Royal Vopak
Annual Report 2006

Key data

Income from rendering of services
EUR 778.1 million

Net profit attributable to shareholders
EUR 131.9 million

Earnings per ordinary share
EUR 2.08

Employees
3,442

Global storage capacity
21,224,300 cbm

Banyan Terminal (under construction)
12 April 2006 commissioned

Royal Vopak
Annual Report 2006

This annual report contains the report of the Executive Board, the financial statements and other information, and is also available in Dutch.
In the event of textual inconsistencies between the English and the Dutch version, the latter shall prevail.
Copies of the Dutch and the translated English version of this annual report can be obtained from Royal Vopak, Corporate Communication & Investor Relations:
Telephone: +31 10 4002778
Fax : +31 10 4047302
E-mail : investor.relations@vopak.com

The annual report is also available on the Internet: www.vopak.com

Forward-looking statements
This document contains statements of a forward-looking nature, based on currently available plans and forecasts. Given the dynamics of the markets and the environments of the 30 countries in which Vopak renders logistics services, the company cannot guarantee the accuracy and completeness of such statements.
Unforeseen circumstances include, but are not limited to, exceptional income and expense items, unexpected economic, political and foreign exchange developments, and possible changes to IFRS reporting rules.
Statements of a forward-looking nature issued by the company must always be assessed in the context of the events, risks and uncertainties of the markets and environments in which Vopak operates. These factors could lead to actual results being materially different from those expected.

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Contents

Profile Professionals in liquid bulk logistics

With a history of almost four centuries, Vopak is the global market leader for 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, with specialised facilities: product tanks, jetties, truck loading stations, pipelines and access to road and rail networks.
Products are stored for customers at these terminals for some time, often under very specific conditions, such as temperature, or they are blended to obtain the desired specification. Vopak's terminals play a key role in the transit: products are transported from the terminal to end users by vessel, tank truck or pipeline.

Vopak's independent tank terminal network is responsible for a number of functions in the product's journey from producer to customer. Vopak distinguishes three terminal types:

- **Import, export or distribution terminal**
  As part of the import and export role, bulk liquid is transported by ocean-going vessel. For Vopak's customers, the terminal can, for example, serve as a starting point for the inland distribution of products by inland vessel, pipeline, tank truck and railcar.

- **Hub terminal**
  A hub terminal combines the roles as mentioned above with the role of a meeting point for trade, a location that gives customers access to a market. The Vopak network comprises hubs in Amsterdam-Rotterdam-Antwerp (the ARA region, Europe), Houston (USA), Fujairah (United Arab Emirates) and Singapore (Asia).

- **Industrial terminal**
  A logistics centre integrated in a major petrochemical complex that supports the product flows within the complex and the supply and export of respectively feedstocks and finished products.

Vopak's terminals contribute to optimising the reliability and efficiency of our customers' logistics processes.
From these terminals, Vopak offers its customers – including governments and producers of and traders in oil products and chemicals – high standard quality worldwide. Vopak develops its services with the product, market and functional requirements in mind, often in collaboration with customers and strategic partners. Vopak currently operates 75 terminals in 30 countries.

Vopak invests in long-term relationships with customers, strategic partners, governments, shareholders and employees. Sustainability is an integral part of the company's business processes and operations, mainly reflected in the consistent application and enforcement of strict standards, rules, codes and procedures in the area of Safety, Health, Environment & Quality (SHEQ). Vopak's standards are in keeping with those of oil and petrochemical companies that are trendsetters in this area and that constitute Vopak's customer base. At a minimum, the Vopak standards conform to local legislation and regulations.

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

The units of the global organisation work closely together and actively exchange knowledge and expertise, enabling Vopak to respond rapidly, creatively and accurately to changing customer needs and market developments. Vopak seeks to continually improve and expand its terminal network, particularly in strategically located international ports.

Vopak workforce at year-end comprises of 3,442 employees in the group companies and more than 1,200 employees in joint ventures for tank storage.

Key figures

in EUR millions	2006	2005
Results		
Income from rendering of services	778.1	683.6
Group operating profit before depreciation and amortisation (EBITDA)*	309.8	253.5
Group operating profit (EBIT)*	216.6	170.7
Net profit attributable to shareholders*	131.9	93.2
Net profit attributable to holders of ordinary shares*	129.4	90.2
Cash flow from operating activities (net)	225.3	164.3
Investments		
Total investments	267.6	187.5
Average gross capital employed	2,145.5	1,971.8
Average capital employed	1,117.5	1,033.3
Proposed profit appropriation		
Dividend:		
Financing preference shares	2.5	3.0
Ordinary shares	46.8	37.5
Capital and financing		
Shareholders' equity	671.0	603.5
Interest-bearing loans	514.1	567.4
Net interest-bearing debt	425.7	411.7
Ratios		
ROCE*	19.4%	16.5%
Net debt : EBITDA	1.61	1.76
Interest cover (EBITDA : net finance costs)	7.1	6.7
Key figures per ordinary share (in EUR)		
Earnings per ordinary share	2.08	1.46
Diluted earnings per ordinary share	2.07	1.46
Earnings per ordinary share (excluding exceptional items)	1.96	1.61
Diluted earnings per ordinary share (excluding exceptional items)	1.96	1.61

** Including exceptional items*

Letter from the Chairman of the Executive Board to customers, employees, shareholders and partners

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

A year of growth and excellence

My first year as Chairman of the Executive Board was a pleasing year. We made good progress with our Excellence & Growth strategy and a flow of new projects means we are back on our growth track. And the organisation is stronger, because we simultaneously substantially enhanced our professionalism and quality.

Group operating profit excluding exceptional items rose over 20%, thanks to the contributions of all regions. The growth is mainly attributable to improved occupancy rates and higher margins, but also to capacity expansion. Various existing terminals were optimised and expanded. We also built and commissioned new terminals in Banyan (Singapore) and Caojing (China), and Vietnam was the 30th country added to our network through the acquisition of a majority interest in a terminal near Ho Chi Minh City. In 2006, Vopak's storage capacity grew by some 780,000 cbm worldwide.

Our results in terms of growth and excellence are also reflected in the increased confidence on the part of the financial sector, as evidenced by the sharp rise in our share price over the past year.

Many projects demand a competent organisation

Growth and the ambition to be the best make matters more complex. The projects we carry out are increasing both in number and in size. Proper control of the growth and the manner in which we market the Vopak brand also demand a lot from our people. Management as well as the organisation must meet high standards. We can handle the pressure, as shown, for example, by the project management and alert commercial organisation of several new projects.

We started an operation at our own risk and expense in Banyan (Singapore) and built a terminal – that was immediately full after commissioning – on time, safely and within budget. We are even already expanding the terminal by 50%. The same goes for the Caojing project in China, where phase one of this industrial terminal has been completed and commissioned.

The organisation has also proven its resilience in North America. We had hoped to achieve faster growth in the US by bundling our activities with those of Mitsui USA. When it became evident that the process was taking too long, we had

the courage to withdraw in time and with respect for all parties involved. Following our optimisation efforts, we now have a very sound base that is reflected in our results. The next step is to strengthen our position in the North American market on our own, via another route, possibly also within the oil market. There are considerable opportunities for Vopak here, especially as far as energy-related products are concerned.
Storage of liquefied natural gas (LNG), a product with distinctive characteristics and a new market for Vopak, developed from an idea into a concrete project in Rotterdam (Netherlands) right on time. This project, called Gate terminal, is proceeding according to plan. We expect to make the final decision on construction by mid-2007.

Network of professionals

Storage is increasingly turning into a strategic function for our customers. More and more, a terminal is an essential link in their logistics and commercial processes. That is why our role has long extended much further than just storage. We offer storage concepts that assure delivery reliability, because they ensure that the right product is available in the right place at the right time. This process differs by customer, but is always based on two principles: efficient control of product flows and great flexibility in storage capacity. Particularly for customers who operate globally, the Vopak network is becoming more of an extension of their own organisation, offering ever-increasing added value. The better we tailor that added value, the better our distinct identity in the market. We must therefore think and work at network level, even more than before, to make sure our customers experience the same quality-driven and professional organisation all over the world. An organisation that looks beyond the single terminal and offers customised terminal or cross-divisional storage concepts, guaranteeing the same standards for safety, contracts and systems worldwide to assure the quality of our services.
Another requirement is the effective exchange of knowledge and information at network level, which should enable us to benefit optimally from the available expertise and truly become 'the best' for our customers. Our ICT infrastructure provides support, but our people are key. In 2006, we defined our shared Vopak Values to be Integrity, Professionalism, Improvement, Ownership, Service, Passion and Agility. These lay at the heart of all our daily activities.

Staying the best

We are merely at the beginning of our growth path. We have a well-balanced portfolio and the 'pipeline' is filled with potential and existing projects for the five growth lines defined last year. We are much better equipped to look at customers, investments and projects from all aspects, making it possible to seize opportunities more effectively.
The challenge we face is to improve continually and strengthen our leading position further based on excellence. For us, 'excellence' simply means being the best, operationally, commercially and financially. Our focus is on three themes: being the front-runner for customer satisfaction, smarter cost management and targeted growth.
Sustainability is the underlying principle. Our perspective is long-term, both for investments and for our relationships with customers. The demands set by customers and governments are becoming increasingly strict. Sustainability, safety, health and the environment therefore determine our right to continue in business. We naturally integrate these four pillars in all our operations and they are the driving force behind our quest for innovative solutions.

The right company for the entrepreneurial people

Pride and drive are back in the company. We are self-critical and that, ultimately, is the best way to safeguard our quality level now and in the future.
We have worked hard to achieve that. And the pace that we have adopted – which is more likely to increase than decrease over the next few years – means that we will have to demand even more from our people. The Executive Board is well aware of that. On the other hand, we give entrepreneurship and individual initiatives the opportunity to flourish. We offer people the chance to develop, encourage them to find their true limits and accept it if errors are made along the way. As long as they play by the company rules, we are perfectly able to cope and learn from the experience. And that makes Vopak an attractive employer, especially for entrepreneurial people.
In conclusion, also on behalf of my Executive Board colleagues, I wish to thank all our people for their tremendous commitment and efforts, and at the same time our shareholders, customers, partners and suppliers, for their trust.

John Paul Broeders
Chairman of the Executive Board
Royal Vopak

Report of the Supervisory Board

Financial statements

It is our pleasure to present the 2006 consolidated financial statements of Royal Vopak as prepared by the Executive Board. The statements were prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements have been audited by the external auditors, PricewaterhouseCoopers Accountants N.V., and discussed with them on the basis of their report.
The unqualified auditors' report is included on the pages 109 and 110. We approved the financial statements at our meeting on 8 March 2007 and recommend that you adopt them.

We approve the proposal of the Executive Board following the distribution of EUR 2.5 million on the financing preference shares in Royal Vopak to distribute an amount of EUR 46.8 million in cash as a dividend to holders of ordinary shares in Royal Vopak and to add the remaining EUR 82.6 million to other reserves.

Corporate Governance

In consultation with the Executive Board we submitted the corporate governance structure and the corporate governance policy of the company, as well as a limited number of deviations from the best practice provisions of the Dutch Corporate Governance Code (the 'Code'), for discussion during the Annual General Meeting in April 2006.

The main points of Vopak's corporate governance structure are once again considered in a separate section of this report. The corporate governance structure and policy will again be submitted as a separate agenda item at this year's Annual General Meeting (the 'General Meeting').

At the annual meeting held in April 2006, the General Meeting appointed Mr Van den Driest a member of the Supervisory Board on our recommendation. In so doing, the General Meeting implicitly consented to the additional deviation from the best practice provision in the Code concerning the independence of members of the Supervisory Board, since neither Mr Van der Vorm nor Mr Van den Driest do currently meet all the Code's independence criteria. The information on the members of the Supervisory Board required by the Code is presented on page 115 of this annual report.

This report on the performance and work of the Supervisory Board in the past year and in the period up to the publication of this annual report has been prepared in accordance with the provisions of the Code.

Supervision

The Supervisory Board met on seven occasions during the year under review. One of the meetings was not according to the prearranged schedule. None of the Supervisory Board members was frequently absent from the Board meetings.

Within the framework of the Supervisory Board's supervision responsibilities, the operational and financial objectives of the company were discussed at regular scheduled meetings.
During each of these meetings, safety, health and environmental issues were among the topics discussed. The Supervisory Board also visited a site.

Furthermore, regular topics discussed included strategy, budget, financing of the company and internal and external quarterly, half-yearly and annual financial reports. The Supervisory Board also considered the progress being made with ongoing projects and the start-up of new projects. The various investment proposals related to expansion and greenfield projects in nearly all continents where Vopak operates. An additional contribution to the Dutch pension fund to increase the coverage ratio of this fund also came up for discussion.

The external auditors were present during the meeting on the half-yearly and annual results. The interim report and auditors' report issued by the external auditors were also discussed during that meeting. The minutes of all the meetings of the Audit Committee were also considered and discussed in subsequent meetings of the Supervisory Board.

In addition to reviewing the ICT policy, the Supervisory Board discussed the Management Development and Succession Planning. The newly appointed Division Presidents were given the opportunity to explain their ambitions and visions for the development of their divisions in detail.
Furthermore, the Supervisory Board and Executive Board discussed the risks associated with the company's operations as well as the results of the Executive Board's review of the design and operation of the company's risk management and control systems. Proposals for amendments to the remuneration policy for 2007 and beyond were also developped.

At a meeting not attended by Executive Board members, the Supervisory Board discussed proposals of the Remuneration Committee, its own performance and that of the Executive Board, as well as the performance of individual members of both bodies. The Supervisory Board also considered its required profile, composition and competences.

Core committees

During the 2006 financial year, the Supervisory Board had an Audit Committee, a Selection and Appointment Committee and a Remuneration Committee. The composition of these committees is given on page 115 of this annual report.

Audit Committee

The Audit Committee met on five occasions in 2006. All of these meetings were attended by the external auditors.
Conform the Code, one meeting has been held with the external accountant separately, during the year under review.
One of the core tasks of the Audit Committee was an extensive review of the financial reports and the budget before their consideration at plenary meetings of the Supervisory Board. The Committee also discussed the financing structure, analyses of the financial ratios, adjustments to the noteholders programme, pension issues, insurance, taxation, reports on the risks associated with the company's operational, commercial and financial activities, among others, and management reporting.
The Audit Committee also considered the findings of the Internal Audit department, its work plan and the development of a risk classification matrix that the Committee is going to use. In addition, the Committee discussed energy costs, biofuels, the scope of the audit, recommendations in the management letters and the current and future relationship with the external auditors. Finally, the Audit Committee assessed its own performance throughout the year and its regulations.
During 2006, Mr F.J.G.M. Cremers acted as financial expert within the meaning of the relevant best practice provisions of the Code.

Selection and Appointment Committee

The Selection and Appointment Committee met on one occasion. The topics discussed at this meeting were the profile and composition of the Supervisory Board.

Remuneration Committee

The Remuneration Committee met on four occasions during the year under review. Matters dealt with at these meetings included adoption of the bonus proposals for 2005 for members of the Executive Board.

Furthermore, proposals with respect to the personal targets of the members of the Executive Board were drawn up for 2007 and submitted to the Supervisory Board for adoption.

Proposals were also drawn up for amendments to the policy concerning the short-term variable component of the Executive Board members' salaries for 2007. In joint consultation with a benefits expert, the Remuneration Committee drew up a proposal for a long-term incentive plan for the period following the expiry of the current plan on 31 December 2007.

Main points of the Remuneration Report

The current remuneration policy was adopted by the General Meeting in April 2005. The 2006 Remuneration report drawn up by the Remuneration Committee and adopted by the Supervisory Board on 8 March 2007 contains a report of the way in which the remuneration policy was put into practice in the 2006 financial year. The Remuneration report is on the company's website.

In accordance with the current remuneration policy, we have awarded Mr Broeders, Mr De Kreij and Mr De Koning short-term variable components of EUR 227,000, EUR 227,000 and EUR 206,000 respectively for their performance in 2006.

The fixed salary components of the three members of the Executive Board for the 2007 financial year were revised, partly on the basis of the contractual agreements and partly at the proposal of the Remuneration Committee. At present, these components are EUR 440,000 for Mr J.P.H. Broeders, EUR 405,000 for Mr J.P. de Kreij and EUR 376,000 for Mr F.D. de Koning.

In determining the size of the fixed components, we bore in mind that the remuneration should remain appropriate for the efforts and responsibilities of the Executive Directors as graded by the Hay Group method.
At the General Meeting, we intend to submit a small number of adjustments to the 2007 short-term variable component of the remuneration for members of the Executive Board to bring it into line with the present level of the company's financial performance.

In 2005, a long-term variable component was awarded to the three members of the Executive Board in the form of a cash distribution linked to the growth of earnings per ordinary share over a period of three years commencing on 31 December 2004, with settlement in the fourth year. During this three-year period, earnings per ordinary share need to increase by at least 25 per cent. Only then will an amount equal to 60 per cent of their average fixed salary over the three-year period be distributed to the members of the Executive Board in the fourth year. This percentage can rise to a maximum of 120 per cent if the increase in earnings per ordinary share over this period is 35 per cent or more.

A proposal to amend the remuneration policy regarding the long-term variable component for members of the Executive Board for the period after 2007 will be submitted for adoption to the forthcoming General Meeting.

Personal information

Mr R.M.F. van Loon's first four-year term of appointment will expire during the forthcoming General Meeting. The Board is pleased that Mr Van Loon has expressed his willingness to serve as a member of the Supervisory Board for a consecutive period. We will therefore nominate Mr Van Loon for reappointment at the forthcoming General Meeting.

Finally, we would like to express our sincere appreciation to the Executive Board and all company employees for their dedication in the past year and for the corresponding increase in profit.

Rotterdam, 8 March 2007

The Supervisory Board

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

Report

Report of the Executive Board

Strategic framework

Core elements of the mission

- *Safety, quality, flexibility and reliability as critical success factors*
- *Sustainable entrepreneurship is an integral part of operating processes*
- *Recognisable services throughout the global network*
- *Focused on our customers' success*
- *Decisive organisation with attractive self-development opportunities for employees*
- *Effective collaboration and targeted knowledge-sharing within the organisation*

The seven Vopak Values

Integrity, Professionalism, Improvement, Ownership, Service, Passion and Agility

Strategy

Vopak aspires to be the greatest global independent tank terminal operator, for storage of liquid oil and chemical products. Supporting programs:

- *Growth*
  - *optimise existing terminals*
  - *expand existing terminals*
  - *develop terminals in new geographical areas*
  - *develop terminals for new products or markets, for example LNG and biodiesel*
  - *acquisitions*

- *Excellence*
  - *continuously improve operations and work more innovatively - from a commercial, operational and financial perspective - resulting in Customer, Operational and Growth leadership*

Long-term guidance

- *Vopak is aiming for a yearly Group operating profit before depreciation and amortisation (EBITDA) of between EUR 475 million and EUR 550 million in five years'* time
- *The strategic long-term target for 'Return On Capital Employed' remains unchanged at around 16% for the Group as a whole*

Commercial Excellence

Strategic importance of storage ever greater

The strategic importance of storage is becoming ever greater for customers. Vopak contributes to optimisation of its customers' logistics processes with tailored solutions and concepts. The objective of Commercial Excellence is to do that in the best manner possible. Beyond safety, also cost control, swiftness and flexibility are crucial for our customers. Vopak keys into that without making compromises on safety, reliability, integrity or quality, because these are embedded in Vopak's positioning. Our approach safeguards the customer's reputation and contributes to continuity and sustainability, both for our customers and for Vopak itself.

