan 2009). The vesting conditions and the related award percentages were set by the Supervisory Board and were approved by the Annual General Meeting prior to the date the conditional awards were made.

These plans are recognized as equity-settled share-based payment transactions. The first unconditional award of shares under the Performance Share Plan 2008 was effected in 2011, the vesting percentage amounted to the maximum of 150% and was settled immediately after approval of the Annual Report 2010 by the General Meeting of Shareholders. For the Performance Share Plan 2009, the estimated percentage amounts to 142% of the conditionally awarded shares.
The total amount recognized during 2011 was EUR 0.9 million (2010: EUR 1.1 million) as shown in the table below (amounts in EUR).

	Conditionally awarded [1]		Number of vested shares [2]				
Participants	Number	Value at grant	Number	Value at vesting	Value for cost allocation	Allocated [3] cost to 2011	Allocated [3] cost to 2010
Plan 2008, vested							
J.P. de Kreij	8,660	133,927	12,990	426,137	200,890	–	100,883
J.P.H. Broeders	11,072	172,889	16,608	544,825	259,334	–	130,215
F.D. de Koning	8,040	122,168	9,380	307,711	142,529	–	51,319
Other senior executives	33,490	560,957	50,250	1,648,451	841,754	–	422,902
Total Plan 2008	**61,262**	**989,941**	**89,228**	**2,927,124**	**1,444,507**	**–**	**705,319**
Plan 2009, conditional and not vested							
J.P. de Kreij	14,722	237,539	20,905	NA	337,302	186,859	87,097
J.P.H. Broeders	–	–	–	–	–	–	- 82,805
F.D. de Koning	13,856	223,567	8,744	NA	141,084	46,701	34,771
Other senior executives	54,710	882,746	76,511	NA	1,234,506	675,508	312,981
Total Plan 2009	**83,288**	**1,343,852**	**106,160**	**NA**	**1,712,892**	**909,068**	**352,044**
Total Performance Share Plans	**144,550**	**2,333,793**	**195,388**	**2,927,124**	**3,157,399**	**909,068**	**1,057,363**

1) On a target level of 100%

2) The value for cost allocation is based on the number of vested or expected shares and multiplied by fair value per share award at grant date. The Performance Share Plan 2008 vested in 2011. The vesting percentage amounted to 150% and the market price on vesting date was EUR 32.805 per share. For the plan 2009 no expected forfeitures of awards made to senior executives are currently assumed apart from the actual forfeitures due to termination of employment

3) The fair value of the employee services received in exchange for the award of the Performance Plans are recognized rateably over the vesting period of three years

Share Ownership Plan 2007, 2008 and 2009

In 2007, 2008 and 2009, the participants of the Share Ownership Plan could purchase Vopak shares which were placed in a portfolio. The shares in the portfolio are released after this five-year blocking period, notwithstanding participants' obligation to maintain the shares in a portfolio at the target level.

As consideration for investing and keeping the shares in a portfolio, the company conditionally awarded performance-related matching shares. The performance condition attached to the matching shares is linked to the EPS growth development during the five-year period as set by the Supervisory Board and approved by the Annual General Meeting prior to the date the awards were made. This pre-set performance condition is treated as a non-market vesting condition. Depending on the performance during the vesting period the number of matching shares that can vest is between 0% and 200% of the number of own invested shares in the portfolio for the specific plan year. The movements in the number of conditionally awarded matching shares are set out below.

	J.P. de Kreij	F.D. de Koning	Other	Total
Outstanding at 1 January 2011	**32,718**	**29,184**	**42,766**	**104,668**
Vested [1]	–	- 29,184	–	- 29,184
Outstanding at 31 December 2011	**32,718**	**–**	**42,766**	**75,484**

[1] The Share Ownership Plans for Mr F.D. de Koning, former member of the Executive Board, were settled in May 2011 in accordance with the regulations of the plan

These plans are recognized as equity-settled share-based payment transactions. The first unconditional grant of matching shares will be effected in 2012 and the last unconditional grant of matching shares will be effected in 2014.

For the matching shares awarded under the Share Ownership Plan, the estimated vesting percentages amount to respectively 189%, 117% and 132% of the invested number of own shares for the Plan 2007, Plan 2008 and Plan 2009 (2010: respectively 161%, 110% and 118%). The amounts recognized during 2011 were EUR 0.5 million (2010: EUR 0.4 million) as shown in the following table (amounts in EUR).

Participants	Conditionally awarded [1] Number	Value at grant	Number of expected shares [2] Number	Value at vesting	Value for cost allocation	Allocated [3] cost to 2011	Allocated [3] cost to 2010
Plan 2007, conditional							
and not vested							
J.P. de Kreij	6,760	97,851	12,776	NA	184,933	62,277	83,763
J.P.H. Broeders	–	–	–	–	–	–	- 60,041
F.D. de Koning [4]	6,276	89,151	8,368	274,512	118,867	23,777	59,661
Total Plan 2007	**13,036**	**187,002**	**21,144**	**274,512**	**303,800**	**86,054**	**83,383**
Plan 2008, conditional							
and not vested							
J.P. de Kreij	7,674	111,081	8,978	NA	129,957	30,655	37,319
J.P.H. Broeders	–	–	–	–	–	–	- 24,978
F.D. de Koning [4]	7,122	101,168	5,778	189,550	82,076	30,148	19,149
Other senior							
executives	13,512	212,949	14,413	NA	227,149	46,851	83,507
Total Plan 2008	**28,308**	**425,198**	**29,169**	**189,550**	**439,182**	**107,654**	**114,997**
Plan 2009, conditional							
and not vested							
J.P. de Kreij	18,284	273,620	24,135	NA	361,180	87,560	83,726
J.P.H. Broeders	–	–	–	–	–	–	- 54,874
F.D. de Koning [4]	15,786	236,237	8,419	276,192	125,990	51,660	35,116
Other senior							
executives	29,254	437,786	38,219	NA	571,947	137,857	132,287
Total Plan 2009	**63,324**	**947,643**	**70,773**	**276,192**	**1,059,117**	**277,077**	**196,255**
Total Share							
Ownership Plans	**104,668**	**1,559,843**	**121,086**	**740,254**	**1,802,099**	**470,785**	**394,635**

[1] On a target level of 100%

[2] The value for cost allocation is based on the number of vested or expected shares and multiplied by fair value per share award at grant date. No expected forfeitures of awards made to key executives are currently assumed apart from the actual forfeitures due to termination of employment

[3] The fair value of the employee services received in exchange for the award of the Share Ownership Plans is recognized rateably over the vesting period of five years

[4] The Share Ownership Plans for Mr F.D. de Koning, former member of the Executive Board, were settled in May 2011 in accordance with the regulations of the plan

Cash Plan

For senior managers who are not eligible to participate under the LTIP but who contribute significantly to the company's shareholder value, a three-year Cash Plan is granted. The Cash Plan 2011-2013 provides for additional pay in the form of deferred compensation under the terms and conditions of the plan after a three year vesting period. The financial performance is measured by the EPS growth during the three year period, the incentive can rise from 0% to a maximum of 67.5% or 45% of the average salary over the vesting period. The total cost recognized during 2011 was EUR 1.1 million. The Cash Plan 2008-2010 was settled in 2011 and resulted in a maximum percentage based on the EPS growth during the vesting period from 1.31 at the end of 2007 to 2.08 at the end of 2010. The cost recognized related to this plan amounted to EUR 1.4 million in 2010.