Upward movement in oil and chemicals

The global demand for storage capacity was higher in 2006 than in 2005 as a result of a number of trends that increased further all-round: structural imbalances between production and consumption in the different regions, increased use of oil and chemical products in emerging and growing markets, greater diversity of product specifications for engine fuels, and increasing demand for components for environmentally friendly fuels, such as bio-ethanol and biodiesel.

Due to supply uncertainty there was a higher demand for oil in Europe, especially in the first six months of 2006. Trading was good in 2006 and this translated into a greater demand for storage capacity. For chemicals, the year under review was characterised by a high demand for tank storage capacity, stimulated in part by good economic conditions, which kept the demand for products up. The chemical industry in the Middle East and Asia is growing rapidly, one of the reasons being that chemical multinationals are further expanding their production capacity in these regions. In North America and Europe, the demand for chemical storage is increasing because of more imports of bulk products from the Middle East and other regions.

Thinking from the customer's perspective, locally and globally

Vopak wants to respond effectively to the changing market and to that end collaborates closely with customers and strategic partners. Vopak keeps a close watch on the global markets to keep up to date on short-term and long-term trends at all times.

Based on the knowledge thus acquired Vopak can adapt its tank capacity accordingly, for example, to accommodate changing product flows or by developing new terminals for new products such as biofuels or LNG. On this basis, Vopak can also offer new storage concepts like the shared user facility. With this concept, the stock of one specific product is

Vopak and LNG

The development of the Gate (Gas Access To Europe) terminal project in Rotterdam (Netherlands), which commenced in 2005 on the initiative of Vopak and Gasunie, is proceeding according to plan. The planned site for the terminal is the Maasvlakte in Rotterdam, near the mouth of the Rhine. The location offers all facilities and synergy benefits. It is easily accessible to LNG vessels (even if they increase in size in the future) and all the necessary support and handling facilities are abundantly available. The potential market for natural gas in North-west Europe is large and nearby. Moreover, the industrial complexes in the direct vicinity provide opportunities for synergies, for example through the use of residual heat.

During the year under review, we obtained the definitive environmental permit for the construction of LNG storage tanks and a regasification plant. Furthermore, we received dispensation from the regulations laid down in the Gas Act for a period of twenty years.

The market is showing interest, partly owing to the unique set-up of the Gate terminal as an open-access, multi-user storage terminal run by an independent operator. Heads of Agreement have meanwhile been signed with several major European power companies. These parties are currently at the stage where they are going to formalise the supply of LNG. If they successfully complete the purchase, they can sign the final throughput contracts with Gate terminal. The basic design was also completed in 2006 and contractors have been invited to tender for the construction of the terminal.

The project development costs for a terminal of this scale will require an investment of several hundred million euros. The final investment decision is expected mid-2007 and the terminal should be operational from mid-2010.

The global demand for LNG is rising sharply, driven in part by a steep increase in the demand for cleaner fuels to replace fuels that are not as environmentally friendly, but also by the desire to strategically spread energy dependency.

Vopak therefore further intensified its involvement in LNG in the year under review.

In Rostock (Germany), for example, Vopak is involved in a feasibility study for a storage terminal and regasification plant. Vopak and N.V. Nederlandse Gasunie are conducting the study in collaboration with VNG Verbundnetz Gas AG. The project will be defined in detail if the results of the study are positive.

stored for several customers in tanks for joint use specially designed for this purpose. In some cases, Vopak then functions as a major link between suppliers and consumers of products.

Collaborating closely within its worldwide network is another way in which Vopak strengthens its range of tailored logistics solutions, irrespective of whether the customer operates on a local, regional or global level.

Global quality with a local focus

Thanks to its widely spread terminal network, scale of operations and independent position, Vopak is one of only a few service providers who can also offer customers global services, with equal quality.

To serve major internationally operating customers rapidly and effectively, Vopak applies key account management: structured consultations with the customer at different levels to offer optimal service to its local organisations, within the framework of regional or global agreements, and to jointly grow the business.

Customers operating in different countries – some of them work with Vopak at more than 25 locations – have the greatest need for familiar service. To offer them the same transparency everywhere we have started developing framework agreements, in addition to agreements customised at terminal level. The signing of the first global agreement with a large multinational was a milestone this year.

Besides these multinational customers Vopak also has clients who limit their activities to one location. These customers attach great value to a personal approach. That is why Vopak aims for excellence here too, especially by organising the terminal network while closely bearing the market in mind, to offer customers the precise service that suits them.

Vopak continues to strive for Commercial Excellence and with even more determination. To underline this, we appointed a director responsible for the global Commercial Excellence policy, who among others co-ordinates pricing strategies and service levels.

ICT: more effective communication with customers

Information and communication technology (ICT) is one of the pillars supporting Vopak's services within its worldwide network. Increased transparency is achieved - both for the company and for the customer - by ensuring that processes are simple, straightforward and fast.

Vopak supports its commercial, operational and accounting processes with the Package Enabled Process Improvement (PEPI) system.

In 2006, Vopak implemented an Internet application MySpace@Vopak at a number of locations, giving customers direct and secure access to Vopak's information systems so they can monitor their current product inventory. In some cases, Vopak's system is linked to the customer's own system, allowing the order processing and notification of loaded product weights to take place automatically. More customers will gradually be connected over the next few years.

Operational Excellence

Sow quality awareness, harvest high quality standards

To assure that growth goes hand in hand with enforcement and further improvement of high quality standards, Vopak approaches safety, health, the environment and technical and operational aspects under the common banner of Operational Excellence. The principle underlying this policy is sustainable development on the basis of People, Planet, Profit. Sustainability is thus naturally and fully embedded in our operating processes and business practices.

Operational Excellence is embedded in and linked to Vopak's highly decentralised organisation at all levels. At the highest level, one Executive Board member is responsible for Operational Excellence and at corporate level all specialist knowledge has been combined in a separate Operational Excellence department.

With regard to SHEQ (Safety, Health, Environment and Quality), technology and operations, Vopak aims to be a world-class player that acts in line with the strict demands of its customers in the oil and petrochemical industries.

We play it safe or we don't play

The top-level of the comprehensive safety policy is the Fundamentals on Safety programme, which has been in place for three years now. The fundamentals were introduced at all terminals. They constitute strict operational rules of conduct that are in accordance with the demands Vopak's customers set in the areas of safety and risk control in the chemical and oil industries.

'Vopak plays it safe or it doesn't play' is at the heart of Fundamentals on Safety. This applies not only to our own managers and employees, but also to everyone who visits the terminals. Contractors are assessed for their safety performance and must meet clearly defined performance and conduct requirements. From the perspective of care for and a good relationship with the community, Vopak puts considerable effort, mainly on a local level, into actively involving employees, their families and the direct environment in topics such as safety. Furthermore, Vopak participates at many levels in social as well as industry-focused consultative bodies.

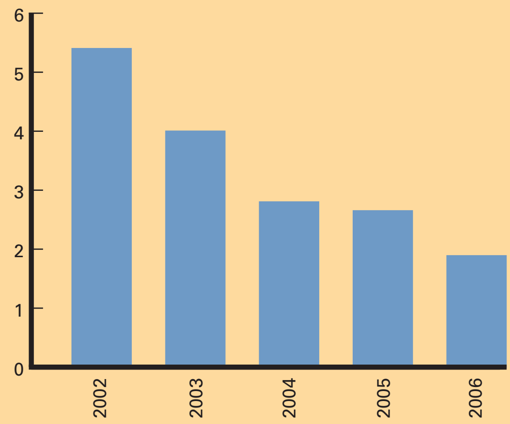
Geared to safety awareness

State of the art terminals and plants are extremely important, but it is people who make the difference. They must be constantly aware that safety is everyone's responsibility and that Vopak employees as well as external people are expected to call each other to account.

For this reason the focus of the safety programmes is now mainly on safety awareness.

To show that safety awareness always has high priority, safety is now literally the first item on the agenda: all meetings on daily operations start with this subject. During the year under review, safety was also the key element in the training people received, always looking for the right balance between conduct-oriented and competence-oriented training programmes.

LTIR performance*



**LTIR = number of accidents with absenteeism per 1 million hours worked*

Further improvements by measuring and reporting

The Executive Board and senior management also promotes the importance of safety during safety inspection rounds. During these rounds, the subject of safety is discussed with employees at the terminal. Line managers also make inspections rounds on a regular basis.

Measuring is the basis for further improvement, also in terms of incidents. That is why an open (reporting) culture is essential for safety management. Vopak runs various internal programmes to increase that openness.

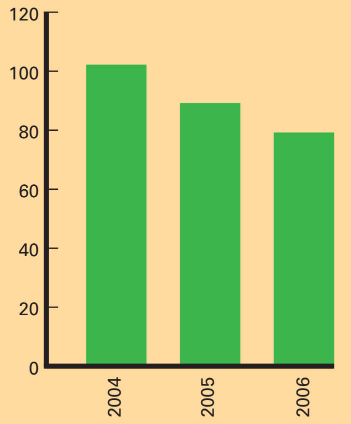
These efforts are now starting to pay off in the form of more reports of (potential) incidents. Thanks to better reporting, both the number of incidents that did not lead to loss of working hours and the number of near misses increased in 2006, leading to a more normal ratio between incidents and near misses. However, the most important benefit is that all this valuable information from which lessons can be learned is available to all employees.

In 2006, the number of accidents entailing absence from work (Lost Time Injury Rate - LTIR) fell from 2.7 to 1.9 days per million hours worked. We aim for further improvement, with an interim target of 1.0 by 2009.

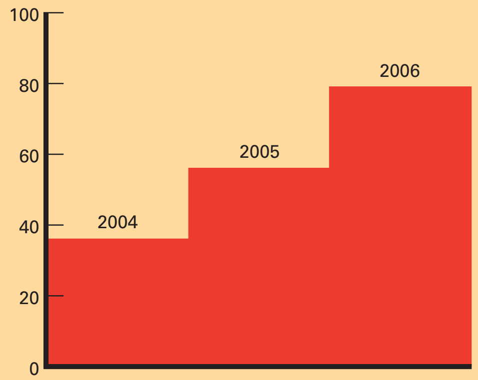
The number of incidents in 2006 involving bodily injuries (Total Injury Rate - TIR) was 7.5 per million hours worked.

Furthermore, Vopak emphases process security at terminals, which is essentially the integrity of operations and terminals. The number of product spills per year is an important measure of process security. While the objective is to prevent product spills, those exceeding 200 litres are recorded in the reporting system. These incidents are assessed and proposals for improvement are implemented. Over the past few years, this indicator has improved by over 10% per year and was down to 79 in 2006.

Number of spills reported



Percentage of terminals where Terminal Health Assessment have been performed (cumulative)



The implementation of improvements arising from audits and compliance with Vopak's internal standards should increase process security as well.

Audits for and by people

Terminal Health Assessment was introduced in 2005, an instrument based on the Chemical Distribution Institute - Terminal assessment (CDI-T). Audits have since been performed using standard procedures. The audits are followed-up by an action plan for improvement, which is proving to be highly successful. The intention is for the entire network to be audited in this manner by the end of 2007, after which a new cycle will commence to verify whether the planned improvements were carried out. In addition, customers and governments regularly perform standard audits.
In total, the Terminal Health Assessment or the CDI-T audit have now been performed at 79% of Vopak's terminals.

Environment: less waste, less energy

Vopak's environmental care focuses mainly on preventing waste.
Waste is mainly produced when tanks are cleaned and pipes rinsed. Vopak is always looking for new ways to reduce waste flows, particularly by a smarter approach to planning, using and cleaning systems. Waste flows are registered and disposed of in a controlled manner.
In terms of cost efficiency and sustainability, specific attention was paid to energy consumption and energy management in 2006, especially by the Expert Forum Energy, a group-wide consultative body. Energy Management Guidelines were drawn up to further reduce the consumption of energy at the terminals.

Technology: more efficient and smarter designs

Defining minimum requirements for terminals - from design to daily operations - is key for a number of projected changes. One way Vopak achieves this is by applying best practices globally, allowing for more efficient and smarter designs or the development of concepts that can be duplicated and for faster and more professional construction on that basis. Given the large number of intended expansions, this will have a substantial and positive effect on quality and costs. Moreover, best practices implemented and accepted worldwide and proven concepts increase standardisation further and therefore the visibility of Vopak's quality standards to its customers.

Financial Excellence

Understanding and transparency

Financial Excellence supports our growth strategy and operations since it provides a clear understanding of all major (financial) focus areas, which is important for assessing the value of projects, clearly identifying the company's potential and responding promptly and efficiently to market opportunities and risks from a sound baseline position. Financial Excellence is also a key factor for sustainable operations. It lies at the heart of a financially sound company that is viewed by the market as a reliable partner with sufficient buffer and financing capacity, especially for the long term. On this basis, Vopak can pursue a strategy that focuses on long-term contracts and long-term investments in widely dispersed regions of the world. Growth and healthy profitability go hand in hand with sustainability, because that combination is the best assurance for long-term continuity and success.

Continue on our chosen path

To apply our strategy effectively we must also have an excellent financial organisation as the consequences of investments are considerable, both in the decision-making phase and, later, in the financing phase and during construction and operation. Vopak therefore also devotes a great deal of attention to analysing strategic financial scenarios as well as to adequate management information. These are necessary to be able to control, intervene and accelerate or to seize opportunities.

In 2006, we consistently kept to our chosen path in terms of policy, procedures and compliance and brought about improvements. All financial and accounting processes were categorised for the extent to which they complied with the minimum standards and for the status of their efficiency and professionalism compared with the targeted excellence level.

The integration of the Vopak Enterprise Risk Management Framework, that makes risks, causes and improvement opportunities transparent, continued during the year under review. The Framework has now been embedded in normal business processes as much as possible.

The business analysis tools were also optimised further and now provide management with an even quicker understanding of the commercial, financial and operational developments at each terminal, making it possible to take goal-oriented action and seize opportunities. Our focus on excellence has also further improved risks alertness.

On the basis of a set of Key Performance Indicators (KPIs), we also converted financial information into useable management information during the year under review. Furthermore, the various divisional meetings are now often used to exchange practical knowledge and experience. Time-based developments per terminal, such as changes in average turnover per cbm, margins, occupancy rates and energy consumption are measured on a regular basis and the reports are likewise regularly discussed. The introduction of dynamic reporting has sped up the closing and forecasting process, allowing more time for analysis of the business and the associated free cash flow. Vopak can pro-actively balance and optimise its financing requirements now that the financial reports are available on time.

Financing growth

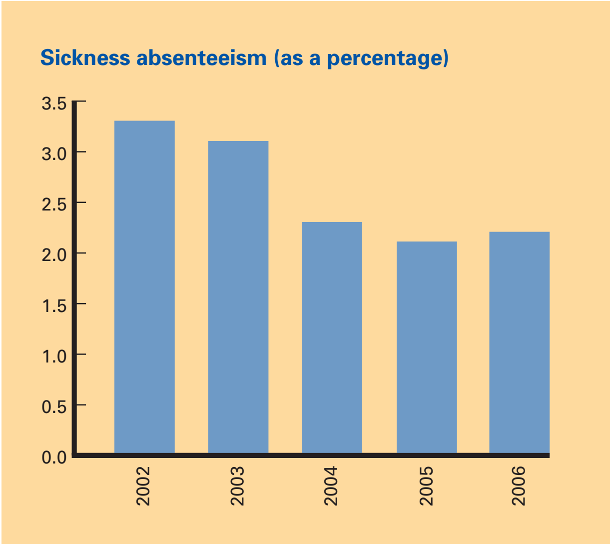
The financing capacity must perfectly match Vopak's growth strategy. To achieve that, a thorough understanding of future investment plans and the related financing requirement is key. A large number of scenarios were therefore defined during the year under review and the impact of these scenarios on the financing requirement was calculated.

On the basis of the results, Vopak will continue its policy of ensuring it has permanent access to immediately available committed long-term credit facilities.

The conditions of the existing US Private Placement programme were enlarged further after the balance sheet date, particularly improving the ratio of net debt to EBITDA considerably. In 2006, EUR 30 million of the five-year credit facility of EUR 500 million arranged in 2005 was taken up.

Human resources management

Creating the right conditions to achieve the ambitious level that Vopak has set with its Excellence & Growth strategy is at the core of the HR policy.
The policy therefore focuses on keeping quality employees interested and loyal by offering attractive employment conditions, development opportunities and a challenging working environment in every respect. Another primary objective is to retain management potential by allowing them maximum freedom for professional and personal development and attractive career opportunities.
We also believe it is critically important to attract new talent in all layers of management and to create more diversity in culture, gender, age and philosophy, among other aspects. Diversity is one of the major pillars of the projected further growth towards a culture of excellence.



People create the network

The most important added value of the network organisation Vopak is developing is that employees worldwide have the same core competences, enabling them to adequately discharge core responsibilities such as for safety, health, the environment, engineering, operational processes, project management, customer service and leadership, but also to be entrepreneurial.
Vopak adopted nine Key HR processes in 2005 that support our striving for excellence and best-in-class position. In 2006, these processes were implemented in most divisions. The set of tools to carry out these HR processes has been developed and is currently being rolled out.
In practice, the application of global HR standards means, for example, that it must be clear which core competences employees should possess and what the company's codes of conduct are. To facilitate this, a global Performance Management system was introduced that uses clearly defined leadership competences. This also means that remuneration will be linked to company, divisional, departmental and individual targets more so than in the past.
Uniform job evaluations, management development, leadership training, expatriate policies, HR reports and basic principles of the remuneration policy also enhance the consistency of the HR policy worldwide.

Balanced uniformity

During the financial year, we started the rollout of the network organisation concept. The principle underlying this concept is that people collaborate and share knowledge and experience to achieve or even exceed the targets defined at company, divisional, departmental or individual level, without always having been directly and formally instructed to do so and without formal reporting lines. The challenge is to benefit optimally from all the knowledge and experience available within the organisation in different parts of the world. At the same time, we must maintain the right balance between local and global interests. There must be sufficient leeway at local level to respond to specific local or regional conditions in an effective and focused manner. That requires not only professionalism, but also creativity and diversity.

Developing leadership faster

As part of our focus on management development, two central training programmes were rolled out during the year under review: one for young employees with management potential and one for middle management with senior management potential.
In addition, succession planning – an important part of the Management Development programme – was always on the agendas of the Executive Board and the Division Presidents. This resulted in a highly visible round of job rotations and international transfers of middle and senior managers between divisions and operating companies. The exchange enriches the international management and intercultural experience of employees and strengthens the network organisation.
In our fast-growing company, talented people are given the opportunity to gain promotion quickly and must therefore also quickly develop leadership skills. That is why we will continue in the near future to place considerable emphasis on management development.
Managers lacking financial education can acquire financial knowledge and skills by enrolling in a new training programme that was developed in 2006 and will commence early in 2007.

Vopak Values: shared identity

The Vopak Values programme also supports the shift in focus towards more attention to the performance of the company as a whole.
To encourage employees to exhibit the desired behaviour, Vopak applies seven core values as a benchmark for all employees' actions and thoughts when collaborating with each other as well as in their contact with the outside world. These are not unique values, but what makes them unique as Vopak Values is that our people selected them. They identified the core values they share: Integrity, Professionalism, Improvement, Ownership, Service, Passion and Agility.
The Vopak Values identify Vopak's desired character. They have served their purpose if they are applied consistently and our customers around the world recognise them as being typical of Vopak.

Sustainability and commitment

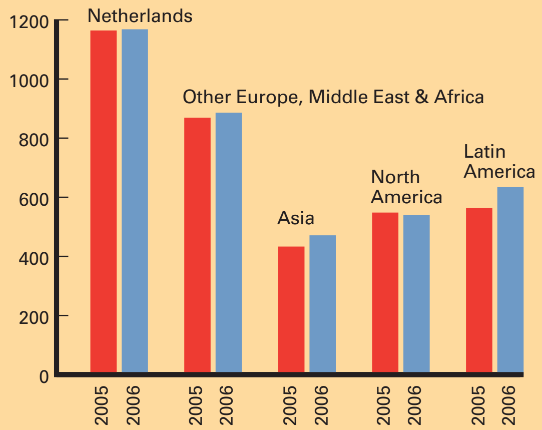
Vopak is well aware that the contrast between the specific local and international nature of our services demands a lot from our employees. Vopak is also conscious of its role in society, particularly in an international and multicultural environment. The company offers everyone equal opportunity, irrespective of nationality, gender, age, religion or sexual disposition.
The principle is that Vopak applies its own ethical code of conduct worldwide, even if its standards are stricter than local ones. Naturally, Vopak observes global and local regulations on employee participation and child labour.
Sustainability is embedded in the Vopak Values and the Vopak code of conduct. On a smaller scale, Vopak encourages the personal involvement of employees in their communities, which leads to many local initiatives for contributions to society, for example, in the fields of education, health awareness and medical assistance.

Changes in the number of employees

The average number of employees increased further in 2006, from 3,569 to 3,688.
The increase is mainly attributable to higher levels of activity at all terminals, expansions in China and Singapore, and the acquisition in Vietnam. The joint ventures for tank storage employ more than 1,200 people on average in 2006.

Employees subsidiaries by region

Average over the year



Growth perspective

Division	Location	Ownership	Type	Products	CBM
Asia	Banyan Singapore	69.5%	Greenfield	Oil Chemicals	371,800
Asia	Caojing China	50%	Greenfield	Chemicals	189,600
Asia	Ho Chih Minh City Vietnam	80%	Acquisition	Chemicals	8,200
Asia	Darwin Australia	100%	Expansion	Biodiesel	37,000
Latin America	San Antonio Chile	100%	Expansion	Chemicals	2,140
Other projects					174,560
Asia	Sydney Australia	100%	Expansion	Oil	74,000
Asia	Lanshan China	41.7%	Expansion	Oil	20,000
CEMEA	Antwerp Belgium	100%	Expansion	Chemicals	11,000
CEMEA	Botlek Netherlands	100%	Expansion	Chemicals	34,000
OEMEA	Malmö Sweden	100%	Conversion	Bitumen	
Asia	Zhangjiagang China	100%	Greenfield	Chemicals	40,000
CEMEA	London UK	100%	Expansion	Oil	45,000
OEMEA	Rotterdam Netherlands	100%	Conversion	Biodiesel	
Latin America	Altamira Mexico	100%	Expansion	Chemicals	31,700
Asia	Map Ta Phut Thailand	49%	Expansion	Vegoil	30,000
OEMEA	Fujairah UAE	30%	Expansion	Oil	380,000
Latin America	Puerto Cabello Venezuela	100%	Expansion	Oil	20,000
OEMEA	Europoort Netherlands	100%	Expansion Conversion	Oil	440,000
Asia	Banyan Singapore	69.5%	Expansion	Chemicals Biodiesel	165,000
Asia	Sebarok Singapore	69.5%	Expansion	Oil	216,000
CEMEA	Antwerp Belgium	100%	Greenfield	Chemicals	100,000
Asia	Caojing China	50%	Expansion	Benzene	40,000
Asia	Darwin Australia	100%	Expansion	Chemicals	10,800
Asia	Zhangjiagang China	100%	Greenfield	Chemicals	228,000
OEMEA	Amsterdam Netherlands	100%	Greenfield	Oil	
Gate terminal	Rotterdam Netherlands	<=50%	Greenfield	LNG	

Status	2005	2006	2007	2008	2009	2010
Completed 2006						
Completed 2006						
Completed 2006						
Completed 2006						
Completed 2006						
Completed 2006						
Under construction						
Under construction						
Under construction						
Under construction						
Under construction						
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Under construction						
Under construction						
Under construction						
Feasibility study						
Feasibility study						

Financial performance

Income from rendering of services

In 2006, Vopak achieved income from rendering of services of EUR 778.1 million, a 14% increase on the previous financial year (2005: EUR 683.6 million).

All divisions made positive contributions to the rise in income from rendering of services. The increase was realised through a combination of many factors. More existing capacity was rented out, which was reflected in an improvement of the average occupancy rate from 92% to 94%. Rate adjustments for higher energy costs, among other factors, also led to a rise in turnover. Furthermore, Vopak also expanded existing terminals, developed new terminals and acquired complete control over former joint ventures in 2006.

Joint ventures and associates

The contribution of partnerships in the Asia division was up in 2006, thanks in part to the higher storage capacity in Caojing (China). Due to the fact that a joint venture profit was recorded in 2005 on the activities of Dupeg (Germany) and Serlipsa (Peru), which have meanwhile been acquired in full, as well as to the discontinuation of activities in the Cableship Contractors Holding N.V., result of joint ventures and associates fell from EUR 39.6 million in 2005 to EUR 36.0 million in 2006, a 9% decrease.

Vopak investigates the potential sale of its participation in VOTG (Germany), APCS (Australia) and Xiamen Paktank Company (China). These participations are already classified as Assets held for sale.

The share of the net results of the joint ventures and associates is included in Group operating profit in accordance with Vopak's share. To provide a proper understanding, page 21 provides an additional statement showing the effect on the Group's consolidated balance sheet and consolidated income statement of proportionate consolidation of joint ventures, insofar as they relate to tank storage activities.

Group operating profit

Group operating profit rose by 27% to EUR 216.6 million in 2006 (2005: EUR 170.7 million) and includes a currency translation gain of EUR 1.6 million compared with 2005. Adjusted

Income from rendering of services

In EUR millions	2006	2005	Δ%
Chemicals Europe, Middle East & Africa	296.6	263.9	12
Oil Europe, Middle East & Africa	165.1	143.7	15
Asia	121.4	97.5	25
North America	128.2	118.2	8
Latin America	61.8	51.9	19
Non-allocated	4.0	1.4	
Core activities	**777.1**	676.6	15
Non-core activities	1.0	7.0	
Income from rendering of services	**778.1**	683.6	14

Group operating profit (EBIT and EBITDA)

In EUR millions	2006	2005	Δ%
Chemicals Europe, Middle East & Africa	60.7	44.6	36
Oil Europe, Middle East & Africa	62.7	57.6	9
Asia	74.9	59.9	25
North America	25.5	20.6	24
Latin America	19.9	16.3	22
Non-allocated	- 23.4	- 23.1	1
Group operating profit core activities excluding exceptional items	**220.3**	175.9	25
Non-core activities	0.6	3.8	
Group operating profit excluding exceptional items	**220.9**	179.7	23
Exceptional items	- 4.3	- 9.0	
Group operating profit (EBIT)	**216.6**	170.7	27
Depreciation and amortisation	93.2	82.8	13
Group operating profit before depreciation and amortisation (EBITDA)	**309.8**	253.5	22

for exceptional items, Group operating profit rose by 23% to EUR 220.9 million (2005: EUR 179.7 million). The costs for the – now discontinued – project for the development of a joint venture in North America (EUR 3.2 million) and an impairment of goodwill of the discontinued sub-activity of logistics services in North America (EUR 1.1 million) are included as exceptional items for 2006.

Returns improved by developing and effectively carrying out growth projects while simultaneously implementing excellence programmes. This improvement is also reflected in an increase of Return On Capital Employed (ROCE) to 19.4% (2005: 16.5%).

Net finance costs

Net finance costs amounted to EUR 44.2 million (2005: EUR 39.3 million). The increase is mainly attributable to exchange differences and hedging results.

The average interest rate of interest-bearing loans fell to 7.02% at year-end 2006 (2005: 7.24%) thanks to optimisation of our financing. The average remaining term at year-end was 4.03 years (2005: 4.49 years).

EBIT in 2006 by currency

Group operating profit and ROCE

In EUR millions	EBIT	Average capital employed	ROCE
Chemicals Europe, Middle East & Africa	60.7	363.8	16.7%
Oil Europe, Middle East & Africa	62.7	148.5	42.2%
Asia	74.9	372.3	20.1%
North America	24.4	159.7	15.3%
Latin America	19.9	82.0	24.2%
Non-allocated	- 26.6	- 9.6	
Total core activities including exceptional items	216.0	1,116.7	19.3%
Non-core activities including exceptional items	0.6	0.8	
Total including exceptional items	216.6	1,117.5	19.4%

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

In EUR millions	2006	2005
Income statement		
Income from rendering of services	**882.9**	789.9
Group operating profit before depreciation and amortisation (EBITDA)	**341.4**	284.1
Group operating profit (EBIT)	**230.4**	184.9
Net profit attributable to shareholders	**131.9**	93.2
Net profit attributable to holders of ordinary shares	**129.4**	90.2
Balance sheet		
Non-current assets	**1,556.3**	1,484.6
Current assets	**399.7**	436.9
Total assets	**1,956.0**	1,921.5
Non-current liabilities	**786.2**	885.3
Current liabilities	**434.6**	377.6
Total liabilities	**1,220.8**	1,262.9
Total equity	**735.2**	658.6
Financial ratios		
Interest cover	**7.1**	6.9
Net debt : EBITDA	**1.66**	1.89

At year-end 2006 the non-current interest-bearing loans decreased to EUR 472.6 million (2005: EUR 510.0 million) mainly due to exchange rate movements. The net interest-bearing debt rose to EUR 425.7 million (2005: EUR 411.7 million) because of increased investments.
The conditions of the US Private Placement financing programme became more favourable early in March 2007, in particular the Net Debt/EBITDA ratio, which was extended from a maximum of 2.75 to 3.75, giving Vopak more financial leeway to attract loan capital to finance expansion plans.

Income tax

The income tax expense for 2006 amounted to EUR 25.5 million (2005: EUR 25.6 million). Non-recurring income from the settlement of tax positions of prior years amounting to EUR 10.4 million led to a relatively lower effective tax rate. The effective tax rate excluding exceptional items for prior years was 20.8% in 2006 (2005: 19.5%), the increase being mainly due to a reduction in tax-exempt results of joint ventures and associates.

Net profit attributable to holders of ordinary shares

Net profit attributable to holders of ordinary shares increased by over 43% to EUR 129.4 million (2005: EUR 90.2 million). The increase in net profit was higher than that of Group operating profit, owing to further margin improvements and the positive contribution of the aforementioned non-recurring tax effects. Excluding exceptional items, the net profit attributable to holders of ordinary shares amounted to EUR 122.2 million (2005: EUR 99.5 million), a 23% increase.
Earnings per ordinary share increased by 42% to EUR 2.08 (2005: EUR 1.46).

Short-term outlook:

- Vopak will globally add more than 1.7 million cbm in storage capacity during 2007 and 2008
- Vopak expects total capital expenditures between EUR 450 million and EUR 550 million in 2007, including expenditures for maintenance, safety and environment
- Barring unforeseen circumstances, Vopak expects to realise a Group operating profit excluding exceptional items to be at least 10% higher in 2007

Net investments by division

In EUR millions	2006	2005
Chemicals Europe, Middle East & Africa	**59.6**	33.5
Oil Europe, Middle East & Africa	**56.1**	18.7
Asia	**97.1**	97.8
North America	**14.8**	9.5
Latin America	**8.1**	15.8
Non-allocated	**- 3.1**	- 112.8
	232.6	62.5
Non-core activities	**- 0.1**	- 23.6
Net investments	**232.5**	38.9

Investments

In EUR millions	2006	2005
Investments		
Intangible assets	**4.4**	6.6
Property, plant and equipment	**228.3**	153.7
Joint ventures and associates	**11.3**	7.3
Loans granted	**16.9**	1.2
Acquisition of subsidiaries including goodwill	**5.9**	9.2
Other non-current assets	**0.8**	9.5
Subtotal	**267.6**	187.5
Disposals		
Intangible assets	**0.6**	1.0
Property, plant and equipment	**2.7**	1.5
Joint ventures and associates	**0.2**	–
Loans granted	**31.6**	141.0
Subsidiaries	**–**	5.1
Subtotal	**35.1**	148.6
Net investments	**232.5**	38.9

Long-term guidance:

- Vopak is increasing its long-term guidance and aiming for a yearly Group operating profit before depreciation and amortisation (EBITDA) of between EUR 475 million and EUR 550 million in five years' time (was between EUR 275 and 350 million)
- The strategic long-term target for Return On Capital Employed remains unchanged at around 16% for the Group as a whole

Dividend

A dividend of EUR 0.75 per ordinary share (2005: EUR 0.60), payable in cash, will be proposed to the Annual General Meeting on 26 April 2007. This is equivalent to 36% of the earnings per ordinary share (2005: 41%). Adjusted for exceptional items, the payout is 38%.

Abridged cash flow statement

In EUR millions	2006	2005
Cash flows from operating activities (gross)	285.7	224.5
Net finance costs paid and received	- 33.0	- 34.4
Income tax paid	- 27.4	- 25.8
Cash flows from operating activities (net)	225.3	164.3
Investments	- 267.6	- 187.5
Disposals	35.1	148.6
Cash flows from investing activities	- 232.5	- 38.9
Cash flows from financing activities	- 57.6	- 81.5
Net cash flows	- 64.8	43.9

Funding

In EUR millions	2006	2005
Cash and cash equivalents	117.9	177.1
Non-current portion of interest-bearing loans	- 472.6	- 510.0
Current portion of interest-bearing loans	- 41.5	- 57.4
Bank overdrafts	- 29.5	- 21.4
Net interest-bearing debt	- 425.7	- 411.7
Non-current derivative financial instruments (currency)	- 63.5	- 41.8
Credit-replacement guarantees	- 15.2	- 18.3
Net debt for ratio calculation	- 504.4	- 471.8
Net debt : EBITDA	1.61	1.76
Interest cover	7.1	6.7

Exchange rates

Per EUR 1.00		USD		SGD
	2006	2005	2006	2005
Average exchange rate (translation rate income statement)	1.26	1.24	1.99	2.07
Year-end exchange rate (translation rate balance sheet)	1.32	1.18	2.02	1.97

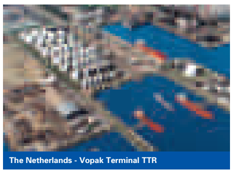
The world of Vopak

South Africa - Vopak Terminal Durban | China - Vopak Shanghai - Caojing Terminal | China - Vopak Terminals Shandong Lanshan | China - Vopak Terminal Ningbo | China - Vopak Terminal Tianjin | China - Vopak Terminal Zhangjiagang

Pakistan - Engro Vopak Terminal | Singapore - Vopak Singapore - Banyan Terminal | Singapore - Vopak Singapore - Penjuru Terminal | Singapore - Vopak Singapore - Sakra Terminal | Singapore - Vopak Singapore - Sebarok Terminal | Thailand - Thai Tank Terminal

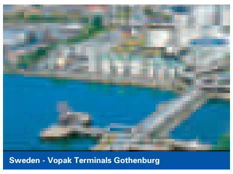
Estonia - Pakterminal | Finland - Vopak Terminal Hamina | Finland - Vopak Terminal Mussalo | Germany - Dupeg Tank Terminal | Germany - Vopak Terminal Hamburg | The Netherlands - Maasvlakte Olie Terminal

The Netherlands - Vopak Terminal Laurenshaven



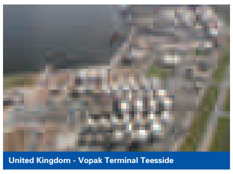
The Netherlands - Vopak Terminal TTR

Sweden - Vopak Terminal Gävle



Sweden - Vopak Terminals Gothenburg

United Kingdom - Vopak Terminal London



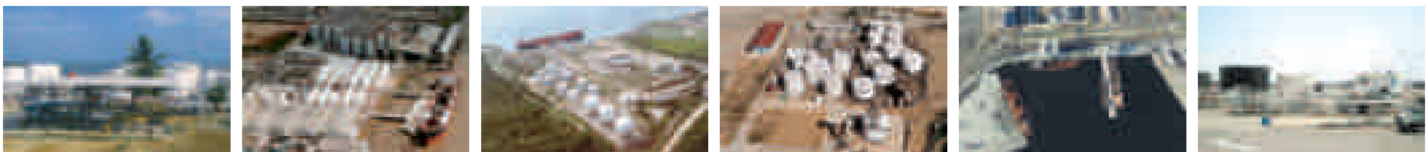
United Kingdom - Vopak Terminal Teesside