29. Other provisions

Movements in other provisions were as follows:

	Environmental liabilities	Reorgani-zation	Other	Total
Non-current liabilities	6.9	0.1	15.9	22.9
Current liabilities	3.8	–	11.1	14.9
Balance at 1 January 2011	**10.7**	**0.1**	**27.0**	**37.8**
Movements:				
- Additions	1.7	5.6	11.0	18.3
- Acquisitions	0.3	–	0.1	0.4
- Withdrawals	- 2.3	- 1.9	- 13.2	- 17.4
- Releases	–	–	- 0.7	- 0.7
- Interest accrual	0.2	–	0.3	0.5
- Exchange differences	–	–	- 0.1	- 0.1
Balance at 31 December 2011	**10.6**	**3.8**	**24.4**	**38.8**
Non-current liabilities	6.5	1.3	13.6	21.4
Current liabilities	4.1	2.5	10.8	17.4
Balance at 31 December 2011	**10.6**	**3.8**	**24.4**	**38.8**
Expected withdrawals				
< 1 year	4.1	2.5	10.8	17.4
2nd year	2.2	0.6	5.7	8.5
3rd year	2.0	0.4	0.8	3.2
4th year	0.9	0.3	0.6	1.8
5th year	0.9	–	–	0.9
> 5th year	0.5	–	6.5	7.0
Total	**10.6**	**3.8**	**24.4**	**38.8**

Vopak is obliged to clean up the soil at different locations. An accurate estimate of the provision for this environmental risk can only be made reliably 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 2011, this has led to an addition to the provision for environmental risks of EUR 1.7 million. This increase was recognized in the statement of income under Other operating expenses.

The addition to the reorganization provision in 2011 is mainly due to the reorganization of Vopak Dupeg Terminal Hamburg GmbH and the restructuring of the division structure. The costs of the redundancy compensation packages as well as the amounts payable to those made redundant before year-end 2011 are estimated at EUR 4.9 million and are recognized under Personnel expenses (see note 3). Other direct costs attributable to the reorganizations amounted to EUR 0.6 million and are recognized under Operating expenses (see note 5).

Other provisions include an amount of EUR 1.1 million for the 2011 Cash Plan and EUR 2.2 million for the cash-settled share-based payment of the LTIP 2010 (see note 28) and EUR 7.7 million relating to claims and damages incurred but not yet reported with regard to the insurance activities. In 2011 on balance EUR 4.7 million was added for expected claims.

30. Trade and other payables

	Note	2011	2010
Trade payables		41.9	48.7
Wage tax and social security charges		5.8	5.6
Prepaid government grants	12	7.0	26.1
Other creditors, accruals and deferred income		218.8	225.7
Total		**273.5**	**306.1**

31. 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 2011 and 31 December 2010 is shown below in order of maturity date:

Market value of the derivative financial instruments at 31-12-2011

	Years								
	< 1	1-2	2-3	3-4	4-5	> 5	Total	Assets	Liabilities
Currency risks									
Forward exchange contracts:									
- Hedge accounting	- 4.3	–	–	–	–	–	- 4.3	–	4.3
- No hedge accounting	- 9.1	–	–	–	–	–	- 9.1	2.4	11.5
Cross currency interest rate swaps:									
- No hedge accounting	–	0.5	0.2	–	–	14.9	15.6	15.6	–
Interest rate risks									
Interest rate swaps:									
- Cash flow hedge	- 0.6	–	–	- 3.1	–	–	- 3.7	–	3.7
- Fair value hedge	–	–	2.6	–	–	–	2.6	2.6	–
Cross currency interest rate swaps:									
- Hedge accounting	–	- 0.7	- 0.2	–	–	- 33.6	- 34.5	–	34.5
Total	**- 14.0**	**- 0.2**	**2.6**	**- 3.1**	**–**	**- 18.7**	**- 33.4**	**20.6**	**54.0**
Current	- 14.0	–	–	–	–	–	- 14.0	2.4	16.4
Non-current	–	- 0.2	2.6	- 3.1	–	- 18.7	- 19.4	18.2	37.6
Total	**- 14.0**	**- 0.2**	**2.6**	**- 3.1**	**–**	**- 18.7**	**- 33.4**	**20.6**	**54.0**

Market value of the derivative financial instruments at 31-12-2010

						Years			
	< 1	1-2	2-3	3-4	4-5	> 5	Total	Assets	Liabilities
Currency risks									
Forward exchange contracts:									
- Hedge accounting	- 14.7	–	–	–	–	–	- 14.7	1.5	16.2
- No hedge accounting	- 1.8	- 0.5	–	–	–	–	- 2.3	0.3	2.6
Cross currency interest rate swaps:									
- No hedge accounting	12.3	–	–	–	–	1.5	13.8	26.8	13.0
Interest rate risks									
Interest rate swaps:									
- Cash flow hedge	–	- 1.7	–	–	- 2.2	–	- 3.9	–	3.9
- Fair value hedge	–	–	–	1.0	–	0.8	1.8	1.8	–
Cross currency interest rate swaps:									
- Hedge accounting	0.9	–	–	–	–	- 4.8	- 3.9	1.4	5.3
Total	**- 3.3**	**- 2.2**	**–**	**1.0**	**- 2.2**	**- 2.5**	**- 9.2**	**31.8**	**41.0**
Current	- 3.3	–	–	–	–	–	- 3.3	28.5	31.8
Non-current	–	- 2.2	–	1.0	- 2.2	- 2.5	- 5.9	3.3	9.2
Total	**- 3.3**	**- 2.2**	**–**	**1.0**	**- 2.2**	**- 2.5**	**- 9.2**	**31.8**	**41.0**

Currency risks

When applying hedge accounting, the effective part of the movement in fair value of the forward exchange contracts is recognized in the translation reserve (equity component), to the extent that they relate to the hedging of net investments in foreign activities. Reversal through the statement of income 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 statement of income. All currency hedges for 2011 and 2010 were effective.

As part of the currency risk policy, the Group has converted fixed-interest USD loans (US PPs) totalling USD 175 million into fixed-interest loans for the amount of EUR 134.5 million by means of cross currency interest rate swaps (CCIRS). The terms of the CCIRS are as follows: USD 75 million until 19 December 2013 and USD 100 million until 19 December 2014. Next to the USD CCIRS, the Group has converted fixed-interest JPY loans of JPY 16 billion into fixed-interest loans for the amount of EUR 146 million by means of CCIRS. The remaining maturity of these CCRISs is twenty-nine years with a mandatory break between 6 to 9 years.

The fair value changes relating to the currency part of the principal of the CCIRS are recognized directly in the statement of income 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 29.7 million, net of tax had been recognized in equity up to 31 December 2011 (see note 23).

Interest rate risks

By means of an interest rate swap, the Group converted in 2011 fixed-interest loans (Singapore PPs) totalling SGD 100 million to floating-interest loans. The maturity date of the swap is 5 September 2014. This interest rate swap was designated as being a fair value hedge. The part of the value adjustment of the instrument regarded as effective is in principle also recognized in the underlying loan.

Vopak Terminal Singapore Pte. Ltd. converted various floating-interest loans totalling 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 2011 and 31 December 2010 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 31-12-2011