Brazil - Vopak Brazil - Alemoa Terminal

Brazil - Vopak Brazil - Aratu Terminal

Brazil - União/Vopak Armazéns Gerais

Chile - Vopak Chile - San Antonio Terminal

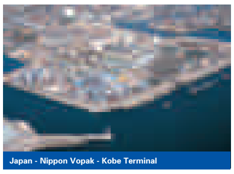


Colombia - Vopak Colombia - Cartagena Terminal | Equador - Vopak Equador | Mexico - Vopak Mexico - Altamira Terminal | Mexico - Vopak Mexico - Coatzacoalcos Terminal | Mexico - Vopak Mexico - Veracruz Terminal | Peru - Vopak Peru - Callao & Cerro del Pasco Terminals

United Arab Emirates - Vopak Horizon Fujairah Ltd. | Canada - Vopak Terminals of Canada - Hamilton, Ontario | Canada - Vopak Terminals of Canada - Montreal, Quebec | United States of America - Vopak Terminal Deer Park | United States of America - Vopak Terminal Galena Park | United States of America - Vopak Terminal Long Beach

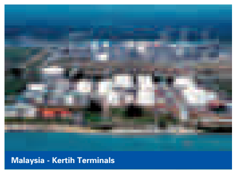

China - Xiamen Vopak

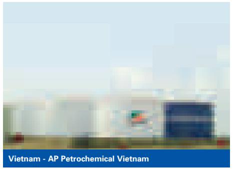

Japan - Nippon Vopak - Kawasaki Terminal


Japan - Nippon Vopak - Kobe Terminal


Japan - NipponVopak - Yokohama Terminal


Korea - Vopak Terminals Korea - Ulsan


Malaysia - Kertih Terminals

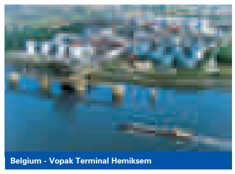

Vietnam - AP Petrochemical Vietnam


Australia - Vopak Terminal Darwin


Australia - Vopak Terminal Sydney


Belgium - Vopak Terminal ACS


Belgium - Vopak Terminal Eurotank


Belgium - Vopak Terminal Hemiksem


The Netherlands - Standic


The Netherlands - Vopak Terminal Amsterdam

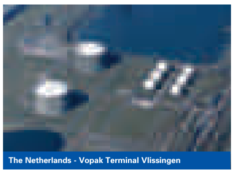

The Netherlands - Vopak Terminal Botlek (Noord)


The Netherlands - Vopak Terminal Botlek (Zuid)


The Netherlands - Vopak Terminal Chemiehaven


The Netherlands - Vopak Terminal Europoort


The Netherlands - Vopak Terminal Vlaardingen


The Netherlands - Vopak Terminal Vlissingen


Spain - Terquimsa Barcelona


Spain - Terquimsa Tarragona


Sweden - Vopak Terminal Malmö


Sweden - Vopak Terminal Södertälje


Switzerland - Vopak Terminal Basle

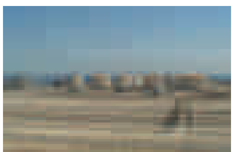

United Kingdom - Vopak Terminal Ipswich

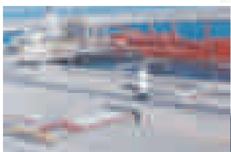

United Kingdom - Vopak Terminal Windmill


Brazil - Vopak Brazil - Ilha Barnabé Terminal

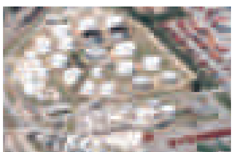

Colombia - Vopak Colombia - Barranquilla Terminal

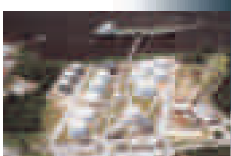

Venezuela - Vopak Venezuela - Puerto Cabello Terminal


Saudi Arabia - SabTank (Al Jubail)


Saudi Arabia - SabTank (Yanbu)


United States of America - Vopak Terminal Los Angeles


United States of America - Vopak Terminal Savannah


United States of America - Vopak Terminal Wilmington

Review
by division

Chemicals Europe, Middle East & Africa (CEMEA)

Highlights

- Increased occupancy rate and higher throughput thanks to strong demand for storage capacity, among others for biofuels
- Margins up again thanks to improvement programmes and Commercial Excellence
- Rationalisation of inland shipping fleet completed
- Start of integrating the two terminals in Hamburg (Germany)

Exploiting new market trends

Biofuels booming business for Vopak

Imports of bulk chemicals from the Far East and Latin America increased strongly in Europe, noticeably components (additives) for gasoline, such as bio-ethanol.

The stronger demand for vegetable-based fuels leads to a higher storage demand. The enormous growth is mainly attributable to governments that stimulate the use of these products. To meet this demand, Vopak offers additional capacity at oil as well as chemical terminals. Because of its characteristics, bio-ethanol is especially suitable for storage in a chemical terminal.

For Vopak's CEMEA division, this resulted in improved occupancy rates, sharply risen throughput and solid returns. Kees van Seventer, CEMEA Division President, explains how Vopak is dealing with this and what the outlook for the future is.

Gearing infrastructure and service to growth opportunities

"Vopak has actively responded to market developments in biofuels. We selected a team in good time to identify the market and the players, and subsequently developed an approach that well matched our strategy of thinking in terms of product/market combinations. We respond to imbalances between supply and demand through a combination of infrastructure and services specifically tailored to the relevant products. Growth in biofuels was over 20% in 2006 and we expect this trend to continue in 2007.

We apply straightforward criteria to identify growth opportunities. We look at the location of the site in relation to the Vopak terminal network and assess whether the location offers sufficient possibilities for growth. Furthermore, the market opportunities must be stable and offer a long-term profitability perspective."

Bio-ethanol requires special storage

"The market is currently maturing. Major players – producers as well as customers – are now getting on board. They are eager to invest, as are financial parties. We offer them different service concepts, from industrial terminal solutions to specific added-value activities such as blending.

We distinguish two types of biofuels: bio-ethanol and biodiesel. Bio-ethanol is extracted from bulk feedstocks such as sugar cane, grains, potatoes, sugar beet and molasses. Bio-ethanol factories are therefore usually located near the feedstock source. Bio-ethanol is transported as a liquid product from these factories to the site where it will undergo further processing (blending with gasoline). Since bio-ethanol is extremely sensitive to impurities, our chemical terminals are perfect for storing this product. Moreover, bio-ethanol is an interesting product for us from the point of view of risk spread as it has a completely different (economic) cycle than other chemicals Vopak stores.

Biodiesel, on the other hand, is produced near the sales market, mostly in the vicinity of the port to where the feedstocks are delivered. Vopak's terminals are favourably located to facilitate storage, supply and distribution for the biodiesel factory. That's why some biodiesel producers decide to build the factory on or near a Vopak site."

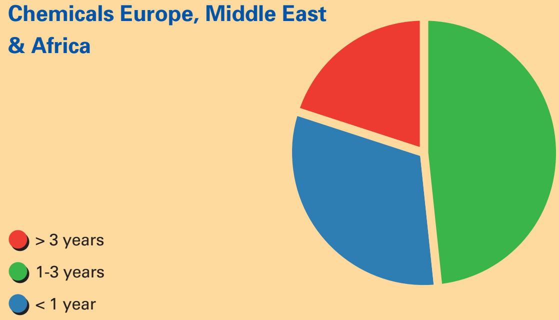
Global expansion

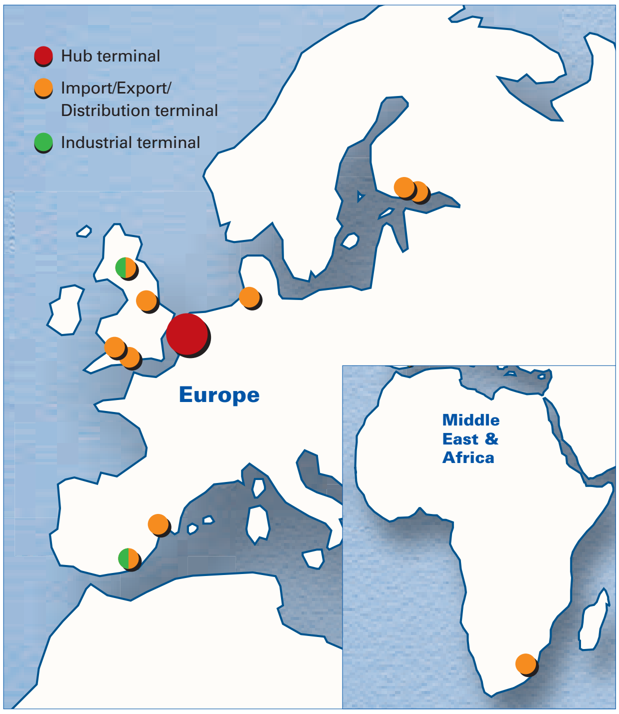
"Brazil is the largest supplier of bio-ethanol and the largest consumer in Europe is Germany. Rotterdam is therefore in an excellent position to develop into a European hub. The Botlek terminal is currently expanding its biofuel capacity by 34,000 cbm. In the Netherlands, we also store biofuels in Vlaardingen, where Vopak has many years' experience with the storage of vegetable oils and oleochemicals for the food and soap industries.

Similar developments are taking place elsewhere. In Hamburg, biodiesel generates 40% of our turnover and we are working on several projects in the United Kingdom. The impact of biofuels is not restricted to this division, but is felt all over the world. The Oil EMEA division, for example, has concluded a long-term collaboration agreement for the Botlek terminal with a factory that will produce 400,000 tons of biodiesel and 60,000 tons of pharmaceutical glycerine a year. Vopak has had co-siting projects for biodiesel factories for a while now in Houston (USA) and Darwin (Australia)."

In EUR millions	**2006**	2005
Income from rendering of services	**296.6**	263.9
Group operating profit before depreciation and amortisation (EBITDA)	**95.6**	73.2
Group operating profit (EBIT)	**60.7**	40.0
Average gross capital employed	**698.1**	668.2
Average capital employed	**363.8**	362.5
ROCE	**16.7%**	11.0%
Storage capacity (cbm)	**4,178,400**	4,190,500
Occupancy rate	**94%**	91%

Income by contract duration Chemicals Europe, Middle East & Africa





Oil Europe, Middle East & Africa (OEMEA)

Highlights
- Higher profit in a dynamic market
- Improvement programmes delivered good results (business process standards harmonised)
- Market and contract position strengthened further
- Extensive expansion plans in the pipeline

Enlarge hub function

Added value for Vopak's continuity
"The oil market is still very dynamic. The structural imbalances between supply and demand in different regions of the world lead to increased trading volumes and a greater demand for storage capacity. In 2005 and 2006, Vopak invested time and resources to identify the global developments in the oil market. This has given us a better understanding of the market, which enabled us to select the opportunities with the best long-term perspective and to develop coherent division-wide concepts to actively seize these opportunities. The hub concept is one example of the concepts we developed," says Frank Erkelens, OEMEA Division President.

Hub where functions meet
A hub is a location where different functions of tank storage companies meet. A logistics crossroads where products are transferred from one transport mode to another. From a large vessel to a smaller one, a pipeline or tank truck and vice versa. "Break bulk and make bulk" so to speak.
A hub is also a meeting point for trade, a location that gives customers access to interesting markets. And it is a location where Vopak adds value to products through its blending activities. Furthermore, a hub can offer shared user concepts that boost turnover and reduce costs.

A hub location is ideal for products such as crude oil, gas oil, fuel oil and gasoline, but also for jet fuel. The latter is supplied in large flows and finds its way to its final destination, the aeroplane, in smaller flows via pipelines and various other transport modes. It is also practical if components for blending on specification are available nearby.

Hub concept offers added security
"Only those locations where we can develop multiple functions are potential hub locations," explains Erkelens. "We have centrally selected a number of them. The main features of the hub strategy are also defined centrally, because the idea is to offer the market a Vopak concept that is recognisable around the world. However, the hubs are developed further at a local level, making it possible to benefit optimally from best practices from the central organisation, local market

knowledge and the added value of the network. Major customers have access to facilities worldwide portfolio and it is possible to connect locations logically. The hub concept provides additional security for the future as it tempers cyclical effects. Oil remains a product sensitive to economic cycles, but since the hub combines different functions there will always be sufficient demand for one or several of these functions, even if the market is changing.
Blending activities for gasoline and diesel will be important in the future as well. And the trend is for producers to outsource more and more functions to Vopak.
The hub concept is also an interesting choice from a profitability point of view. A concept that provides added value around the world means entering a market that is different from one in which competition is on price at a local level with local providers."

Rising market level

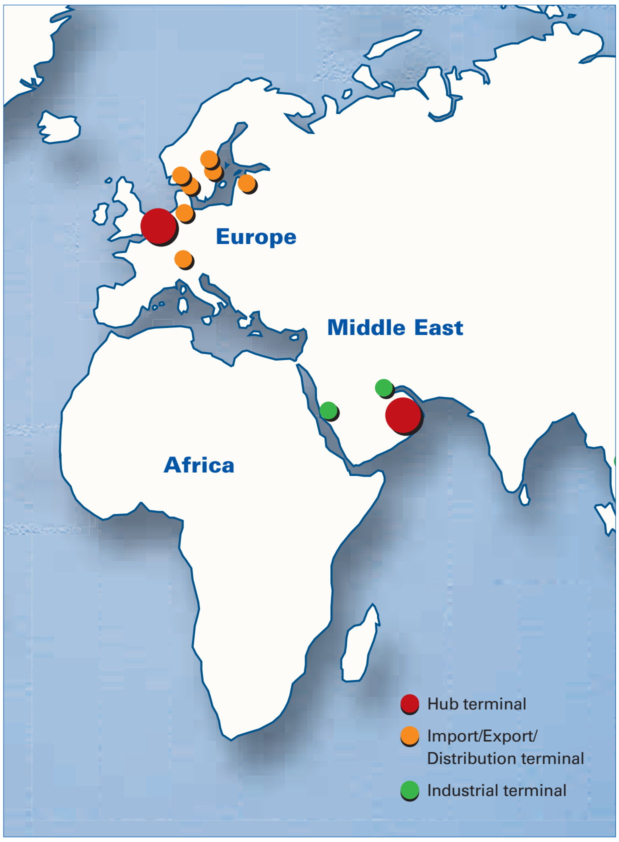
"In 2006, we executed major expansion projects in Europoort (Netherlands) and Fujairah (United Arab Emirates) and we are now looking at other existing and potential locations. It is of crucial importance that the locations have sufficient room for expansion and that all possibilities for further development of all functions are present.
The oil market is hard to predict, especially because so many external factors have a major impact on supply and demand. But we expect the market to stabilise at a higher level of supply and demand than the current level. The demand for fuel with different specifications for each country is still rising, as is the global imbalance and the needs of some countries to import and others to export energy-related products.
A new terminal in Amsterdam (Netherlands), for which we initiated a feasibility study in 2006, should key into this demand.
Crude oil also offers growth potential for Vopak. The supply from locations in the North Sea is gradually diminishing, as a result of which crude oil is being delivered over longer distances from outside Europe, which, in turn, leads to a greater need for tank storage."

Hub concept also for clean fuels

"Energy-related products are a growing market, which makes the hub concept interesting for biofuels as well. At these hub locations, where many blending activities take place, the components should ideally be readily available. Bio-ethanol is such a component, but is also a product more similar to chemicals than oil in terms of storage requirements. Hence, demand for chemical storage at hubs in consumer areas where ethanol is blended with gasoline is increasing in tandem with the growing demand for blending activities.
Bio-ethanol's share of Vopak's total turnover is relatively small, but it is a major growth market. And that is sufficient reason to aspire to be the leader in this market too. The expansion of the CEMEA division at the Botlek terminal and the development of our new oil terminal in Amsterdam (Netherlands) support this ambition."

In EUR millions	2006	2005
Income from rendering of services	**165.1**	143.7
Group operating profit before depreciation and amortisation (EBITDA)	**77.3**	71.6
Group operating profit (EBIT)	**62.7**	58.3
Average gross capital employed	**426.2**	415.3
Average capital employed	**148.5**	146.2
ROCE	**42.2%**	39.9%
Storage capacity (cbm)	**9,504,100**	9,332,200
Occupancy rate	**94%**	90%

Income by contract duration Oil Europe, Middle East & Africa



Asia

Highlights

- Virtually all countries in the region contribute to growth
- Major growth impulse continues:
  - Banyan phase 1, within budget, commissioned safe and on time thanks to solid project management
  - phase 1 of industrial terminal in China (Caojing) concluded
  - construction of sixth Chinese terminal started in Zhangjiagang
  - first biodiesel facility in Australia on stream
- First step in Vietnam, acquisition of terminal

Plan, build, operate

Vopak and customer roles in new economies growing faster

The developments in China and the Far East have dominated the energy market for a number of years now.
This trend started when China and the remainder of Asia began the conversion from coal to oil and gas as a fuel for economic growth in the 1990's. Both products have to be imported. Moreover, the economic growth sustains a sharply rising demand for chemical products. "The explosive growth in China and South-east Asia only increases the importance of Singapore as a logistics link", remarks Paul Govaart, Asia Division President.

Complex logistics chain

"Different developments are currently taking place in Singapore. The high oil price means it is expensive to keep stock, so our customers want a quick and efficient supply and delivery of their products, resulting in very high throughput at our terminals. The products come from different sources that are often farther and farther away. Quality requirements are ever stricter, vary per country, and delivery reliability becomes even more important, making the logistics chain more complex than ever.
Our customers in this region obtain their feedstocks from different sources to offer the market precisely the right quality at the lowest price. Vopak accommodates these large flows and blends oil products to the correct quality. Singapore has everything required to support that function, be it production, logistics or financial facilities and it is very strategically located. We are capitalising on this unparalleled position by further expanding the new Banyan terminal as well as the Penjuru and Sebarok terminals."

Distribution and industrial terminal function growing

"We are not only expanding our capacity in Singapore, but elsewhere in the region as well.

For one thing, we are expanding import and distribution terminals in very central locations with a mainly regional function and, for an other, we are expanding industrial terminals where we perform logistics tasks for our customers at a chemical complex. This is an interesting concept for the chemical industry as it enables customers to control logistics costs and concentrate on their core business. And the long-term contracts are attractive for Vopak. Vopak already has a significant market share in Asia and we are currently taking a marked step in growth. Since demand is also rising elsewhere in this region, we have extended our operations to include Vietnam and opened an office in India."

Manage growth with people and their habitat in mind

"We completed phase one of a large expansion project in Banyan (Singapore) and Caojing (Shanghai) is now home to our first industrial terminal in China, where Vopak collaborates with many partners. The terminal serves several customers with a single infrastructure, making it attractive and cost efficient for them. The Zhangjiagang terminal, which will be operational in 2007, is another milestone. It is the sixth terminal in China but the first wholly owned by Vopak. Nearly all other terminals in Asia are growing as well.

This growth has to be managed. We are therefore approaching business in Asia quite vigorously and on the basis of three central themes.