	Note	Effective interest	Total	< 1	1-2	2-3	3-4	4-5	Years > 5
Cash and cash equivalents and									
bank overdrafts	20	**1.4%**	**- 67.0**	**- 67.0**	**–**	**–**	**–**	**–**	**–**
Loans granted:									
- USD fixed interest		5.2%	4.9	2.3	2.6	–	–	–	–
- USD floating interest		2.5%	13.6	13.6	–	–	–	–	–
- EUR fixed interest		5.0%	21.5	21.5	–	–	–	–	–
- EUR floating interest		1.9%	2.0	2.0	–	–	–	–	–
Total loans granted	15		**42.0**	**39.4**	**2.6**	**–**	**–**	**–**	**–**
Loans drawn:									
- EUR fixed interest		5.2%	- 56.4	- 0.2	- 11.2	–	–	–	- 45.0
- EUR floating interest		3.0%	- 95.1	- 95.1	–	–	–	–	–
- GBP fixed interest		5.6%	- 30.0	–	–	–	–	–	- 30.0
- SGD fixed interest		4.3%	- 201.2	–	–	- 67.1	–	–	- 134.1
- SGD fixed interest with									
interest rate swap		5.0%	- 59.6	–	–	- 59.6	–	–	–
- SGD floating interest		1.0%	- 31.6	- 31.6	–	–	–	–	–
- SGD floating interest with									
interest rate swaps		0.8%	- 87.6	- 47.7	–	–	- 39.9	–	–
- USD fixed interest		5.8%	- 583.1	- 16.9	- 19.2	- 2.2	- 2.2	- 2.2	- 540.4
- USD fixed interest with									
interest rate swaps		5.3%	- 135.2	–	- 57.9	- 77.3	–	–	–
- USD floating interest		1.2%	- 57.9	- 57.9	–	–	–	–	–
- JPY fixed interest		2.9%	- 40.2	–	–	–	–	–	- 40.2
- JPY fixed interest with									
interest rate swap		2.9%	- 160.7	–	–	–	–	–	- 160.7
Total loans drawn	26		**- 1,538.6**	**- 249.4**	**- 88.3**	**- 206.2**	**- 42.1**	**- 2.2**	**- 950.4**
Derivative financial instruments									
(currency component fair value):									
- Effect of interest rate swaps									
from JPY fixed to EUR									
fixed interest (CCIRS):									
JPY fixed interest		2.9%	160.7	–	–	–	–	–	160.7
EUR fixed interest		5.5%	- 145.8	–	–	–	–	–	- 145.8
- Effect of interest rate swaps									
from USD fixed to EUR									
fixed interest (CCIRS):									
USD fixed interest		5.3%	135.2	–	57.9	77.3	–	–	–
EUR fixed interest		5.0%	- 134.5	–	- 57.5	- 77.0	–	–	–
- Effect of interest rate swaps									
SGD from floating to									
fixed interest:									
SGD floating interest		0.6%	87.6	47.7	–	–	39.9	–	–
SGD fixed interest		3.3%	- 87.6	- 47.7	–	–	- 39.9	–	–
- Effect on interest rate swaps									
SGD from fixed to floating									
interest:									
SGD fixed interest		5.0%	59.6	–	–	59.6	–	–	–
SGD floating interest		2.8%	- 59.6	–	–	- 59.6	–	–	–
Total derivative financial instruments			**15.6**	**–**	**0.4**	**0.3**	**–**	**–**	**14.9**
Total			**- 1,548.0**	**- 277.0**	**- 85.3**	**- 205.9**	**- 42.1**	**- 2.2**	**- 935.5**

Effective interest rates and interest rate reset period at 31-12-2010

	Note	Effective interest	Total	Years < 1	1-2	2-3	3-4	4-5	> 5
Cash and cash equivalents and bank overdrafts	20	**2.3%**	**147.8**	**147.8**	**–**	**–**	**–**	**–**	**–**
Loans granted:									
- USD fixed interest		3.0%	6.0	3.5	2.5	–	–	–	–
- EUR fixed interest		1.6%	7.2	1.8	3.4	2.0	–	–	–
Total loans granted	15		**13.2**	**5.3**	**5.9**	**2.0**	**–**	**–**	**–**
Loans drawn:									
- EUR fixed interest		5.3%	- 56.4	–	–	- 8.0	–	–	- 48.4
- GBP fixed interest		6.3%	- 46.3	- 17.1	–	–	–	–	- 29.2
- GBP fixed interest with interest rate swaps		7.9%	- 23.7	- 23.7	–	–	–	–	–
- SGD fixed interest		4.4%	- 195.4	–	–	–	- 64.1	–	- 131.3
- SGD fixed interest with interest rate swap		5.0%	- 58.4	–	–	–	- 58.4	–	–
- SGD floating interest		1.4%	- 30.9	- 30.9	–	–	–	–	–
- SGD floating interest with interest rate swaps		0.7%	- 85.8	–	- 46.7	–	–	- 39.1	–
- USD fixed interest		5.6%	- 563.6	- 43.0	- 16.0	- 26.6	- 2.1	- 58.2	- 417.7
- USD fixed interest with interest rate swaps		6.5%	- 278.5	- 147.7	–	–	–	–	- 130.8
- USD floating interest		1.0%	- 56.1	- 56.1	–	–	–	–	–
- JPY fixed interest		2.9%	- 36.8	–	–	–	–	–	- 36.8
- JPY fixed interest with interest rate swap		2.9%	- 147.3	–	–	–	–	–	- 147.3
Total loans drawn	26		**- 1,579.2**	**- 318.5**	**- 62.7**	**- 34.6**	**- 124.6**	**- 97.3**	**- 941.5**
Derivative financial instruments (currency component fair value):									
- Effect of interest rate swaps from GBP fixed to EUR fixed interest (CCRIS):									
GBP fixed interest		7.9%	23.7	23.7	–	–	–	–	–
EUR fixed interest		7.8%	- 22.5	- 22.5	–	–	–	–	–
- Effect of interest rate swaps from JPY fixed to EUR fixed interest (CCIRS):									
JPY fixed interest		2.9%	147.3	–	–	–	–	–	147.3
EUR fixed interest		5.5%	- 145.8	–	–	–	–	–	- 145.8
- Effect of interest rate swaps from USD fixed to EUR fixed interest (CCIRS):									
USD fixed interest		6.5%	278.5	278.5	–	–	–	–	–
EUR fixed interest		6.8%	- 267.4	- 267.4	–	–	–	–	–
- Effect of interest rate swaps SGD from floating to fixed interest:									
SGD floating interest		0.4%	85.8	–	46.7	–	–	39.1	–
SGD fixed interest		3.2%	- 85.8	–	- 46.7	–	–	- 39.1	–
- Effect on interest rate swaps SGD from fixed to floating interest:									
SGD fixed interest		5.0%	58.4	–	–	–	58.4	–	–
SGD floating interest		3.6%	- 58.4	–	–	–	- 58.4	–	–
Total derivative financial instruments			**13.8**	**12.3**	**–**	**–**	**–**	**–**	**1.5**
Total			**- 1,404.4**	**- 153.1**	**- 56.8**	**- 32.6**	**- 124.6**	**- 97.3**	**- 940.0**

Credit risks

At year-end 2011 the derivatives with a counterparty credit risk amounted to EUR 0.8 million.

32. Remuneration of Supervisory Board members and Executive Board members

32.1 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, options or fixed expense allowances. Members of Committees receive additional remuneration. The total remuneration paid to current and former Supervisory Board members in the financial year was EUR 0.3 million (2010: EUR 0.3 million).

The table below shows the amounts received by each member individually in 2011.

In EUR thousands	Gross remuneration	Audit Committee	Selection and Appointment Committee	Remuneration Committee	Total 2011	Total 2010
F.J.G.M. Cremers	47.0	13.0	–	–	60.0	52.5
C.J. van den Driest	47.0	–	–	9.0	56.0	50.0
Chun Kai Lam [1]	31.3	–	–	4.0	35.3	–
A. van Rossum	66.0	–	6.0	6.0	78.0	70.0
M. van der Vorm	47.0	7.5	4.0	–	58.5	52.0
R.G.M. Zwitserloot	47.0	7.5	–	–	54.5	48.5
Total	**285.3**	**28.0**	**10.0**	**19.0**	**342.3**	**273.0**

[1] Remuneration for 2011 relates to the period from 27 April 2011, the date of appointment

Mr Van den Driest, a former Executive Board member, held 8,000 shares at year-end 2011 (2010: 8,000 shares). The other Supervisory Board members did not hold any shares in Koninklijke Vopak N.V. at year-end 2011 and 2010. No loans, advances or guarantees have been provided to current or former Supervisory Board members.

32.2 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 consists of compensation to be allocated for work performed during the financial year, irrespective of the actual payment. Total remuneration amounted to EUR 3.8 million (2010: EUR 4.2 million).