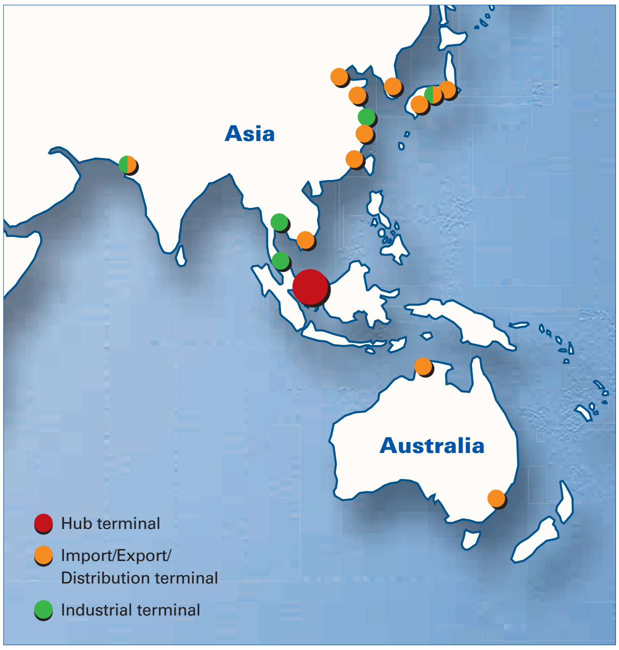
The first is a high SHEQ standard, exchanging SHEQ know-how and defining best practices for this aspect.

The second theme is HR policy. We want to have a continuous inflow of talented people - especially local staff – and retain the talented people who are already working for us and develop them further - quickly but responsibly. And we always devote attention to loyal employees at the heart of operations, because they make the company. This approach truly boosts the level of education and means that more and more Asians hold management positions.

The third theme is (regional) account management. Colleagues in the region collaborate and exchange knowledge and information on customers, product flows and product handling. By doing this systematically, we can maintain our solid reputation and compete successfully with local providers and develop our key account management."

In EUR millions	2006	2005
Income from rendering of services	**121.4**	97.5
Group operating profit before depreciation and amortisation (EBITDA)	**96.5**	76.5
Group operating profit (EBIT)	**74.9**	59.9
Average gross capital employed	**581.7**	481.8
Average capital employed	**372.3**	297.4
ROCE	**20.1%**	20.1%
Storage capacity (cbm)	**4,333,900**	3,725,200
Occupancy rate	**98%**	96%

Income by contract duration Asia



North America

Highlights
- High demand and rising rates
- Potential merger in Houston cancelled
- Storage of energy-related products now 30%
- Successful reorganisation and optimisation
- Disposal activities for third parties at the Deer Park Terminal discontinued

Reorient and optimise

Vopak North America successful in interesting niche markets

When it became evident that the merger with Mitsui USA, which Vopak North America was working on, could not be effected within the foreseeable future, we stopped the merger process and decided to continue on our own. The implementation of our optimisation programme that started in 2005 continued in parallel. “Moreover, you assess your own activities more critically during such a merger process”, according to Pieter Bakker, North America Division President. “And we continued to do that. We always kept our focus on the company, making it possible to end the year on a very positive note.”

Strong base, good results

“We have taken various steps to strengthen our core business. In Houston we hived off the railcar cleaning activities and made them independent of the terminal. And we closed the waste processing activities for third parties at Deer Park. These measures free more infrastructure and storage capacity, which is clearly beneficial to the level of service we give our customers.

We also enhanced the internal organisation by decentralising it like the other divisions. We now work with the three regions East Coast, West Coast and Gulf Coast and with Vopak Logistics Services (VLS) for other services in this area. These steps have reinforced our base and this is reflected in the results.”

Distinctive identity through independence

“We have a clear idea of our optimal product mix and of our strengths. In the Houston region, we are definitely a major player in chemicals. And prospects in oil are positive as well. The growing import flows and different product specifications per state lead to a higher need for independent storage capacity. The stringent product specifications also increase the demand for blending components and this is an activity often performed by our customers and not by the refineries, resulting in an increased demand for the service mix which

is our strong point. We will therefore expand our existing terminals where possible.
There are some limitations, though. On the one hand, our competitors in the oil market have a lower cost of capital thanks to the US tax system and, on the other hand, trading companies and independent refineries are entering the market, increasing the demand for acquisitions and projects. However, our extensive international terminal network offers a sound basis for further growth in the United States."

Interesting niche markets
"In 2006, we secured an important contract for the storage of low sulphur diesel on the West Coast. This diesel type may not be transported by pipeline, since this could compromise its quality. It is a typical niche market where we can seize opportunities. And that goes for other energy-related products. Bio-ethanol, for example, cannot be transported through pipelines either and should be blended with gasoline as close to the source as possible. And there is a shortage of storage capacity. Some 30% of our storage in the United States is already energy-related. The fact that these products have a completely different cycle than oil makes them even more interesting for us. We see regional opportunities, because there is a need for capacity there. The sharp growth in imports of gasoil and energy products keeps the pressure on, despite the construction of additional capacity. And if the major terminals that are linked to pipelines are full, the products must go somewhere else, usually another location within the region."

Optimisation never stops
"With a better infrastructure, we can increase capacity further at the existing terminals. Modernising and improving the efficiency of installations is an ongoing process, as is cost control by more efficient deployment of personnel. We also want to move towards more 'dedicated' systems: pipeline and product handling systems for a single product. Since they require less cleaning, these systems facilitate faster product switches. And that not only saves time but also money, because less cleaning means less waste. Next to this saving we can also put more automation."

Fully develop existing space first
"Savannah and Wilmington on the US East coast offer good prospects as the bio-ethanol and biodiesel markets are growing here as well and we see more opportunities to reduce costs further through automation, among other approaches. The next step will be to fully develop the existing space. We are expanding Galena Park in Houston by 5,000 cbm against the background of the higher demand for biodiesel. Expansion at Deer Park is also planned, but here the capacity expansion includes the construction of a new jetty."

In EUR millions	2006	2005
Income from rendering of services	**128.2**	118.2
Group operating profit before depreciation and amortisation (EBITDA)	**37.2**	32.7
Group operating profit (EBIT)	**24.4**	20.8
Average gross capital employed	**321.4**	313.5
Average capital employed	**159.7**	162.6
ROCE	**15.3%**	12.8%
Storage capacity (cbm)	**2,370,500**	2,372,000
Occupancy rate	**96%**	94%

Income by contract duration North America

Latin America

Highlights
- More income in a stable market
- Strong growth in edible products
- Capacity at existing terminals expanded

Network expansion step by step

Vopak Latin America name and demand strengthened through network

Vopak has been active in Latin America for seven years and has built a network of terminals in that period. Some of these terminals have a strong regional focus and others are true import and export terminals. Vopak is present at strategic locations in these booming markets for chemical products and edible oils. For customers in this region, Vopak is a strong partner with a solid reputation and practically full coverage of the continent. Latin America Division President Eelco Hoekstra: "Our main objective now is to harmonise the network and to grow in step with the market, which is now maturing. We wish to market the Vopak brand more clearly."

Focused exchange of knowledge and know-how

"For our customers, the Vopak brand must be sufficient reason to choose us. And we aim to strengthen that feeling by 'compacting' the network on a regional level and link it seamlessly to the Vopak network a whole. We devoted a great deal of effort to realising this in 2006. Our Latin America head office moved to Buenos Aires (Argentina) and we established a division management team in which the major terminals are represented, thus bringing important functions such as safety, commerce, communication, finance and HR policy closer together. For example, consolidating all market information in this way makes it possible to obtain a clearer and more complete picture. The same applies to the other functions. Conceiving measures or concepts on that basis simplifies the focused exchange of knowledge and know-how and shortens implementation lines."

Working on a single network

"Our external communication is testimony to this. For example, all terminals now bear the name of Vopak; this was not the case before. In addition to cosmetics, the main interest naturally is standardisation of processes and procedures to improve and learn from each other, which is important for customers who wish to have a presence at various terminals. We must be able to serve these customers with a single standard contract to which the same general conditions apply.

It goes without saying that we also apply the ‘Vopak Fundamentals on Safety’ and the ‘Vopak Values’ to achieve our objectives. We pursue these programmes very actively in this region.
In March we organised a Latin American SHEQ-day at all locations, around the theme ‘No exceptions’. Each terminal was free to tailor this day in accordance with local preferences, provided the programme placed emphasis on three universal themes: safety, health and environment. This was supported by Vopak’s film ‘True stories about SHE’, the Vopak Fundamentals on Safety, and Quality Online, the notification system for near misses and incidents. The SHEQ-day was a great success and deliberately used to involve our employees’ families and the surrounding areas in these three themes.
Another aspect is that the Vopak Values contribute to the open culture we need. As people realised that they won’t be punished for a mistake or its notification, the reporting of near misses has therefore worked better this year than ever before.”

Fast growing export flows

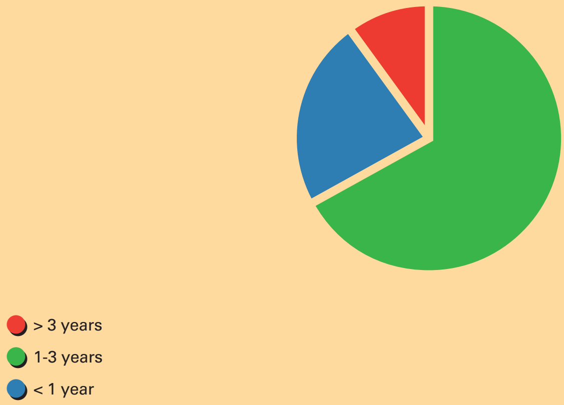
“The timing of this entire operation is perfect. We are currently operating in a market that is maturing and we have a solid basis to grow from. We are broadening our outlook with this objective in mind. Our expansion goal was primarily centred on chemicals and edible oils, but now includes mineral oils too. And biofuels as well, since Latin America is increasingly positioning itself as a producer of biofuels and a feedstock supplier for bio-ethanol.
Brazil is currently the largest bio-ethanol supplier, but the production of bio-ethanol has risen sharply elsewhere as well as during the previous years, especially in countries with a high sugar production. The same applies to the export of this product to Western Europe and Asia.
But the demand for other biofuels and components has increased enormously too. Argentina and Colombia are responding to this demand with higher production and export of soy oil and palm oil, respectively.”

People with courage and ambition

“These flows will definitely grow further over the next few years, given the major agricultural potential of Latin America and the globally rising demand for these products. We are growing along with this promising market by expanding our existing terminals and through selective acquisition of new locations. In doing so, we mainly focus on added capacity for edible oils and biofuels or biofuel components.
We have a solid market position and attractive locations in Brazil, but we can do even better and we are working on that through acquisitions for example. We are adding 20,000 cbm in Venezuela in 2007 and we started this year an expansion project in Mexico, which will be operational in 2007. Our highly enthusiastic team has the courage to be ambitious and accept challenges. And that is what gives Vopak an excellent basis in this market.”

In EUR millions	**2006**	2005
Income from rendering of services	**61.8**	51.9
Group operating profit before depreciation and amortisation (EBITDA)	**26.5**	21.1
Group operating profit (EBIT)	**19.9**	16.3
Average gross capital employed	**116.2**	85.9
Average capital employed	**82.0**	66.5
ROCE	**24.2%**	24.6%
Storage capacity (cbm)	**837,400**	821,100
Occupancy rate	**86%**	91%

Income by contract duration Latin America



Risks and risk management

Introduction

Vopak continually seeks the right balance between effective control of the strategic, market, operational and financial risks arising in the ordinary course of business and effective and professional entrepreneurship.
Vopak applies the COSO Enterprise Risk Management Framework (ERMF) to identify and control events that might offer opportunities or which could represent threats, at the earliest possible stage. To this end, the Executive Board collaborates closely with the management of the divisions and the operating companies, as well as with the corporate staff departments. Non-consolidated companies are also involved. The identified risks and controls are set out in a 'risk register' that is available to management and the Executive Board.

The controls are regularly assessed and the progress made with new controls to be implemented is reviewed at quarterly meetings with the Executive Board.

Each year, the major risk issues are selected from the risk register and put on the agenda for discussion by the management teams. Scenarios which could have a significant impact on our financial results are analysed. Examples of such risks are:

- political upheaval in regions relevant for Vopak resulting in a boycott of countries;
- a severe economic downturn in the chemical industry leading to surplus capacity;
- a serious incident at a terminal;
- a major slowdown in the demand for products that Vopak stores in one or more regions.

By identifying and implementing mitigating steps, we are in a better position to face these risks.
Our norms and values are being observed, with the introduction of the Vopak Values.
The commercial, operational and financial excellence programmes also contributed to strengthening the internal control structure further.

Strategic and market risks

Vopak supplies tank storage services and complementary logistics services to the oil and chemical industries. In this, Vopak distinguishes the following main strategic and market risks:

Competition and customer satisfaction

There is a risk that actions by existing competitors or newcomers to the market adversely affect Vopak's (long-term) market and financial positions. In this context, the use of the Vopak brand name as a guarantee of safety and recognisable high-quality services is an important tool for customer relationship management.
The competitive risk is reduced by our attention to an outstanding level of service for our customers and by concluding long-term contracts in which agreements are laid down in terms of services, service levels and prices. Prices can remain competitive through innovative and effective cost management.
Vopak optimises its flow of income from tank storage through a carefully considered combination of long-term and short-term contracts, spread across several industries. Long-term contracts with production and oil distribution companies reduce the dependency of storage on speculative product trading and reinforce the relationship with our customers. Short-term contracts, on the other hand, can produce higher returns by responding to favourable local market conditions. Depending on the local market, short-term contracts may offer good returns on Vopak's entrepreneurial activities.

Capacity and market sensitivity

There is a risk that Vopak is unable to meet customer demand because of insufficient storage capacity. The opposite is also possible; during an economic downturn there is a risk of surplus capacity relative to the demand for tank storage, which has a negative effect on results. Our geographical spread with 75 terminals in 30 countries mitigates this risk. Furthermore, capacity changes are the result of a clear strategy based on insight into global product flows, developments at customers and competitors, and new products, such as biodiesel, bio-ethanol and LNG.
To take maximum advantage of opportunities, Vopak's growth strategy follows different lines, including expansion of existing capacity, development of new locations and acquisitions. Market developments and opportunities are actively anticipated. Management consistently and continually reviews these developments to fine-tune the strategy where necessary.

Staff

The recruiting and training of staff is a key priority in terms of achieving our ambitious growth target. For this purpose, we have specifically incorporated HR information and policies into our planning and reporting processes. In line with Vopak's objective of appointing as many local managers as possible, the divisions have additional responsibilities to assure good staffing for the short and medium term. For senior management positions, these succession and staffing plans are co-ordinated centrally.

Politics and governments
Changing governments and a hotter political climate can adversely affect financial results or hamper further growth. Vopak closely monitors political developments and changes in legislation in the countries where it operates. These political, legislative and regulatory changes are recurring agenda items at progress meetings between local and division management. International Protection Agreements apply between the Netherlands and the majority of the countries where Vopak conducts business. The country risk is always taken into account in the cost of capital when making an investment decision.

Operational risks
Operational risks are the risks inherent in the day-to-day activities of the individual companies and the implementation of investments programmes for existing and new terminals. Vopak mainly identifies the following operational risks:

Safety and environment
Handling hazardous substances plays a key role in all of Vopak's business processes. This has implications for people and the environment, for the operating assets of both Vopak and third parties and for the profitability of the company. At a minimum, our own terminals as well as those of joint ventures and associates comply with local environmental standards and regulations.

In addition, Vopak has implemented a wide range of specific measures aimed at restricting and managing operational risks. The chapter Operational Excellence (page 13) discusses in detail the way in which Vopak approaches environmental and safety standards, terminal maintenance and the associated risks.

Rendering of services
If Vopak is unable to handle customers' products and therefore unable to render the required service to its customers at the desired level, this can lead to complaints, claims, notices of liability, loss of income, market share and reputation. This risk is primarily controlled through close attention to preventive technical and operational measures, such as five-year maintenance plans and mandatory standards for the terminals. Compliance with these measures is assessed on a regular basis by Terminal Health Assessments. Major financial risks with regard to company property and liability are covered by insurance.

Projects
Vopak employs its own project management method to plan and manage new and often complex projects. Furthermore, experiences are recorded and review sessions are organised to share experience gained during projects with other project teams. A new investment procedure with supporting tools and clear responsibilities for the different levels of management in the organisation complete the internal governance model.

ICT
The majority of Vopak companies now use the PEPI system developed by Vopak. The continuous availability of this system is of vital importance for the handling of customer orders, the planning of vessels and invoicing, among other activities.
Vopak has standards for availability, security, data integrity and manual emergency procedures and has worked out clear agreements for the operational departments and suppliers with respect to these standards.
Vopak's operational processes are also increasingly being computerised. As a result, process security has improved further, thus reducing operational risks. This process computerisation is linked to, but operates independently of, the PEPI accounting system

The rendering of services to customers can be adversely affected by IT systems with sub-standard availability and substandard quality. Vopak has set-up a professional governance model to monitor the entire IT performance and take remedial action if necessary. The effectiveness of the IT governance model is tested on a regular basis, for example by having network security scanned externally and by implementing and testing an updated disaster and recovery plan. The IT environment was reviewed with the assistance of an external consultancy bureau. The final conclusion was that the existing system provides an extremely solid basis for Vopak's further growth strategy. Improvement programmes were implemented or initiated in 2006 and will be completed in 2007.

Financial risks and financial reporting risks
Vopak's reliable financial reporting is the result of reliable systems, clear procedures, internal controls, analyses and segregation of duties applied by honest and reliable professionals and rounded off by appropriate audit efforts. Vopak devotes considerable attention to all these aspects and to

continuous improvement through the Financial Excellence programme. A number of important examples and actions within this programme are described below.

Our reporting structure is characterised by a strict and clearly defined process with frequent consultation between the various management levels. The cycle consists of brief reporting immediately after the end of the month, regular monthly and quarterly reporting and, of course, the year-end closing. As part of this cycle, results realised are compared with agreed-upon planning and budgets. The reports and related discussions are not limited to the financial results, but also encompass operational, staff and commercial KPIs. Whenever possible, joint ventures and associates participate in this cycle, with, at a minimum, the Vopak representative on a body of the entity and in his supervisory capacity paying particular attention to those same aspects.

Vopak has an efficient internal control structure as a number of controls are automated, thus reducing the risk of deviations and errors. A specific group of financial representatives from the head office and all the divisions is responsible for the continual application and optimisation of the internal control procedures.

The relevant employees at all terminals are thoroughly tested on their knowledge of IFRS. If a score indicates room for improvement, the employee concerned is given help and enrolled on supplementary training programmes.

External financing

Vopak is a capital intensive company. Its financing policy is directed at establishing and maintaining an optimum financing structure that takes due account of the current asset base and the investment programme. Vopak's objectives are continuous access to capital markets and flexibility at acceptable finance costs.

In order to manage the risk of fluctuations in foreign currencies and interest on cash flows, equity and income, Vopak uses derivative financial instruments. These instruments are used only for that purpose and no speculative positions are taken. The most important derivative financial instruments employed are forward exchange contracts, interest rate swaps and cross currency interest rate swaps.
The policy guidelines and standards for treasury were updated and implemented in the year under review, resulting in close collaboration between terminals, divisions and Corporate Treasury. Please refer to page 66 till 69 of the financial statements for further details on these risks.

Legislative and regulatory risks

Vopak is a decentralised company with branches in 30 countries. The company has local external audits regularly performed on its compliance with laws and regulations. The Corporate Tax department regularly visits division offices and terminals to discuss tax positions, increase awareness and control of these positions and to ensure smooth communication between a terminal, the division and the Corporate Tax department. Guidelines for dealing with tax issues were updated and implemented in the organisation during the year under review. In addition, Vopak maintains a compliance database.

Management reporting

The Executive Board is responsible for the development, implementation and testing of the operation of the internal risk management and control systems geared to the business activities of Vopak. The purpose of these systems is to identify significant risks in time, and to manage those risks as effectively as possible. For example, through the use of Key Performance Indicators geared specifically to each activity, these systems provide insight into the extent to which strategic operational and financial objectives are being met. These systems also facilitate compliance with the relevant legislation and regulations. The systems have been developed on the basis of the recommendations of the Committee of Sponsoring Organisations of the Treadway Commission (COSO), the objective of which is to create a reasonable level of assurance for this area.

For a description of Vopak's risk management please refer to pages 38 to 40 of this report.

This section also describes the key changes to the system discussed by us over the last twelve months with the Audit Committee and the Supervisory Board.
Integral components of our risk management policy are the internal Letters of Representation issued by division and terminal management, regular risk self-assessments, quarterly discussions with division management and supervision of the development, implementation and optimisation of existing and new systems.

Taking into account the limitations outlined below, we confirm that our risk management and control systems provide a reasonable level of assurance that the financial reports contain no material errors. We further state that the risk management and control systems have functioned correctly over the past twelve months. At a minimum, we expect to achieve the same level of internal control and reliability of financial reporting in 2007.

The financial statements therefore provide a true and fair view of the financial position at 31 December 2006 and of the result of the company's activities for the year 2006, while all matters have been reported as required in accordance with current regulations.

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. The systems are also not able to prevent all human errors (of judgement) and mistakes. Furthermore, it is inherent in business that for the acceptance of risks and the implementation of controls, cost-benefit assessments must always be made.

We continue to further improve and optimise our internal risk management and control procedures. Within that framework, among the actions to be carried out in 2007 will be the introduction of compulsory minimum standards for all relevant business processes.

Rotterdam, 8 March 2007

The Executive Board
J.P.H. Broeders (Chairman)
J.P. de Kreij (CFO)
F.D. de Koning

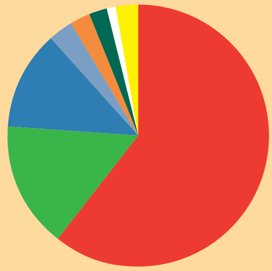
Information for shareholders

Information per ordinary share of EUR 1.00

In EUR	**2006**	2005
Earnings	**2.08**	1.46
Earnings excluding exceptional items	**1.96**	1.61
Shareholders' equity*	**9.93**	8.83
Dividend (proposal 2006)	**0.75**	0.60
Pay-out ratio	**36%**	41%

**Following redemption of equity capital relating to financing preference shares*

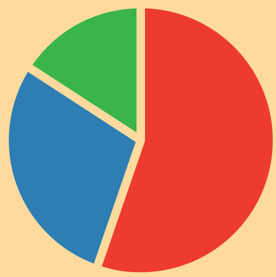
Geographical distribution of shares outstanding (%)



Number of shares outstanding

	2006	2005
Weighted average	**62,310,327**	61,683,420
Weighted average, diluted	**62,383,558**	61,758,394
At year-end	**62,450,656**	62,450,656

Distribution of Vopak shares



Major holdings

Pursuant to the Major Holdings and Listed Companies Act, a shareholding of 5% or more in a Dutch company must be disclosed.

Vopak has received the following notifications concerning such holdings of ordinary shares and financing preference shares.

Royal Vopak shareholders

	Ordinary share-holdings [1]	Total share-holdings [2]	Voting right [3]	Date of notification 2006
HAL Holding N.V.	47.74%	39.53%	44.78%	01-11-2006
ING Groep N.V.	7.77%	11.69%	7.29%	01-11-2006
Aviva Plc (Delta Lloyd)	< 5%	6.89%	< 5%	01-11-2006
Ducatus N.V.	< 5%	5.43%	< 5%	01-11-2006
Fortis Utrecht N.V.	< 5%	5.43%	< 5%	01-11-2006
Stichting Administratiekantoor Financieringspreferende Aandelen Vopak			6.19% [4]	01-11-2006
Total ordinary shareholdings exceeding 5% of ordinary shares in Vopak	55.51%			
Freefloat	44.49%			

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

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

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

[4] AFM reporting indicates 23.75%. The variance is due to an incorporated limit of two-hundered-and-twelve votes for every thousand financing preferece shares. See also page 113

Financial calendar

26 April 2007	-	Publication of 2007 first-quarter results in the form of a *trading update*
26 April 2007	-	Annual General Meeting
30 April 2007	-	Ex-dividend quotation
3 May 2007	-	Record date
4 May 2007	-	Dividend payable
31 August 2007	-	Publication of 2007 half-year results
2 November 2007	-	Publication of 2007 third-quarter results in the form of a *trading update*

Information policy

Vopak conducts an open information policy for investors and other parties interested in the status (financial and otherwise) of the company. The purpose is to inform these stakeholders as fully and as timely as possible about the company's policies and changes within the company. The guidelines followed by Vopak for this purpose are available from the Investor Relations section of the website www.vopak.com.
This annual report is one of the investor relations media. All other relevant information, such as half-yearly results, quarterly results, press releases and background information is also available on the website www.vopak.com.
Vopak holds a press conference coinciding with the publication of the annual and half-yearly results. Following the publication of the annual and half-yearly results, Vopak also holds a number of meetings with stock market analysts. The information presented at these meetings is published immediately afterwards on the company's website. In addition Vopak holds analyst meetings on the annual and half-yearly results in the form of webcasts.

Investors and their advisors can put their questions directly to Mr Rolf Brouwer, Director Corporate Communication & Investor Relations, telephone +31(0)10 4002777. E-mail: rolf.brouwer@vopak.com.

Share price movement 2006 (%)

Corporate Governance

Introduction

Vopak continues to satisfy the majority of the principles and best practices laid down in the Dutch Corporate Governance Code (the 'Code').
In 2006, the number of exceptions to the best practice provisions remained unchanged from 2005. These exceptions are explained later on in this section.

For our stakeholders and in accordance with prior recommendations of the Monitoring Committee Corporate Governance Code (the 'Monitoring Committee'), we include transparent, specific and concise information on the various risks and the manner in which the organisation manages these risks in our external accountability and reporting on risks and risk management.

We will closely monitor the results of the consultative sessions on the preparation and effectiveness of the Annual General Meeting (the 'General Meeting') recently initiated by the Monitoring Committee as well as the dialogue between the company and its shareholders.

Structure and policy

Vopak attaches considerable importance to striking a sound balance between the interests of the company's various stakeholders. Integrity, openness, supervision, transparent reporting and accountability are the cornerstones of Vopak's corporate governance policy. Vopak also seeks to deal carefully with social issues.

Vopak confirms that the principles reflected in the Code align with those applied by Vopak.

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

The Supervisory Board is responsible for supervising the policy of the Executive Board and the overall performance of the company, including its affiliates, and advises the Executive Board.

The members of the Executive Board and the Supervisory Board are appointed by the General Meeting on the basis of a non-binding recommendation by the Supervisory Board. The General Meeting is also authorised to suspend and dismiss members of the Executive Board and the Supervisory Board.

Since Vopak qualifies as an international holding within the meaning of the Dutch Large Companies Act, it is exempted from the provisions of that Act. The Supervisory Board has been carefully selected to ensure inclusion of members with a background and experience in the areas relevant to the core business of Vopak, and with experience in the foreign markets on which Vopak operates. Their experience ranges from economic, financial and social fields, to political and business-related ones.

The Supervisory Board, in performing its duties, focuses on the realisation of the objectives of the company, the strategy, and its implementation.
In addition the Board supervises the structure and operation of the internal risk management and control systems, the financial reporting process and compliance with legislation and regulations.

The Supervisory Board appoints an Audit Committee, a Remuneration Committee and a Selection and Appointment Committee from among its members. In accordance with the provisions of the Code, Vopak has further specified the role and powers of these committees in specific regulations for them.

In addition to the power to appoint, suspend and dismiss members of the Executive Board and Supervisory Board, the General Meeting has other key powers such as the passing of resolutions on amendments to the Articles of Association, legal mergers and split-offs, and the adoption of the financial statements and profit appropriation. Furthermore, the General Meeting sets the remuneration policy for the Executive Board, while 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 adopted by the Supervisory Board on the basis of a proposal from the Remuneration Committee, in accordance with the remuneration policy adopted by the 2005 General Meeting.

At the forthcoming General Meeting, proposals to amend the remuneration policy regarding the short-term variable remuneration of Executive Board members for 2007 and the long-term variable remuneration subsequent to 2007 will be presented to the General Meeting for approval.

In view of the recent legislative change to encourage the use of electronic means of communication for decision-making purposes, the Executive Board and the Supervisory Board will consider the possibility in the year ahead of including a proposal for amending Vopak's Articles of Association on the agenda of the 2008 General Meeting to implement the above legislative change. The possibility of distance voting will also be considered. Vopak will continue to allow proxy voting.

Vopak makes use of the option provided by its Articles of Association to set a registration date for the exercising of voting and attendance rights.

The Dutch Corporate Governance Code

Vopak has evaluated its corporate governance structure against the Code and concluded that it satisfies the principles and best practice provisions of the Code. In 2006, the three exceptions below to the best practice provisions of the Code were made. These exceptions will also apply in 2007. At present, there is no reason to assume that further exemptions will be made in the near future.

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

The term of Mr De Kreij's contract of employment is not in accordance with this provision. His contract was concluded before the Code took effect and the rights acquired may not be impaired.

Best practice provision II.2.7. (maximum severance pay)

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

Best practice provision III.2.1. (independence of Supervisory Board members)

As a result of the appointment of Mr Van den Driest to the Supervisory Board, two of its members, i.e. 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 have considerable added value within 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.

Mr Van den Driest has a vast knowledge of logistic services in general, tank storage activities in particular, the Port of Rotterdam and knowledge of the company, which he acquired over many years in different capacities, most recently as Chairman of the Executive Board.

Regulations

Vopak has various sets of regulations to govern the performance of the various bodies and to ensure 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 for the Supervisory Board
- Regulations of the Audit Committee of the Supervisory Board
- Regulations of the Remuneration Committee of the Supervisory Board
- Regulations of the Selection and Appointment Committee of the Supervisory Board
- Regulations of the Executive Board
- Regulations for 2007 in respect of the ownership of and transactions in Vopak securities, amended on the basis of the Act on Financial Supervision; Vopak also maintains the Insider Lists specified by this Act.
- Regulation on suspected irregularities ('whistle-blower regulation')

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

Anti-takeover measures

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

Vopak and Stichting Vopak further formalised their relationship with regard to the option right in an option agreement of 1 November 1999. This agreement was amended on 5 May 2004, whereby the original put option granted to Vopak was cancelled. The granting of the option to Stichting Vopak has been entered in the Company Registry and is disclosed in this annual report. The objective of Stichting Vopak is to promote the interests of Vopak and of the enterprises undertaken by Vopak and companies affiliated to the Vopak group, in such a way that the interests of Vopak and of those enterprises, and of all stakeholders are safeguarded to the greatest possible extent and, to the best of its ability, to resist influences which, opposing those interests, could impair the independence and/or continuity and/or the identity of Vopak, and those enterprises, and to undertake all actions relating to or conducive to the above objectives. The Board of Stichting Vopak therefore determines whether and when it is necessary to issue the defensive preference shares.

The anti-takeover measures outlined will be taken in, for example, a takeover situation if taking them is in the interests of Vopak to establish its position in respect of the hostile party and its plans, and to create opportunities for seeking alternatives. The anti-takeover measures will not be applied to protect the position of the Executive Board.

As necessary, Vopak reviews its anti-takeover measures against implementation acts enacted from time to time pursuant to EU directives.

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Consolidated income statement

In EUR millions	Note		2006		2005
Income from rendering of services		**778.1**		683.6	
Other operating income	2	**3.3**		3.7	
Total operating income			**781.4**		687.3
Personnel expenses	3	**239.9**		230.8	
Depreciation, amortisation and impairment	4	**93.3**		85.7	
Other operating expenses	5	**267.6**		239.7	
Total operating expenses			**600.8**		556.2
Operating profit			**180.6**		131.1
Result of joint ventures and associates					
using the equity method	6		**36.0**		39.6
Group operating profit			**216.6**		170.7
Interest and dividend income	7	**6.8**		14.8	
Finance costs	8	**- 51.0**		- 54.1	
Net finance costs			**- 44.2**		- 39.3
Profit before income tax			**172.4**		131.4
Income tax	9		**- 25.5**		- 25.6
Net profit			**146.9**		105.8
Attributable to:					
- Holders of ordinary shares		**129.4**		90.2	
- Holders of financing preference shares		**2.5**		3.0	
- Minority interests		**15.0**		12.6	
Net profit			**146.9**		105.8
Earnings per ordinary share	11		**2.08**		1.46
Diluted earnings per ordinary share	11		**2.07**		1.46

Consolidated balance sheet at 31 December

In EUR millions	Note		2006		2005
ASSETS					
Intangible assets	12		**40.7**		43.3
Property, plant and equipment	13		**1,090.7**		982.1
Joint ventures and associates	14	**203.4**		212.6	
Loans granted	16	**18.9**		57.3	
Other financial assets	17	**0.8**		0.9	
Financial assets			**223.1**		270.8
Deferred taxes	18		**21.0**		45.3
Derivative financial instruments	31		**2.7**		5.5
Pensions and other employee benefits	28		**66.3**		2.7
Other non-current assets	19		**17.0**		17.8
Total non-current assets			**1,461.5**		1,367.5
Trade and other receivables	20	**184.4**		163.3	
Loans granted	16	**21.1**		11.5	
Prepayments		**20.3**		19.7	
Securities		**0.5**		0.6	
Derivative financial instruments	31	**3.2**		1.0	
Cash and cash equivalents	21	**117.9**		177.1	
Assets held for sale	22	**11.4**		24.7	
Pensions and other employee benefits	28	**0.3**		–	
Total current assets			**359.1**		397.9
Total assets			**1,820.6**		1,765.4

In EUR millions	Note	2006		2005	
EQUITY					
Issued capital	23	**81.9**		81.9	
Share premium	23	**178.2**		191.2	
Treasury shares	23	**- 1.7**		- 2.3	
Other reserves	24	**- 5.5**		6.6	
Retained earnings	25	**418.1**		326.1	
Shareholders' equity			**671.0**		603.5
Minority interests	26		**64.2**		55.1
Total equity			**735.2**		658.6
LIABILITIES					
Interest-bearing loans	27	**472.6**		510.0	
Derivative financial instruments	31	**36.3**		69.5	
Pensions and other employee benefits	28	**69.5**		70.6	
Deferred taxes	18	**98.1**		102.8	
Other provisions	29	**22.6**		21.6	
Total non-current liabilities			**699.1**		774.5
Bank overdrafts	21	**29.5**		21.4	
Interest-bearing loans	27	**41.5**		57.4	
Derivative financial instruments	31	**44.2**		4.2	
Trade and other payables	30	**227.0**		194.4	
Taxes payable		**28.0**		37.5	
Pensions and other employee benefits	28	**3.7**		2.6	
Other provisions	29	**12.0**		12.6	
Liabilities related to assets held for sale	22	**0.4**		2.2	
Total current liabilities			**386.3**		332.3
Total liabilities			**1,085.4**		1,106.8
Total equity and liabilities			**1,820.6**		1,765.4

Consolidated cash flow statement

In EUR millions	Note	2006		2005	
Cash flows from operating activities (gross)	33	**285.7**		224.5	
Interest received		**5.1**		19.2	
Dividend received		**0.4**		0.5	
Finance costs paid		**- 38.5**		- 54.1	
Income tax paid		**- 27.4**		- 25.8	
Cash flows from operating activities (net)			**225.3**		164.3
Investments:					
- Intangible assets	12	**- 4.4**		- 6.6	
- Property, plant and equipment	13	**- 228.3**		- 153.7	
- Joint ventures and associates	14	**- 11.3**		- 7.3	
- Loans granted	16	**- 16.9**		- 1.2	
- Other non-current assets		**- 0.8**		- 9.5	
- Acquisition of subsidiaries including goodwill (see page 72)		**- 5.9**		- 9.2	
Total investments			**- 267.6**		- 187.5
Disposals:					
- Intangible assets		**0.6**		1.0	
- Property, plant and equipment		**2.7**		1.5	
- Joint ventures and associates		**0.2**		–	
- Loans granted	16	**31.6**		141.0	
- Subsidiaries		**–**		5.1	
Total disposals			**35.1**		148.6
Cash flows from investing activities			**- 232.5**		- 38.9
Financing activities:					
- Repayment of interest-bearing loans	27	**- 2.5**		- 88.7	
- Proceeds from interest-bearing loans	27	**44.8**		42.1	
- Share premium paid to holders of					
financing preference shares	23	**- 13.0**		–	
- Dividend paid in cash	25	**- 37.5**		- 4.5	
- Dividend paid on financing preference shares	25	**- 3.0**		- 5.4	
- Options exercised	32	**0.5**		1.8	
- Movements in short-term financing		**- 46.9**		- 26.8	
Cash flows from financing activities			**- 57.6**		- 81.5
Net cash flows			**- 64.8**		43.9
Exchange differences			**- 2.6**		4.7
Net change in cash and cash equivalents due to (de)consolidation			**0.1**		1.2
Net change in cash and cash equivalents (including bank overdrafts)			**- 67.3**		49.8
Net cash and cash equivalents (including bank overdrafts) at 1 January			**155.7**		105.9
Net cash and cash equivalents (including bank overdrafts) at 31 December	21		**88.4**		155.7

Consolidated statement of recognised income and expense in equity

In EUR millions			2006	2005
Exchange differences and effective portion of hedges on				
net investments in foreign activities	**- 18.8**	35.4		
Use of exchange differences and effective portion of hedges on				
net investments in foreign activities	**- 0.5**	–		
Effective portion of changes in fair value of cash flow hedges	**0.6**	–		
Use of effective portion of cash flow hedges to income statement	**4.6**	3.7		
Revaluation of assets	**–**	3.1		
Total income and expense recognised directly in equity			**- 14.1**	42.2
Net profit			**146.9**	105.8
Total recognised income and expense			**132.8**	148.0
Attributable to:				
- Holders of ordinary shares	**117.6**	124.6		
- Holders of financing preference shares	**2.5**	3.0		
Total recognised income and expense attributable to shareholders			**120.1**	127.6
- Minority interests			**12.7**	20.4
Total recognised income and expense			**132.8**	148.0

Principles

General

Royal Vopak, with its registered office in Rotterdam (the Netherlands), is the world's largest independent tank terminal operator specialising 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 2006 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 8 March 2007 and are subject to adoption by the shareholders during the Annual General Meeting.