The breakdown for Executive Board members is as follows:

In EUR thousands	Salary 2011	Salary 2010	Short-term variable remuneration 2011	Short-term variable remuneration 2010	Long-term variable remuneration *) 2011	Long-term variable remuneration *) 2010	Pension 2011	Pension 2010	Total 2011	Total 2010
E.M. Hoekstra [1]	450	125	241	81	368	62	75	21	1,134	289
J.P. de Kreij	450	437	217	284	656	618	133	130	1,456	1,469
F. Eulderink [2]	410	390	197	260	263	211	96	91	966	952
Total current Executive Board members	**1,310**	**952**	**655**	**625**	**1,287**	**891**	**304**	**242**	**3,556**	**2,710**
Total former Executive Board members	**92**	**683**	**–**	**487**	**152**	**107**	**23**	**183**	**267**	**1,460**
Total	**1,402**	**1,635**	**655**	**1,112**	**1,439**	**998**	**327**	**425**	**3,823**	**4,170**

1) Remuneration for 2010 relates to the period from 1 September 2010, the date of appointment

2) Remuneration for 2010 relates to the period from 10 January 2010, the date of appointment

*) 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 statement of income over the vesting period.

The Executive Board members have a defined contribution plan. Under the plan, the standard retirement age is 65. However, the employment contract of Mr De Kreij provides for a retirement of the age of 60.

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

The short-term variable income, which is paid out in cash, is based on financial and non-financial targets and is subject to a maximum of the fixed salary for year 2011. The maximum is 75% and 67.5% for respectively the chairman (2010: 75%) and the other members (2010: 67.5%). The financial target component amounts to a maximum of 50% for the chairman (2010: 50%) and to a maximum of 45% for the other members (2010: 45%) and is, only based on an increase in EBITDA (Earnings Before Interest and Tax, Depreciation and Amortization) compared with the EBITDA of previous year. Both the financial as non-financial targets were determined by the Supervisory Board prior to the beginning of the year.

For 2011 both targets resulted in the following short-term variable component of the fixed salary: Mr Hoekstra 54% (2010: 65%), Mr De Kreij 48% (2010: 65%) and Mr Eulderink 48% (2010: 65%).

The long-term variable income consists of the conditional awards under the LTIP 2010, the Performance Share Plan and the Share Ownership Plan and is described for the individual (former) members of the Executive Board in note 28.

Share ownership at 31 December 2011

The current exposure of the (former) members of the Executive Board members is shown in the next table. 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 (see note 28).

	Unrestricted shares held	Restricted shares held	Total shares held [1]
E.M. Hoekstra [2]	7,377	4,306	11,683
J.P. de Kreij	280,272	32,718	312,990
F. Eulderink	750	–	750
Total current Executive Board members	**288,399**	**37,024**	**325,423**

[1] Market value of Vopak shares at year-end is EUR 40.83 per share

[2] Restricted shares are own invested shares as part of the Share Ownership Plan before his appointment as member of the Executive Board

All transactions involved were performed for the account and risk of the Executive Board members concerned.

At year-end 2010 the total numbers of shares held amounted to 4,306 for Mr Hoekstra and to 300,000 for Mr De Kreij. Mr Eulderink had no shares at year-end 2010.

33. Cash flows from operating activities (gross)

	Note	2011	2010
Net profit		**435.6**	**300.8**
Adjustments for:			
- Depreciation, amortization and impairment	4	178.0	151.5
- Net finance costs	7, 8	78.6	68.4
- Income tax	9	71.3	72.8
- Movements in other non-current assets		- 63.6	- 13.5
- Movements in provisions excluding deferred taxes		- 2.7	- 14.2
- Movements in non-controlling interests	25	- 27.4	- 36.4
- Dividend received from joint ventures and associates	13	104.1	44.7
- Result joint ventures and associates	6	- 108.9	- 83.4
- Measurement of equity-settled share-based payment arrangements	24	2.4	2.1
- Result on sale property, plant and equipment	2, 5	- 1.7	2.5
- Result on sale of joint ventures and associates	6	- 111.5	–
- Result on sale of subsidiaries	2	- 4.3	- 0.5
Realized value adjustments of derivative financial instruments		- 13.8	- 34.3
Movements in other current assets (excluding cash and cash equivalents)		- 23.7	- 39.1
Movements in other current liabilities (excluding bank overdrafts and dividends)		- 32.2	29.7
Effect of changes in exchange rates on other current current assets and liabilities		15.6	4.0
Cash flows from operating activities (gross)		**495.8**	**455.1**

34. Operating lease

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

	2011	2010
Less than 1 year	48.6	53.2
Between 1 and 5 years	192.2	176.9
More than 5 years	383.2	352.2
Total	**624.0**	**582.3**

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

In 2011, EUR 53.5 million was recognized as expenses in the statement of income relating to operating leases (2010: EUR 50.5 million).

35. Investment commitments undertaken

The investment commitments undertaken amount to EUR 214.7 million as at 31 December 2011 (2010: EUR 381.0 million).

36. Contingent assets and contingent liabilities

Guarantees and security provided for joint ventures, associates and third parties amounted to EUR 86.2 million (2010: EUR 91.3 million). This includes the Vopak guarantee for the project financing (EUR 42 million) of the joint venture Vopak Terminal Jakarta. The amounts of these guarantees and securities can be called within one year.

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.

37. 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 32.

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

In 2011, 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 pages 183 and 184).

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.

	2011	2010
Other operating income	5.8	5.9
Interest income on borrowings to joint ventures and associates	0.2	1.0
Amounts owed by or owed to (-) joint ventures and associates	37.7	5.6

Transactions with pension funds
Related party transactions with Vopak's pension funds are presented in note 27.

Company Financial Statements

Company Statement of Income

In EUR millions	2011	2010
Profit of participating interests after tax	475.7	334.8
Other results after tax	- 75.1	- 64.7
Net Profit	**400.6**	**270.1**

Company Statement of Financial Position at 31 December before Profit Appropriation

In EUR millions	Note		2011		2010
Participating interests in group companies	2	1,878.4		1,680.8	
Loans granted	3	1,244.9		1,123.0	
Deferred taxes		1.4		–	
Derivative financial instruments	6	18.2		2.4	
Pension and other employee benefits		156.2		90.5	
Total non-current assets			**3,299.1**		**2,896.7**
Trade and other receivables		6.2		12.5	
Prepayments		2.8		0.9	
Derivative financial instruments	6	1.9		27.0	
Cash and cash equivalents		1.1		55.6	
Total current assets			**12.0**		**96.0**
Bank overdrafts		104.2		28.5	
Interest-bearing loans	5	16.9		190.7	
Derivative financial instruments	6	6.5		21.9	
Trade and other payables		17.2		20.7	
Provisions	7	0.1		–	
Total current liabilities			**144.9**		**261.8**
Current assets less current liabilities			**- 132.9**		**- 165.8**
Total assets less current liabilities			**3,166.2**		**2,730.9**
Interest-bearing loans	5	1,397.9		1,267.3	
Derivative financial instruments	6	34.5		4.8	
Non-current liabilities			**1,432.4**		**1,272.1**
Provisions	7		**4.5**		**5.4**
Share capital		84.6		84.6	
Share premium		281.2		281.2	
Share capital and share premium			365.8		365.8
Statutory reserve for participating interests		175.9		184.2	
Translation reserve		47.7		31.6	
Revaluation reserve derivatives		- 79.5		- 33.6	
Revaluation reserve assets		5.9		6.1	
Other reserves		812.9		629.2	
Unappropriated profit		400.6		270.1	
Other shareholders' equity components	4		1,363.5		1,087.6
Shareholders' equity			**1,729.3**		**1,453.4**
Total			**3,166.2**		**2,730.9**

Notes to the Company Financial Statements

An abridged company statement of income is presented in accordance with Section 402 of Book 2 of the Dutch 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 Dutch 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 Dutch 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 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

	2011	2010
Carrying amount at 1 January	**1,680.8**	**1,231.8**
Investments	–	8.0
Dividend	- 290.9	- 8.0
Exchange differences	23.3	100.8
Hedging	- 10.5	13.4
Profit	475.7	334.8
Carrying amount at 31 December	**1,878.4**	**1,680.8**

3. Loans granted

	2011	2010
Carrying amount at 1 January	**1,123.0**	**925.5**
Loans granted	665.0	1,148.8
Repayments	- 543.7	- 952.4
Exchange differences	0.6	1.1
Carrying amount at 31 December	**1,244.9**	**1,123.0**

At 31 December 2011, loans granted did not include any subordinated loans (2010: nil).