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

(a) Amendments to standards and interpretations effective as from 1 January 2006
Since 1 January 2006, application of the revised standard IAS 19 (Employee Benefits) has been mandatory. Among other options, the amended standard IAS 19 offers the possibility of directly recognising actuarial gains and losses for a period as a separate equity component, instead of amortising them via the income statement. Vopak has not opted for this possibility and, consequently, the treatment of actuarial gains and losses remains unchanged.

IFRIC Interpretation 4 (Lease) became mandatory on 1 January 2006. Vopak has complied with this interpretation since the transition to IFRS on 1 January 2004.

The other standards, amendments to standards and new interpretations effective as from 1 January 2006 have no major consequences for the Group's basis of consolidation and disclosure requirements, nor do the recently issued other new interpretations with 1 January 2007 as the effective application date.

(b) New standards effective as from 1 January 2007
IFRS 7 (Financial instruments: disclosures) and the amendments to IAS 1 (Presentation of Financial Statements: capital disclosures) are effective as from 1 January 2007. IFRS 7 introduces new reporting requirements to improve the information on financial instruments provided in the financial statements. The amendments to IAS 1 concern requirements for providing users of annual reports with a clear understanding of the objectives, policy and processes for controlling equity. To achieve greater transparency, Vopak has tightened the disclosures but does not yet fully apply all these disclosure requirements for 2006.

Of all the new interpretations effective as from 1 January 2007, only IFRIC 10 (Interim financial reporting and impairment) is relevant for the Group. IFRIC 10 does not allow impairment losses recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date. Application of this interpretation does not affect the 2006 financial year.

Basis of preparation

The consolidated financial statements are expressed in euros and rounded to millions. They are based on the historical cost principle unless stated otherwise in the accounting policies stated below.

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

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

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

(a) Useful life and residual value of property, plant and equipment
Property, plant and equipment form a substantial part of the total assets of the company, while period depreciation charges form a substantial part of the annual operating expenses. The useful life and residual value determined by the 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 utilisation of the asset accrue 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 are applied.

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

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

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

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

The accounting policies based on IFRS, as described below, have been applied consistently for the years 2006 and 2005 by all entities. The comparative figures may have been reclassified due to changes in presentation. However, these reclassifications do not affect net profit or equity.

Basis of consolidation

Subsidiaries

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

The purchase method of accounting is used to account for the acquisition of a subsidiary. Tthe identifiable assets acquired, liabilities and contingent liabilities of the acquired company are valued at fair value, using the accounting policies of the Group, at the time Vopak obtains control.

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

For a list of the principal subsidiaries, please refer to page 117 of this report.

Joint ventures and associates

A joint venture is a contractual agreement under which two or more parties conduct an economic activity and unanimous approval is required for the financial and operating policies. An associate is a company over whose financial and operating policies the Group has significant influence, but not control. This is generally the case if the Group directly or indirectly holds between 20% and 50% of the voting rights.

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

Under the equity method, goodwill (less accumulated impairments) is allocated to the carrying amount of the investment.

When an interest in a joint venture or associate is acquired, the purchase method of accounting is used.

For a list of the principal joint ventures and associates, please refer to page 117 of this report.

Other financial assets

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

Elimination of transactions in consolidated financial statements

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

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 Group's functional and presentation currency.

Transactions

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

Financial statements of foreign activities

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

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

Net investments in foreign activities

With effect from 1 January 2004 (option IFRS 1), the exchange differences resulting from the translation of the net investments in foreign activities have been taken to the exchange differences reserve, which is a separate component of equity. The exchange differences on loans drawn and other financial instruments in foreign currencies are also taken to the exchange differences reserve, to the extent that these hedge the exchange risks on net investments in foreign companies and are effective. Due to the application of IAS 39, the currency part of the fair value changes in derivative financial instruments to hedge net investments in foreign activities has also been taken to the exchange differences reserve with effect from 1 January 2005. In the case of sale or (partial) repayment, exchange differences are taken (pro rata) to the income statement. The following main exchange rates are used in the financial statements:

EUR 1.00 is equivalent to	Closing exchange rate		Average exchange rate	
	2006	2005	**2006**	2005
Australian dollar	**1.67**	1.61	**1.67**	1.63
Brazilian real	**2.82**	2.77	**2.73**	3.04
Chinese yuan	**10.30**	9.55	**10.01**	10.19
Singapore dollar	**2.02**	1.97	**1.99**	2.07
US dollar	**1.32**	1.18	**1.26**	1.24

Income

Income from rendering of services

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

Other operating income

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

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

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

Dividends are recognised in the income statement as soon as they are granted.

Expenses

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

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

Government grants are recognised when it is reasonably certain that they will be received and the Group will comply with the applicable conditions. Grants by way of compensation for costs incurred are deducted from the costs and recognised 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 recognised in the income statement.

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

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

Intangible assets

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

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

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

Other intangible assets

Software is carried at historical cost, net of straight-line amortisation based on its expected useful life and any potential impairment. Software under construction is carried at the costs incurred up to the balance sheet date.

The expected useful life of software is subject to a maximum of seven years.

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

Property, plant and equipment

Own assets

Property, plant and equipment are broken down into their components and carried at historical cost, net of accumulated straight-line depreciation based on the expected useful life and taking into account the expected residual value and impairments. Historical cost includes the initial acquisition cost plus other direct acquisition costs (such as unrecoverable taxes or transport), 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.

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

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

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

- Buildings	10 - 40 years
- Main components of tank storage terminals	10 - 40 years
- Main components of inland vessels	5 - 30 years
- IT hardware	3 - 5 years
- Software	3 - 7 years
- Machinery, equipment and fixtures	3 - 10 years

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

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

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

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

Impairment of assets

General
For the carrying amount of the assets, other than deferred tax assets, assets will be reviewed for possible impairment on each balance sheet date. Should this be the case, the realisable value of the asset must be estimated. If the carrying amount of an asset, either independently or as part of a cash-generating unit, is higher than the realisable value, the difference is charged to the income statement as an impairment.
Goodwill is reviewed for impairment annually, unless there is reason to do so more frequently.

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

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

Calculating the realisable value
The realisable value is the higher of selling price, 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 assets that do not generate large independent cash flows, the realisable value is determined for the cash-generating unit to which the asset belongs.

Reversal of impairments
Reversal of impairment is effected in the case of a change in the estimates used in determining the realisable value of an asset. An impairment of goodwill or other financial assets 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 amortisation) measured if no impairment had been recognised in preceding years.

Derivative financial instruments
Derivative financial instruments are initially carried at fair value and subsequently, for the full term of the contract, carried at fair value based on a market quotation or a derivative financial instrument valuation model.
Accounting of movements in value depends on the nature of the hedged items and to what extent the derivative financial instruments qualify for hedge accounting.

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

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

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

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

Accumulated profits or losses are taken to the income statement at the same time as the hedged transaction results in recognition in the income statement. The effects are shown under finance costs since the cash flow hedges only relate to the hedging of interest rate positions.

If the established agreement or the foreseeable transaction results in a balance sheet item, the accumulated profits or losses are removed from equity and recognised 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 recognised in accordance with the above method when the transaction takes place. If the hedged transaction is no longer probable, the accumulated gains or losses recognised in equity will be recognised directly in the income statement.

Fair value hedges
If a fair value hedge is used, the hedging instrument is carried at fair value and the changes in fair value are taken to the income statement. The hedged position is only recognised 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 recognised directly in the income statement.

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

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

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

Current assets

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

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

Assets held for sale and operating activities to be discontinued

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

Equity

Share capital

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

Treasury shares

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

Dividends

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

Loans granted and drawn

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

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

Employee benefits

Pensions and other employee benefits

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

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

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

The recognised actuarial results are determined individually for each defined benefit plan and include the effect of the difference between the assumed actuarial parameters and reality, and the changes in assumed actuarial parameters. All actuarial results exceeding a margin of 10% of the fair value of the higher of assets of the fund and the present value of the future liabilities are recognised in the income statement 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 outstanding terms approximating the terms of the pension liabilities.

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

Multi-employer plans that include defined benefit pension plans but for which insufficient information is available for the Group to make actuarial calculations are treated as if defined contribution schemes are concerned.

Options
Options granted after 7 November 2002, which had not been exercised as at 1 January 2005, are carried at fair value based on a binomial model and taking into account their term and the conditions governing their grant. The fair value is calculated at the time of grant and allocated to the period in which the employees have the right to exercise the options. The expenses are treated as staff costs, plus a corresponding addition to equity. When options are exercised, shares are granted.

Other types of remuneration
Remuneration that is solely linked to the price of Vopak's shares is carried at fair value at the balance sheet date. Remuneration is ultimately paid out in cash.

Long-term remuneration 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. Remuneration is ultimately paid out in cash.

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 obligation will entail a cash outflow. If timing is significant, the size of the provision is based on the expected future cash flows discounted at a pre-tax rate that reflects the current market rate of interest as well as the specific risks associated with the liability.

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 reorganisation is formed when Vopak has approved a detailed and formalised reorganisation plan and when the reorganisation has either commenced or been made public.

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

Vopak recognises a provision for loss-making contracts if the expected benefits to be derived from a contract are lower than the unavoidable costs of meeting the obligations under the contract.

Taxes

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

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

Deferred taxes are provided for using the balance sheet liability method, whereby provisions are made for all taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. No deferred taxes are provided for the following temporary differences:

- goodwill not deductible for tax purposes;
- initial recognition of assets and liabilities that affect neither accounting nor taxable profit;
- differences relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future.

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

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

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

Trade and other payables

Trade and other payables are generally recognised at amortised cost using the effective interest method.

Cash flow policies

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

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

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

Dividend distributions are stated under cash flows from financing activities.

Company income statement

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

Financial risks and risk management

Risks and risk management

The Group is exposed to a number of financial risks inherent in its day-to-day operations. These risks are connected with the effects of movements in exchange rates, interest rates and interest rate surcharges, loans and cash and cash equivalents.

Risks are identified by Corporate Treasury, the central treasury department. Hedging options are discussed by the Operational Finance Committee, a body comprising representatives from the various financial disciplines at head office, prior to approval for the transactions being requested from the Executive Board. Reports on risks and risk management are submitted on a regular basis.

The corporate treasury policies were updated in 2006.

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 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.
The risks associated with foreign currency transaction positions arising from operating activities are limited for Vopak, since operating income and operating expenses are, as a rule, largely denominated in the same currencies. However, in some countries (in particular, in Latin America), a substantial portion of the income flow is in 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 positions can be hedged in full by means of forward exchange contracts.

The main currency risk for Vopak is the translation risk arising from the conversion of the results and balance sheets of subsidiaries into euros, Vopak's reporting currency. Net investments in foreign activities are in principle hedged by loans in the same currency, supplemented by cross currency interest rate swaps and forward exchange contracts where necessary. The amount of the hedge is determined mainly by the expected net financing position/EBITDA ratio of subsidiaries for the next three years, taking into account the tax effects and hedging costs. In certain situations, such as in the event of new investments, the decision may be made to hedge more than would be possible on the basis of the net financing position/EBITDA ratio. In such situations, the nominal value of the hedge might exceed the carrying amount of the underlying asset. As was the case in 2005, there were no hedges that exceeded the carrying amount of the underlying assets in the 2006 financial year.

Each quarter, currency risks are identified and the hedging strategy is reviewed and subsequently presented to the Executive Board for approval. Corporate Treasury is authorised to conduct transactions totalling a maximum of EUR 25 million in the interim period. Account of these transactions is rendered to the Executive Board each quarter.

Cross currency interest rate swaps

In the context of its currency policy, Vopak converted a total amount of USD 250 million in fixed-interest loans into EUR 252.9 million fixed-interest loans using cross currency interest rate swaps (CCIRS). The currency portion of the movements in market value relating to the principal amount of the CCIRS is taken directly to the income statement. Exchange differences on the hedged loans are likewise taken to the income statement.

Net investment hedges
Whenever possible, net investments in foreign activities are hedged by loans denominated in the same currency, supplemented by forward exchange contracts, while applying hedge accounting. The interest component (time value) included in the forward contracts is recognised in the income statement.

The hedge effectiveness is measured both prospectively and retrospectively. The results of these effectiveness tests satisfied the effectiveness criterion (between 80 and 125%) as defined in IAS 39. As a minimum, these tests are performed as at the reporting date. All hedges were effective in 2006 and 2005.

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. Interest rate swaps and interest rate options may be used to achieve the desired risk profile.

Interest rate risks are identified and possible hedges considered when obtaining or providing new financing.

The current interest-bearing debt consists largely of fixed-interest financing in US dollars remaining after the Univar split-off in 2002. In total, USD 100 million of this interest-bearing debt was converted into a floating rate debt through interest rate swaps. Furthermore, Vopak Terminals Singapore has a loan of SGD 113 million bearing floating interest. In total, SGD 80 million of this interest bearing debt was converted into a fixed interest profile through interest rate swaps.

At 31 December 2006, taking account of these interest rate swaps, 76% (2005: 85%) of the total interest-bearing loans of EUR 514.1 million (2005: EUR 567.4 million) was financed at a fixed interest rate with remaining terms of up to ten years.

Fair value hedges
In the context of its interest rate policy, Vopak hedged the change in the fair value of fixed-interest loans totalling USD 100 million (US private placements) by entering into interest rate swaps with floating interest rates. The objective of these hedges is to convert fixed-interest liabilities into floating interest liabilities.

The hedge effectiveness is measured prospectively using the critical term match method as described in IAS 39.AG108. The results of these effectiveness tests satisfied the effectiveness criterion (between 80 and 125%) as defined in IAS 39. As a minimum, a retrospective effectiveness test is performed as at the reporting date, using the cumulative regression analysis (statistical method). On the basis of this statistical method, all hedges were effective in 2006 and 2005.

Cash flow hedges
The currency portion (USD 250 million) of changes in the market value of cross currency interest rate swaps (CCIRS) is recognised directly in the income statement. The exchange differences on hedged loans are likewise taken to the income statement. Market value changes relating to the fixed interest flows are subject to hedge accounting. The objective is to limit the fluctuations in interest charges as a result of a volatile USD.

In the context of the interest rate policy, Vopak converted a loan of SGD 116 million bearing floating interest into a loan of SGD 80 million bearing a fixed interest rate in 2005. Hedge accounting was applied to this hedge.

The hedge effectiveness is measured both prospectively and retrospectively. The results of these effectiveness tests satisfied the effectiveness criterion (between 80 and 125%) as defined in IAS 39. As a minimum, these tests are performed as at the reporting date. All hedges were effective in 2006 and 2005.

Other price risks
Other price risks which could affect the value of financial instruments are indices and market prices.

At 31 December 2006, there were no financial instruments whose value depended on indices and market prices.

Credit risk and credit risk management
Vopak is exposed to credit risks on financial instruments and cash and cash equivalents in the form of the loss that would arise should the counterparty fail to meet its contractual obligations. Vopak limits this risk by only concluding transactions with a select group of financial institutions that have a high credit rating. The aim is to spread the transactions evenly among these counterparties. Each quarter, the exposure per financial institution is assessed and the results are reported to the Executive Board. At 31 December 2006 there were no major credit risk concentrations, while the average weighted credit rating of counterparties was AA–.

Vopak has granted loans amounting to EUR 7.4 million to a number of shipping companies and obtained security of EUR 6.0 million in the form of second mortgages on the vessels. No security was obtained for the remaining vessel loans. At 31 December 2006, the fair values of all the vessels were sufficient to cover the credit risk.

When rendering logistics services the exposure to bad debt risk is usually limited as buyers of logistics services are mostly international manufacturers. Moreover, the value of the products stored for these clients usually exceeds the value of the receivables and Vopak generally has the right of retention.

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

The treasury department acts as an in-house bank that internally allocates funds raised centrally. Operating companies are thus funded by a combination of equity and inter-company loans. Vopak Terminals Singapore's loan of SGD 116 million is an exception. Where possible, joint ventures and associates are funded optimally with debt on a non-recourse basis for Vopak, with account being taken of local circumstances and contractual obligations.

The objective is to have a borrowing capacity that facilitates financing of investments, possible acquisitions and loan capital repayments. Vopak has a revolving credit facility with a remaining term of 3.5 years at year-end 2006. The facility may be drawn in various currencies and with different terms, up to an amount of EUR 500 million. At year-end 2006, EUR 30 million had been drawn. Please refer to note 27 for the repayment schedule of the loans drawn.

The liquidity requirements are continuously monitored in different ways and at different reporting instances. Active cash management is a daily responsibility and each quarter the liquidity requirements are identified based on thorough scenario planning. Furthermore, the long-term liquidity risk is assessed prior to every major investment obligation. The current financing policy is reviewed on the basis of this assessment and adjusted where necessary. At present, management is of the opinion that – barring unforeseen circumstances – the funds and credit facilities available in addition to the funds that will become available from future operating cash flows are sufficient to cover the current requirements for financing investments, working capital and the repayment of loans drawn.

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Segment reporting

All amounts are in EUR millions, unless stated otherwise.

General

The primary segmentation is based on the internal organisation of the Group and the management reporting structure. The Group is organised according to market regions, divided into five divisions. In these regions, the Group acts as independent tank terminal operator specialised 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 secondary segmentation consists of tank storage, other activities and non-core activities.