4. Shareholders' equity

Please see note 22 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 2011 and 2010 are shown in the following table.

The translation 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 revaluation reserve derivatives (EUR 79.5 million) at 31 December 2011, a total of EUR 1,134.0 million (2010: EUR 865.7 million) is distributable from other reserves and unappropriated profit for 2011.

	Statutory reserve participating interests	Trans-lation reserve	Re-valuation reserve derivatives	Re-valuation reserve assets	Other reserves	Unappro-priated profit	Total
Balance at 1 January 2010	**126.4**	**- 2.3**	**- 20.3**	**7.2**	**524.2**	**251.2**	**886.4**
- Profit appropriation	–	–	–	–	168.8	- 168.8	–
- Dividend in cash	–	–	–	–	–	- 82.4	- 82.4
- Exchange differences on net investments	–	101.6	–	–	–	–	101.6
- Effective part of hedges of net investments	–	- 94.3	–	–	–	–	- 94.3
- Tax effect on exchange differences and hedges	–	26.4	–	–	–	–	26.4
- Use of exchange differences on net investments (to statement of income)	–	0.2	–	–	–	–	0.2
- Changes in value of effective part of cash flow hedges	–	–	- 16.9	–	–	–	- 16.9
- Tax effect of changes in value of cash flow hedges	–	–	4.2	–	–	–	4.2
- Use of effective part of cash flow hedges (to statement of income)	–	–	- 0.8	–	–	–	- 0.8
- Tax effect of use of cash flow hedges	–	–	0.2	–	–	–	0.2
- Depreciation on revaluation reserve assets	–	–	–	- 1.1	1.1	–	–
- Measurement of equity-settled share-based payment arrangements	–	–	–	–	2.1	–	2.1
- Repurchase of own shares	–	–	–	–	- 9.2	–	- 9.2
- Transferred from other reserves to statutory reserves	57.8	–	–	–	- 57.8	–	–
- Profit for the year	–	–	–	–	–	270.1	270.1
Balance at 31 December 2010	**184.2**	**31.6**	**- 33.6**	**6.1**	**629.2**	**270.1**	**1,087.6**
- Profit appropriation	–	–	–	–	172.8	- 172.8	–
- Dividend in cash	–	–	–	–	–	- 97.3	- 97.3
- Exchange differences on net investments	–	34.7	–	–	–	–	34.7
- Effective part of hedges of net investments	–	- 34.9	–	–	–	–	- 34.9
- Tax effect on exchange differences and hedges	–	15.7	–	–	–	–	15.7
- Use of exchange differences on net investments (to statement of income)	–	- 11.4	–	–	–	–	- 11.4
- Use of effective part of hedges of net investments (to statement of income)	–	16.0	–	–	–	–	16.0
- Tax effect of use of exchange differences and hedges (to statement of income)	–	- 4.0	–	–	–	–	- 4.0
- Changes in value of effective part of cash flow hedges	–	–	- 61.4	–	–	–	- 61.4
- Tax effect of changes in value of cash flow hedges	–	–	13.9	–	–	–	13.9
- Use of effective part of cash flow hedges (to statement of income)	–	–	1.4	–	–	–	1.4
- Tax effect of use of cash flow hedges	–	–	0.2	–	–	–	0.2
- Depreciation on revaluation reserve assets	–	–	–	- 0.2	0.2	–	–
- Measurement of equity-settled share-based payment arrangements	–	–	–	–	2.4	–	2.4
- Transferred from statutory reserves to other reserves	- 8.3	–	–	–	8.3	–	–
- Profit for the year	–	–	–	–	–	400.6	400.6
Balance at 31 December 2011	**175.9**	**47.7**	**- 79.5**	**5.9**	**812.9**	**400.6**	**1,363.5**

5. Interest-bearing loans

	Nominal value		More than 5 years		Average term in years		Average interest in %	
	2011	2010	2011	2010	2011	2010	2011	2010
Current portion	16.9	190.7						
Non-current portion	1,397.9	1,267.3						
Total	**1,414.8**	**1,458.0**	**1,085.9**	**1,045.8**	**10.5**	**10.3**	**4.3**	**4.5**

6. Derivative financial instruments

Market value of derivative financial instruments as at 31 December 2011 in order of maturity date

	Years								
	< 1	1-2	2-3	3-4	4-5	> 5	Total	Assets	Liabilities
Currency risks									
Forward exchange contracts	- 4.6	–	–	–	–	–	- 4.6	1.9	6.5
Cross currency interest rate swaps	–	- 0.2	–	–	–	- 18.7	- 18.9	15.6	34.5
Interest rate risks									
Interest rate swaps	–	–	2.6	–	–	–	2.6	2.6	–
Total	**- 4.6**	**- 0.2**	**2.6**	**–**	**–**	**- 18.7**	**- 20.9**	**20.1**	**41.0**
Current	- 4.6	–	–	–	–	–	- 4.6	1.9	6.5
Non-current	–	- 0.2	2.6	–	–	- 18.7	- 16.3	18.2	34.5
Total	**- 4.6**	**- 0.2**	**2.6**	**–**	**–**	**- 18.7**	**- 20.9**	**20.1**	**41.0**

Market value of derivative financial instruments as at 31 December 2010 in order of maturity date

	Years								
	< 1	1-2	2-3	3-4	4-5	> 5	Total	Assets	Liabilities
Currency risks									
Forward exchange contracts	- 8.1	–	–	–	–	–	- 8.1	0.3	8.4
Cross currency interest rate swaps	13.2	–	–	–	–	- 3.4	9.8	28.1	18.3
Interest rate risks									
Interest rate swaps	–	–	–	1.0	–	–	1.0	1.0	–
Total	**5.1**	**–**	**–**	**1.0**	**–**	**- 3.4**	**2.7**	**29.4**	**26.7**
Current	5.1	–	–	–	–	–	5.1	27.0	21.9
Non-current	–	–	–	1.0	–	- 3.4	- 2.4	2.4	4.8
Total	**5.1**	**–**	**–**	**1.0**	**–**	**- 3.4**	**2.7**	**29.4**	**26.7**

7. Provisions

Movements in provisions were as follows:

	Pensions and other employee benefits	Other	Total
Balance at 1 January 2010	**2.3**	**0.9**	**3.2**
Movements:			
- Additions	2.2	–	2.2
Balance at 31 December 2010	**4.5**	**0.9**	**5.4**
Non-current liabilities	4.5	0.9	5.4
Current liabilities	–	–	–
Balance at 31 December 2010	**4.5**	**0.9**	**5.4**
Movements:			
- Additions	2.5	0.4	2.9
- Withdrawals	- 3.4	- 0.3	- 3.7
Balance at 31 December 2011	**3.6**	**1.0**	**4.6**
Non-current liabilities	3.6	0.9	4.5
Current liabilities	–	0.1	0.1
Balance at 31 December 2011	**3.6**	**1.0**	**4.6**

8. Remuneration of Supervisory Board members and Executive Board members

See note 32 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 86.2 million (2010: EUR 91.3 million). Guarantees and security provided on behalf of group companies amounted to EUR 52.5 million (2010: EUR 44.2 million).

Joint and several liability undertakings for an amount of EUR 130.0 million (2010: EUR 110.0 million) were issued for bank credits granted to Royal Vopak. Furthermore joint and several liability undertakings for an amount of EUR 60.5 million (2010: EUR 51.5 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, 28 February 2012

The Executive Board
E.M. Hoekstra (Chairman and CEO)
J.P. de Kreij (Vice-chairman and CFO)
F. Eulderink (COO)

The Supervisory Board
A. van Rossum (Chairman)
M. van der Vorm (Vice-chairman)
F.J.G.M. Cremers
C.J. van den Driest
Chun Kai Lam
R.G.M. Zwitserloot

Other information


Vopak

Contents

Other Information

Audit report of the independent auditor

To the Annual General Meeting of Shareholders of Koninklijke Vopak N.V.

Report on the financial statements

We have audited the financial statements 2011 of Koninklijke Vopak N.V., Rotterdam as set out on pages 84 to 168 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 statement of income, the consolidated statement of comprehensive income, the consolidated statement of financial position as 31 December 2011, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and the notes, comprising a summary of significant accounting policies and other explanatory information. The company financial statements comprise the company statement of income for the year then ended, the company statement of financial position as at 31 December 2011 and the notes, comprising a summary of significant accounting policies and other explanatory information.

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 Dutch Civil Code, and for the preparation of the Executive Board report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Executive Board is responsible for such internal control it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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, 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 2011, and of its results and its cash flows 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 Dutch 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 2011, and of its results for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the Executive Board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Furthermore we report, to the extent we can assess, that the Executive Board report, is consistent with the financial statements as required by 2:391 sub 4 of the Dutch Civil Code.

Rotterdam, 28 February 2012

PricewaterhouseCoopers Accountants N.V.

Originally signed by M. de Ridder RA

Events after reporting period

Expansion Vopak Terminal Europoort
In January 2012, Vopak decided to expand its storage capacity at Vopak Terminal Europoort (the Netherlands) for middle distillates by 400,000 cbm. After completion of the expansion in the first half year of 2014, the total storage capacity will be 3.9 million cbm. The expansion consists of 8 new tanks of 50,000 cbm each and meets the structural growing demand for tank storage of various petroleum products in Northwest Europe.

Revolving credit facility
On 2 February 2012, Vopak reached agreement with 14 of the 15 lenders of the EUR 1.2 billion senior unsecured multicurrency revolving credit facility about the extension of the facility with one additional year. With this addition the remaining maturity of four years has been extended to a remaining maturity of 5 years for an amount of EUR 1.1 billion. A second mutual option period of one year extension will be applicable towards the end of 2012.

With this agreement the maturity date of EUR 1.1 billion of the original revolving credit facility of EUR 1.2 billion has been postponed from 2 February 2016 to 2 February 2017. At year-end 2011, EUR 100 million was drawn under this facility.

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. In the annual general meeting of shareholders:
b. the annual accounts as prepared by the management board will be presented to the general meeting for adoption and the allocation of profits will – with due observance of the provisions of article 27 – be determined.

27.12. The profits remaining after application of the previous paragraphs shall be at the free disposal of the general meeting, with due observance of the fact that no dividend can be distributed when, at the time of the distribution, the dividend reserve finance preference shares has a positive balance and furthermore provided that no further distributions shall be made on the anti take-over preference shares and the finance preference shares and no profits shall be (further) reserved for the account of the finance preference shares.

Proposed Profit Appropriation

The proposal to the Annual General Meeting will be to distribute a dividend on the financing preference shares of EUR 8.2 million (2010: EUR 8.2 million) and a dividend in cash of EUR 0.80 (2010: EUR 0.70 in cash) per ordinary share, with a nominal value of EUR 0.50 each. Provided that the Annual General Meeting adopts the statement of income, statement of financial position and dividend proposal, the dividend for the 2011 financial year will be made payable on 3 May 2012.


Vopak
401

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 and any of its affiliated companies in order to safeguard, among other things, Royal Vopak's and these companies' continuity and/or identity and/or 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. The Chairman of the Supervisory Board attended these meetings as an observer.

In addition, the financing of Stichting Vopak and the composition of the Board were discussed. During the meeting held on 19 April 2011, Mr J.H.M. Lindenbergh was reappointed as a member of the Board.

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 statement of financial position 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, 28 February 2012

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, 28 February 2012

Stichting Vopak **Koninklijke Vopak N.V. (Royal Vopak)**

Report of the Stichting Administratiekantoor Financieringspreferente Aandelen Vopak ('the Foundation')

As at 31 December 2011, the Foundation administered 41,400,000 registered financing preference shares with a nominal value of EUR 0.50 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 one of these meetings, items on the agenda included the manner in which the Foundation would vote at the Annual General Meeting ('AGM') to be held on 27 April 2011.

In addition, the Board discussed the retirement of Mr J.H. Ubas in 2012 on account of attaining the statutory age of 73 and a binding recommendation for the Meeting of depositary receipt holders to reappoint Mr H.J. Baeten as Officer A for a period of 4 years. During the Meeting of depositary receipt holders held on 31 May 2011, Mr H.J. Baeten was reappointed as Officer A for a period of 4 years.

Holders of depositary receipts did not request any proxies for the AGM. One holder of depositary receipts provided a proxy to the Foundation, instructing it to approve all proposals made to the AGM.

For the AGM, the Foundation provided a proxy with voting instructions to an independent third party, which is Van der Stap Notarissen, instructing it to approve all proposals made to the AGM on the Foundation's behalf.

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 one-hundred-and-sixteen votes for every thousand financing preference shares.

Rotterdam, 28 February 2012

Stichting Administratiekantoor Financieringspreferente Aandelen Vopak
Westerlaan 10, 3016 CK Rotterdam

Information on the Executive Board members

Personal details regarding Mr E.M. Hoekstra (Chairman and CEO)

Nationality	Dutch
Year of birth	1971
Previous important position held	President of Vopak Asia
Supervisory board memberships	None
Number of Vopak shares held	11,683 [1]
Date of first appointment	12 November 2010
Current period	2010 - 2014

Personal details regarding Mr J.P. de Kreij (Vice-chairman and CFO)

Nationality	Dutch
Year of birth	1959
Previous important position held	Senior Partner PricewaterhouseCoopers N.V. Managing Partner Transaction Services
Supervisory board memberships	Evides N.V. CSM N.V.
Number of Vopak shares held	312,990 [1]
Date of first appointment	1 January 2003
Current period	Indefinitely (pension date 1 May 2019)

Personal details regarding Mr F. Eulderink (COO)

Nationality	Dutch
Year of birth	1961
Previous important position held	Vice-president Unconventional Oil at Shell in North America
Supervisory board memberships	None
Number of Vopak shares held	750 [1]
Date of first appointment	28 April 2010
Current period	2010 - 2014

[1] All transactions involved were performed 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	66 years (12-5-1945)
Nationality	Dutch
Other board positions	**Member Board of Directors**
	Credit Suisse Group A.G.
	Solvay S.A.
	Member Supervisory Board
	Münchener Rückversicherungs-Gesellschaft
	Erasmus University Rotterdam, Chairman
	Netherlands Economic Institute, Chairman
Previous positions	Chairman of the Executive Committee (CEO) of Fortis NV/SA (till end 2004)
	Senior Partner McKinsey and Company Inc.
Number of Vopak shares held	None
Date of first appointment	27 September 2007
Current term	2011 - 2015
Chairman of the Selection and Appointment Committee	
Member of the Remuneration Committee	

Personal details regarding Mr M. van der Vorm (Vice-chairman)

Age	53 years (20-8-1958)
Nationality	Dutch
Profession/Main position	Chairman of the Executive Board of HAL Holding N.V.
Other board position	**Member Supervisory Board**
	Anthony Veder Group 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	60 years (7-2-1952)
Nationality	Dutch
Other board positions	**Member Board of Directors**
	Capital Market Committee of AFM
	Stichting Preferente Aandelen Philips
	Stichting Preferente Aandelen Heijmans
	Member Supervisory Board
	N.V. Nederlandse Spoorwegen, Vice-chairman
	Fugro N.V., Vice-chairman
	N.V. Luchthaven Schiphol
	Unibail-Rodamco S.E.
	Parcom Capital Management B.V.
	SBM Offshore N.V.
Previous position	Member of the Executive Board and CFO of VNU N.V.
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	64 years (22-11-1947)
Nationality	Dutch
Profession/Main position	Director of Carelshaven B.V.
Other board positions	**Member Board of Directors**
	Stichting ING Aandelen
	Member Supervisory Board
	Anthony Veder Group N.V., Chairman
	Van Gansewinkel Groep B.V.
	Van Oord N.V., Chairman
	Stork N.V.
	Teslin Capital Management B.V.
Previous position	Chairman of the Executive Board of Royal Vopak
Number of Vopak shares held	8,000
Date of first appointment	27 April 2006
Current term	2010 - 2014
Chairman of the Remuneration Committee	

Personal details regarding Mr Chun Kai Lam (member)

Age	64 years (12-5-1947)
Nationality	Singapore
Other board positions	**Member Board of Directors**
	Energy Market Authority, Singapore
	National Productivity & Continuing Education council, Singapore
	Member Supervisory Board
	SinoChem International, China (independent director and chairman of the remuneration committee)
	Hertel Holding B.V.
	Advisory Board
	Yokogawa Electric, Japan (executive advisor to CEO)
Previous positions	Venture Director of the Shell Eastern Petrochemical complex, Singapore (2007 - 2010)
	CEO of CNOOC-SHELL Petrochem Company, China (2000 - 2007)
Number of Vopak shares held	None
Date of first appointment	27 April 2011
Current term	2011 - 2015
Member of the Remuneration Committee	

Personal details regarding Mr R.G.M. Zwitserloot (member)

Age	62 years (25-8-1949)
Nationality	Dutch
Other board positions	**Member Supervisory Board**
	TenneT Holding B.V.
	Amsterdam Capital Trading Group B.V.
Previous position	Chairman of the Executive Board of Wintershall Holding A.G.
Number of Vopak shares held	None
Date of first appointment	1 October 2009
Current term	2009 - 2013
Member of the Audit Committee	

Principal Company Officers at 28 February 2012

Netherlands

Division Management

Jan Bert Schutrops	Division President
Niek Verbree	Operations & Technology
Ferry Lupescu	Finance & Control
Nico Vermeulen	Human Resources

Business Units

Paul Cox *	Rotterdam Botlek
Boudewijn Siemons *	Rotterdam Europoort
Age Reijenga *	Vlaardingen
Erik Kleine *	North Netherlands
Piet Hoogerwaard	Agencies
Joris Meerbach	Vlissingen

Joint ventures

Peter den Breejen	Cross-Ocean, the Netherlands

Europe, Middle East & Africa

Division Management

Frank Erkelens	Division President
Michiel Gilsing	Commercial
Michiel van Cortenberghe	Business Development
Dave Mercer	Operations & Technology
Maarten van Akkerveeken	Finance & Control
Edwin Taal	Human Resouces

Business Units

Michiel van Ravenstein	Belgium
Ramon Ernst	Finland
Niels Unger	Germany
Jarmo Stoopman	Middle East, Dubai
Marcel van de Kar	South Africa
Janhein van den Eijnden	Sweden
Ian Cochrane	United Kingdom
Augustin Silva	Algeciras, Spain

Joint ventures

Arnout Lugtmeijer	Vopak E.O.S., Estonia
Arno de Man	SabTank, Saudi Arabia
Walter Moone	Vopak Horizon Fujairah, UAE
Ignacio Casajus	Terquimsa, Spain
Imran-ul Haque	Engro Vopak, Pakistan

Asia

Division Management

Patrick van der Voort	Division President
Ian ter Haar	Commercial
Soo Koong Tan	Business Development
Randy Cheong	Operational Excellence
Ard Huisman	Finance & Control
Vijaya Nair	Human Resources

China

Yan Chen	Division President
Michael Yan	Operational Excellence
Biwei Yan	Project & Engineering
James Shih	Commercial
Kenneth Chan	Business Development
Wayne Wang	Finance & Control
Whitney Wu	Human Resources

Business Units

Ron Dickinson	Lanshan, China
Leo Brons	Australia
Mariah Ismail	Pasir Gudang, Malaysia
Teo Seow Ling	Singapore
Anthony Zhou	Zhangjiagang, China
Dipankar Pal	India
Andrew North	Merak, Indonesia
Le Quan	Vietnam

Joint ventures

Chris Badenhorst	Yangpu, China
Gang Wu	Dongguan, China
Teng Bo	Tianjin, China
Biwei Yan	Tianjin Lingang, China
Tawatchai Chittavanich	Thai Tank Terminal, Thailand
Buu Dinh	Caojing Shanghai, China
Jeremy Pei	Xiamen, China
Law Say Huat	Kertih Terminals, Malaysia
Edwin Hui	Ningbo, China
J.I. Lee	Ulsan, Korea
Mark Noordhoek-Hegt	Jakarta, Indonesia
Katsumi Sato	Nippon Vopak, Japan

North America

Division Management

Dick Richelle	Division President
Len Daly	Commercial
Jeffrey Tan	Operational Excellence
Clinton Roeder	Finance & Control
Kenneth McKee	Human Resources
Ralf van der Ven	Business Development

Business Units

Colin Scott	Gulf Coast
Mike LaCavera	West Coast
Charles Bradley	East Coast
Chris Robblee	Canada

Latin America

Division Management

Jos Steeman	Division President
Dick Oskam	Marketing & Sales
Esteban Kepcija	Operational Excellence
Mark Ramondt	Finance & Control
Hernán Rein	Human Resources
Gustavo Prévide	Business Development
Diana Salguero	ICT & Process Improvement
Nadine Fève	Communication

Business Units

Ignacio González	Mexico
Coenraad Meijer	Chile
Dick Meurs	Venezuela
Marcelo Villaca	Colombia
Cristhian Pérez	Peru
Daniel Lisak	Brazil

Joint ventures

Sjoerd Bazen	Ecuador

Global Staff

Wim Bloks	Sourcing & Procurement
Ton van Dijk	Information Services
Ans Knape	Human Resources
Anne-Marie Kroon	Tax
Wilfred Lim	Operations & Technology
Wim Samlal	Control & Business Analysis; Internal Audit (a.i.)
Kees van Seventer	Sales & Marketing (Commercial President)
Dirk van Slooten	LNG projects
Cees Vletter	Treasury
Tjeerd Wassenaar	Legal Affairs & Corporate Secretary
René Wiezer	Insurance
Hans de Willigen	Communication & Investor Relations

Joint ventures

Branko Pokorny	Gate terminal, the Netherlands
Carlos Barajas	Altamira LNG Terminal, Mexico

* Also member of Division Management

Consolidated Subsidiaries, Joint Ventures and Associates

A. Principal subsidiaries

Europe, Middle East & Africa

Belgium
Vopak Agencies Antwerpen NV
Vopak Terminal Eurotank NV
Vopak Chemical Terminals Belgium NV

Germany
Vopak DUPEG Terminal Hamburg GmbH
Vopak Agency Germany GmbH

Finland
Vopak Chemicals Logistics Finland Oy

France
Fos Faster LNG Terminal SAS (90%)

The Netherlands
Vopak Nederland B.V.
Vopak Finance B.V.
Vopak Terminal Vlissingen B.V.
Vopak Terminal Amsterdam Petroleumhaven B.V.
Vopak Terminal Amsterdam Westpoort 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 Global Information Services B.V.
Vopak Global Procurement 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 Terminals North Netherlands 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.

Spain
Vopak Terminal Algeciras S.A. (80%)

Sweden
Vopak Sweden AB

Switzerland
Monros AG

Turkey
Vopak Terminal Marmara Depolama
Hizmetleri AS

United Kingdom
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]

India
Vopak Terminals Kandla
(CRL Terminals Pvt, Ltd.)

Indonesia
PT Vopak Terminal Merak (95%)

Malaysia
Vopak Terminals Pasir Gudang Sdn. Bhd.

Singapore
Vopak Asia Pte. Ltd.
Vopak Terminals Singapore Pte. Ltd.
(69.5%) [2]
Vopak Terminal Penjuru Pte. Ltd. (69.5%) [3]

Vietnam
Vopak 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.
Vopak Terminal Perth Amboy LLC (82.17%)

Latin America

Argentina
Vopak Argentina S.R.L.

Brazil
Vopak Brasil S.A.
Vopak Terminal de Líquidas Ilha Barnabé Ltda.
VPK Participações e Serviçoes Portuários Ltda.

Chile
Vopak Chile Limitada

Colombia
Vopak Colombia S.A.

Mexico
Vopak Mexico SA de CV

Panama
Vopak Panama Atlantic Inc.

Peru
Vopak Peru S.A.

Venezuela
Vopak Venezuela S.A.

[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.

B. Joint ventures

Europe, Middle East & Africa

Bahrain
Vopak Zamil Holding W.L.L. (50%)
Estonia
AS Vopak E.O.S. (50%)
The Netherlands
Altamira LNG CV (60%)
Altamira LNG Management B.V. (60%)
Calandstraat C.V. (50%)
Cross-Ocean C.V. (50%)
Cosco Container Lines (Netherlands) B.V. (50%)
Gate terminal B.V. (42.5%)
Gate terminal Management B.V. (50%)
MultiCore CV (25%)
Vopak Terminal Eemshaven B.V. (50%)
Westerlaan C.V. (50%)
Westerpark C.V. (50%)
Pakistan
Engro Vopak Terminal Ltd. (50%)
Spain
Terminals Quimicos SA (Terquimsa) (50%)
United Arab Emirates
Vopak Horizon Fujairah Ltd. (33.33%)

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%)
Vopak Bohai Petrochemicals (Tianjin) Terminal Co. Ltd. (50%)
Tianjin Lingang Vopak Jetty Co. Ltd. (30%)
Vopak Terminal SDIC Yangpu Co. Ltd. (49%)
Vopak Sealink Terminal (Dongguan) Co. Ltd. (50%)
Dongguan Sealink Jetty Co. Ltd. (50%)
Indonesia
PT Jakarta Tank Terminal (49%)
Japan
Nippon Vopak Co. Ltd. (40%)
Korea
Vopak Terminals Korea Ltd. (51%)
Malaysia
Kertih Terminals Sdn. Bhd. (30%) [1]
Pengerang Terminals Sdn Bhd. (49%) [2]
Pengerang Independent Terminals Sdn Bhd. (89.8%) [3]
Thailand
Thai Tank Terminal Ltd. (49%)

Latin America

Brazil
Uniao-Vopak Armazens Gerais Limitada (50%)
Chile
Terminal Maritimo Vopak-Oxiquim Mejillones S.A. (50%)
Ecuador
Vopak Ecuador S.A. (50%)
Mexico
Terminal de Altamira de S. de R.L. de C.V. (60%)
TLA Servicios de R.L. de C.V. (60%)

[1] Vopak Terminal Penjuru Pte. Ltd. 30% ownership in Kertih Terminals Sdn. Bhd.
[2] Vopak Terminal Pengerang B.V. 49% ownership in Pengerang Terminals Sdn Bhd.
[3] Pengerang Terminals Sdn Bhd. 89.8% ownership in Pengerang Independent Terminals Sdn Bhd.

C. Associates

Europe, Middle East & Africa

The Netherlands
Maasvlakte Olie Terminal N.V. (16.67%)
Rotterdamse Cintra Maatschappij B.V. (25%)

Five-year Consolidated Summary

In EUR millions	2011	2010	2009	2008	2007
Consolidated abridged statement of income					
Revenues	1,172	1,106	1,001	924	853
Other operating income	13	9	21	16	31
Total operating income	**1,185**	**1,115**	**1,022**	**940**	**884**
Operating expenses	- 642	- 604	- 560	- 546	- 523
Depreciation, amortization and impairment	- 178	- 152	- 131	- 110	- 107
Total operating expenses	**- 820**	**- 756**	**- 691**	**- 656**	**- 630**
Operating profit	**365**	**359**	**331**	**284**	**254**
Result of joint ventures and associates					
using the equity method	221	83	60	38	38
Group operating profit	**586**	**442**	**391**	**322**	**292**
Net finance costs	- 79	- 68	- 46	- 37	- 43
Profit before income tax	**507**	**374**	**345**	**285**	**249**
Income tax	- 71	- 73	- 69	- 55	- 51
Net profit	**436**	**301**	**276**	**230**	**198**
- Holders of ordinary shares	393	262	247	212	181
- Holders of financing preference shares	8	8	4	1	2
Attributable to owners of parent	**401**	**270**	**251**	**213**	**183**
- Non-controlling interests	35	31	25	17	15
Net profit	**436**	**301**	**276**	**230**	**198**
Consolidated abridged statement of financial position					
Intangible assets	73	54	41	39	63
Property, plant and equipment	2,904	2,546	2,051	1,693	1,385
Financial assets	608	616	497	433	221
Deferred tax	31	6	5	7	16
Other	229	148	136	107	96
Total non-current assets	**3,845**	**3,370**	**2,730**	**2,279**	**1,781**
Total current assets	**395**	**461**	**406**	**355**	**352**
Total assets	**4,240**	**3,831**	**3,136**	**2,634**	**2,133**
Total equity	**1,838**	**1,550**	**1,333**	**1,009**	**880**
Total non-current liabilities	**1,863**	**1,662**	**1,412**	**1,141**	**846**
Total current liabilities	**539**	**619**	**391**	**484**	**407**
Total liabilities	**2,402**	**2,281**	**1,803**	**1,625**	**1,253**
Total equity and liabilities	**4,240**	**3,831**	**3,136**	**2,634**	**2,133**

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
Bcma	Billion cubic meters per annum
Biofuels/Biodiesel	Products of vegetable origin or from animal fats that are added to gasoline or diesel
Capex	Capital expenditure
Capital employed	Total assets less current liabilities, excluding assets and current liabilities not related to operational activities
Cbm	Cubic meter
CEMEA	Vopak division Chemicals Europe, Middle East & Africa (until 31 December 2011)
CEO	Chief Executive Officer, the highest ranking executive with the overall responsibility of the organization
CFO	Chief Financial Officer, member of the Executive Board, specifically charged with Finance
COO	Chief Operating Officer, member of the Executive Board, specifically charged with Operations
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
EMEA	Vopak division Europe, Middle East & Africa (as from 1 January 2012)
ERM	Enterprise Risk Management
Greenfield	Building a new terminal on undeveloped land
GRI	Global Reporting Initiative (for more information visit www.globalreporting.org)
HR	Human Resources
Hub	Regional storage and transport centre
IAS	International Accounting Standards
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standards
ISDA	International Swaps and Derivates Association
Lean	Quality improvement method and philosophy
LNG	Liquefied Natural Gas
Lost Time Injury Rate (LTIR)	Number of accidents entailing absence from work per million hours worked (of own personnel and contractors at subsidiaries, joint ventures and associates)
LTIP	Long-term incentive plan
NOCs	National Oil Companies
NPS	Net Promoter Score; a method of measuring the strength of customer loyalty for an organization
OECD	Organisation for Economic Cooperation and Development an international organisation with currently 34 countries being member
OEMEA	Vopak division Oil Europe, Middle East & Africa (until 31 December 2011)
ROCE	Return on Capital Employed, EBIT as a percentage of the average capital employed
SHE	Safety, Health and Environment
Throughput	Volume of a product handled by a terminal in a given period, calculated as (in + out)/2
Total Injury Rate (TIR)	Total number of injuries per million hours worked (own personnel)
VBDO	Vereniging van Beleggers voor Duurzame Ontwikkeling (the Dutch Association of Investors for Sustainable Development)
VEB	Vereniging van Effectenbezitters (Association of Stockholders)
VLCC	Very large crude carrier
VSQI	Vopak Service Quality Index; shows the quality of the various business processes at Vopak


TK0403

Vopak

"A global company driven by local entrepreneurs."

Vopak Global Head Office
Westerlaan 10
3016 CK Rotterdam
P.O. Box 863
3000 AW Rotterdam
The Netherlands
Telephone: +31 10 4002911
Fax: +31 10 4139829

www.vopak.com

Vopak