Primary segmentation

	Income from rendering of services		Depreciation and amortisation		Result of joint ventures and associates		Group operating profit	
Income statement	**2006**	2005	**2006**	2005	**2006**	2005	**2006**	2005
Chemicals Europe, Middle East & Africa	**296.6**	263.9	**- 34.9**	- 33.2	**2.0**	1.9	**60.7**	40.0
Oil Europe, Middle East & Africa	**165.1**	143.7	**- 14.6**	- 13.3	**10.8**	13.5	**62.7**	58.3
Total Europe, Middle East & Africa	**461.7**	407.6	**- 49.5**	- 46.5	**12.8**	15.4	**123.4**	98.3
Of which Benelux	***332.0***	*299.4*	***- 35.8***	*- 34.5*	***1.7***	*2.2*	***87.2***	*65.7*
Of which the rest of Europe	***120.8***	*99.7*	***- 12.8***	*- 11.1*	***6.8***	*9.8*	***30.1***	*28.3*
Asia	**121.4**	97.5	**- 21.6**	- 16.6	**23.7**	19.1	**74.9**	59.9
Of which Singapore	***96.0***	*81.3*	***- 17.2***	*- 13.8*	**–**	–	***47.5***	*40.5*
North America	**128.2**	118.2	**- 12.8**	- 11.9	**–**	–	**24.4**	20.8
Latin America	**61.8**	51.9	**- 6.6**	- 4.8	**0.7**	2.0	**19.9**	16.3
Non-core activities	**1.0**	7.0	**–**	–	**–**	3.6	**0.6**	- 2.1
Of which Benelux	***1.0***	*2.8*	**–**	–	**–**	*3.6*	***0.6***	*- 2.1*
Non-allocated	**4.0**	1.4	**- 2.7**	- 3.0	**- 1.2**	- 0.5	**- 26.6**	- 22.5
Total	**778.1**	683.6	**- 93.2**	- 82.8	**36.0**	39.6	**216.6**	170.7

Reconciliation with the consolidated net profit		
Group operating profit	**216.6**	170.7
Net finance costs	**- 44.2**	- 39.3
Profit before income tax	**172.4**	131.4
Income tax	**- 25.2**	- 25.6
Net profit	**146.9**	105.8

In addition to amortisation and depreciation, impairments of EUR 0.1 million were recognised on balance in 2006, consisting of an impairment of EUR 1.1 million for the goodwill of a discontinued sub-activity of logistics services of the North America division, and the reversal of an impairment within the Chemicals Europe, Middle East & Africa division and the non-core activities totalling EUR 1.0 million.
In 2005 impairments totalling EUR 2.9 million were recognised.

Balance sheet	Assets of subsidiaries 2006	2005	Joint ventures and associates 2006	2005	Total assets 2006	2005	Total liabilities 2006	2005
Chemicals Europe, Middle East & Africa	**478.8**	466.4	**16.7**	15.9	**495.5**	482.3	**- 133.8**	- 123.9
Oil Europe, Middle East & Africa	**260.7**	205.8	**30.4**	30.9	**291.1**	236.7	**- 82.8**	- 67.0
Total Europe, Middle East & Africa	**739.5**	672.2	**47.1**	46.8	**786.6**	719.0	**- 216.6**	- 190.9
Of which Benelux	***533.6***	*481.6*	***3.2***	*4.4*	***536.8***	*486.0*	***- 142.9***	*- 119.2*
Of which the rest of Europe	***190.1***	*174.5*	***24.5***	*23.6*	***214.6***	*198.1*	***- 68.7***	*- 67.8*
Asia	**424.4**	312.4	**138.7**	152.3	**563.1**	464.7	**- 122.9**	- 97.9
Of which Singapore	***265.6***	*207.5*	**–**	–	***265.6***	*207.5*	***- 113.1***	*- 91.2*
North America	**178.9**	203.6	**–**	–	**178.9**	203.6	**- 61.4**	- 69.6
Latin America	**105.8**	108.8	**3.2**	3.7	**109.0**	112.5	**- 15.7**	- 14.7
Non-core activities	**5.6**	11.2	**–**	5.4	**5.6**	16.6	**- 5.1**	- 14.1
Of which Benelux	***3.0***	*8.3*	**–**	*5.4*	***3.0***	*13.7*	***- 4.7***	*- 13.4*
Non-allocated	**163.0**	244.6	**14.4**	4.4	**177.4**	249.0	**- 663.7**	- 719.6
Total	**1,617.2**	1,552.8	**203.4**	212.6	**1,820.6**	1,765.4	**- 1,085.4**	- 1,106.8

Investments*	Intangible assets 2006	2005	Property, plant and equipment 2006	2005	Other non-current assets 2006	2005	Joint ventures and associates 2006	2005	Total 2006	2005
Chemicals Europe, Middle East & Africa	**0.5**	1.7	**56.7**	26.4	**–**	–	**0.2**	–	**57.4**	28.1
Oil Europe, Middle East & Africa	**0.7**	0.4	**55.5**	19.9	**–**	–	**–**	0.4	**56.2**	20.7
Total Europe, Middle East & Africa	**1.2**	2.1	**112.2**	46.3	**–**	–	**0.2**	0.4	**113.6**	48.8
Of which Benelux	***0.7***	*1.5*	***92.4***	*36.6*	**–**	–	***0.2***	–	***93.3***	*38.1*
Of which the rest of Europe	***0.5***	*0.6*	***19.1***	*8.6*	**–**	–	**–**	–	***19.6***	*9.2*
Asia	**0.2**	0.1	**92.7**	83.2	**0.5**	9.4	**–**	5.1	**93.4**	97.8
Of which Singapore	***0.2***	*0.1*	***44.7***	*49.7*	***0.5***	–	**–**	–	***45.4***	*49.8*
North America	**0.4**	1.1	**12.7**	8.6	**–**	0.1	**–**	–	**13.1**	9.8
Latin America	**0.5**	0.2	**8.5**	11.6	**0.3**	–	**–**	–	**9.3**	11.8
Non-allocated	**2.1**	3.1	**2.2**	4.0	**–**	–	**11.1**	1.8	**15.4**	8.9
Total	**4.4**	6.6	**228.3**	153.7	**0.8**	9.5	**11.3**	7.3	**244.8**	177.1

*) *Excluding loans granted and acquisition of subsidiaries*

Secondary segmentation

	Note	Tank storage 2006	2005	Other activities 2006	2005	Non-core activities 2006	2005	Non-allocated 2006	2005	Total 2006	2005
Income from rendering of services		**704.2**	607.2	**68.7**	68.0	**1.2**	7.0	**4.0**	1.4	**778.1**	683.6
Total assets		**1,535.9**	1,372.7	**101.9**	127.1	**5.4**	16.6	**177.4**	249.0	**1,820.6**	1,765.4
Investments		**227,2**	165.4	**2.2**	2.8	**–**	–	**15.4**	8.9	**244.8**	177.1
Impairments	4	**–**	–	**- 1.1**	- 1.2	**–**	- 1.7	**–**	–	**- 1.1**	- 2.9
Reversal of impairments	4	**–**	–	**0.2**	–	**0.8**	–	**–**	–	**1.0**	–
Restructuring		**–**	–	**–**	- 3.4	**–**	- 2.3	**–**	–	**–**	- 5.7

The non-allocated total assets item amounts to EUR 177.4 million at 31 December 2006 and consists mainly of pension and other employee benefits, loans granted to third parties, cash and cash equivalents and deferred tax assets.

Acquisition of subsidiaries

Subsidiaries

In EUR millions		2006		2005
Intangible assets other than goodwill	–		2.1	
Property, plant and equipment	1.2		25.3	
Deferred taxes	–		0.2	
Other non-current assets	0.6		–	
Total non-current assets		**1.8**		27.6
Cash and cash equivalents	0.1		1.4	
Other current assets	0.3		4.0	
Total current assets		**0.4**		5.4
Total assets		**2.2**		33.0
Interest-bearing loans	–		5.4	
Pensions and other employee benefits	–		3.5	
Deferred taxes	–		8.1	
Other provisions	–		0.3	
Total non-current liabilities		**–**		17.3
Total current liabilities		**0.2**		3.0
Total liabilities		**0.2**		20.3
Net identifiable assets and liabilities at fair value		**2.0**		12.7
Revaluations attributable to the Group		–		- 3.1
Decrease in investments in joint ventures		–		- 3.3
Minority interests		- 0.4		–
Net identifiable assets and liabilities at fair value attributable to the shares acquired		**1.6**		6.3
Goodwill on acquisitions		2.6		3.2
Remaining amounts payable on acquisitions		–		- 0.3
Payments in cash		**- 4.2**		- 9.2
Cash of acquired companies		0.1		1.4
Net cash flows		**- 4.1**		- 7.8

On 1 August 2006, the Group obtained control over Vietnam AP through the acquisition of 80% of the shares. At 8,200 cbm, the current tank storage capacity is limited. Total income from rendering of services for 2006 of the relevant acquisitions amounts to EUR 0.1 million.

The acquisitions in 2005 related to the acquisition of total ownership of the DUPEG Tank Terminal in Hamburg (Germany) by taking over the remaining 50% interest from its former partner and to the expansion of the interest in Serlipsa (Peru).

Minority interests

During 2006, the Group acquired the 40% minority interest in Piedmont LLC for a total amount of EUR 1.7 million. Given that this subsidiary was already fully consolidated, the purchase did not affect the Group's net profit. However, the share of net profit attributable to minority interests is reduced as a result.

The acquisition of minority interests led to a EUR 1.4 million increase in goodwill.

Notes to the consolidated income statement

All amounts are in EUR millions, unless stated otherwise.

1. Exceptional items

	Note		2006		2005
Gains on sale of assets and subsidiaries	2	–		1.6	
Losses on sale of assets and subsidiaries	5	–		- 1.6	
Impairments	4	- 1.1		- 2.9	
Costs of unrealised merger of North American tank terminal activities	5	- 3.2		–	
Provisions for onerous contracts due to activities to be disposed of	5	–		- 2.3	
Restructuring costs of Dutch inland chemical shipping activities	5	–		- 3.4	
Other		–		- 0.4	
Group operating profit			**- 4.3**		- 9.0
Costs of early repayment	8	–		- 1.4	
Net finance costs			**–**		- 1.4
Tax on above-mentioned items		1.1		1.1	
Exceptional movements in prior-year taxes	9	10.4		–	
Taxes			**11.5**		1.1
Total effect on net profit			**7.2**		- 9.3

2. Other operating income

	2006	2005
Gains on sale of assets and subsidiaries	0.4	1.6
Other	2.9	2.1
Total	**3.3**	3.7

3. Personnel expenses

	Note	2006	2005
Wages and salaries		171.4	166.4
Social security charges		22.1	23.3
Contribution to pension schemes (defined contribution)	28	29.8	4.7
Pension charges (defined benefit plans)	28	- 8.8	15.5
Costs related to options granted	32	0.1	0.1
Other long-term pension and other employee benefits		1.0	1.1
Early retirement		2.3	4.0
Other personnel costs		22.0	15.7
Total		**239.9**	230.8

Average number of employees (in FTEs)

During the year under review, the Group employed an average of 3,688 employees and temporary staff (2005: 3,569).

Movements in the number of employees (in FTEs)

	2006	2005
Number at 1 January	**3,433**	3,428
Movements due to acquisitions	21	113
Movements due to disposals	–	- 70
Entered service/left service	- 12	- 38
Number at 31 December	**3,442**	3,433

4. Depreciation, amortisation and impairment

	Note	2006	2005
Intangible assets	12	7.7	6.1
Property, plant and equipment	13	85.5	76.7
Impairments	12, 13, 22	1.1	2.9
Reversal of impairments	22	- 1.0	–
Total		**93.3**	85.7

5. Other operating expenses

	Note	2006	2005
Maintenance		**45.8**	39.1
Operating lease	34	**27.4**	23.8
Fuel		**47.7**	39.9
Environmental, safety and cleaning		**30.7**	26.5
Insurance		**20.3**	21.5
Advisory fees		**14.7**	10.6
Vessel charter expenses		**7.2**	0.7
Vessel voyage expenses		**3.7**	3.9
Losses on sale of assets and subsidiaries		**1.0**	1.6
Costs of unrealised merger of North American tank terminal activities		**3.2**	–
Provisions for onerous contracts due to activities to be disposed of		**–**	2.3
Restructuring costs of inland chemical shipping activities		**–**	3.4
Other exceptional expenses		**–**	0.4
Other		**65.9**	66.0
Total		**267.6**	239.7

Grants by way of compensation for costs incurred are deducted from the costs and recognised in the same period in which the costs are incurred. In 2006, no grants were received as compensation for costs and losses incurred (2005: EUR 0.9 million).
Research costs relating to new storage capacity to be built are recognised in the income statement in the year in which the costs are incurred.

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

	2006	2005
Result of joint ventures and associates	**36.0**	39.6
Result on sale of joint ventures and associates	**–**	–
Total	**36.0**	39.6

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

Income statement

	2006	2005
Income from rendering of services	**104.8**	106.3
Group operating profit	**49.4**	48.8
Net profit of tank storage activities	**35.6**	34.6
Net profit of other activities	**0.4**	5.0
Total	**36.0**	39.6

Balance sheet

	Note	2006	2005
Total non-current assets		**280.2**	314.8
Total current assets		**40.6**	39.0
Total assets		**320.8**	353.8
Total non-current liabilities		**87.1**	110.8
Total current liabilities		**48.3**	45.3
Total liabilities		**135.4**	156.1
Joint ventures in tank storage activities		**185.4**	197.7
Joint ventures and associates in other activities		**18.0**	14.9
Joint ventures and associates	14	**203.4**	212.6

The effects of the proportionate consolidation method on the balance sheet and income statement of the Group are shown on page 21.

7. Interest and dividend income

	2006	2005
Interest income	**6.4**	14.4
Dividends on other financial assets	**0.4**	0.4
Total	**6.8**	14.8

8. Finance costs

	Note		2006		2005
Interest expense			**- 38.6**		- 43.3
Capitalised interest			**2.2**		1.8
Costs of early repayment			**–**		- 1.4
Interest component of finance lease			**- 0.1**		- 0.1
Interest component of provisions	28, 29		**- 1.0**		–
Exchange differences:					
- Use of exchange difference reserve (hedged item)		**0.9**		–	
- Use of exchange difference reserve (hedged instruments)		**- 0.2**		–	
- Other		**18.9**		- 22.7	
			19.6		- 22.7
Derivative financial instruments:					
- Interest component derivative financial instruments					
(net investment hedge)		**- 3.3**		- 2.2	
- Fair value adjustments to derivative financial instruments					
(no hedge accounting)		**- 20.1**		23.9	
- Fair value adjustments to interest rate swaps (fair value hedge)		**- 0.3**		- 3.9	
- Fair value adjustments to loans (fair value hedge)		**0.3**		4.1	
- Use of revaluation reserve derivatives (cash flow hedge)		**- 6.6**		- 5.5	
			- 30,0		16.4
Commitment fee			**- 0.6**		- 0.5
Impairments			**- 0.2**		–
Other			**- 2.3**		- 4.3
Total			**- 51.0**		- 54.1

Capitalised interest during construction was subject to an average interest rate of 5.4% (2005: 4.4%).

9. Income tax

9.1 Recognised in the income statement

		2006		2005
Current taxes				
Current financial year	**28.4**		26.3	
Adjustments for prior years	**- 1.6**		- 0.1	
Exceptional movements in prior-year taxes	**- 5.1**		–	
		21.7		26.2
Deferred taxes				
Origin and reversal of temporary differences	**4.4**		- 0.1	
Tax losses utilised	**3.6**		–	
Changes in tax rates	**2.4**		- 0.1	
Recognition of tax losses	**- 1.7**		- 0.4	
Other	**0.4**		–	
Exceptional movements in prior-year taxes	**- 5.3**		–	
		3.8		- 0.6
Tax on profit		**25.5**		25.6

9.2 Reconciliation of effective tax rate

	Note		2006		2005
Profit before income tax			**172.4**		131.4
Tax on profit			**25.5**		25.6
Effective tax rate			**14.8%**		19.5%
Composition:			**%**		%
- Weighted average statutory tax rates		**49.9**	**28.9**	40.7	31.0
- Participation exemption		**- 10.5**	**- 6.1**	- 11.8	- 9.0
- Non-deductible expenses		**2.6**	**1.5**	2.1	1.6
- Changes in tax rates		**2.4**	**1.4**	- 0.1	- 0.1
- Tax losses recognised		**- 1.7**	**- 1.0**	- 0.3	- 0.2
- Tax facilities		**- 3.5**	**- 2.0**	–	–
- Other effects		**- 3.3**	**- 1.9**	- 5.0	- 3.8
Effective tax rate before exceptional items		**35.9**	**20.8**	25.6	19.5
Exceptional movements in prior-year taxes	1	**- 10.4**	**- 6.0**	–	–
Effective tax rate		**25.5**	**14.8**	25.6	19.5

The lower effective tax rate in 2006 compared with the preceding year is mainly caused by exceptional movements in prior-year taxes due to the settlement of two tax positions.

9.3 Deferred taxes recognised directly in equity

	Note	2006	2005
On exchange differences and hedges	24	**6.7**	- 10.2
On use of exchange differences and hedges	24	**- 0.2**	–
On changes in the value of cash flow hedges	24	**1.6**	- 0.6
On use of cash flow hedges	24	**2.0**	1.7
On revaluation of assets	24	**–**	1.8
Total		**10.1**	- 7.3

10. Exchange differences

	Note		2006		2005
Income from rendering of services			**0.2**		- 0.2
Other operating expenses			**- 0.3**		0.1
Exchange differences	8	**19.6**		- 22.7	
Fair value adjustments to derivative financial instruments	8	**- 20.1**		23.9	
Uses of revaluation reserve derivatives	8	**- 6.6**		- 5.5	
Finance costs			**- 7.1**		- 4.3
Total			**- 7.2**		- 4.4

11. Earnings per ordinary share

Earnings per ordinary share are calculated by dividing the net profit attributable to holders of ordinary shares by the weighted average number of outstanding ordinary shares (excluding the average number of treasury shares). The weighted average number of outstanding shares was 62,310,327 in 2006 (2005: 61,683,420).

In calculating the diluted earnings per ordinary share, the weighted average number of outstanding shares is adjusted for the dilutive effects of share option schemes. As at 31 December 2006, the exercise price of all outstanding options (120,000) was lower than the share price (EUR 35.59), the dilutive effect of the share option schemes is 73,231 shares.
As at 31 December 2005, the exercise price of 160,000 options was lower than the share price (EUR 25.41), the dilutive effect at the time being 74,974 shares.

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

In thousands	Note	2006	2005
Issued ordinary shares at 1 January	23	**62,291**	60,717
Shares issued due to stock dividend	23	**–**	871
Sales from treasury stock	23	**19**	95
Weighted average number of ordinary shares at 31 December		**62,310**	61,683
Dilutive effect of share option schemes	32	**73**	75
Diluted weighted average number of ordinary shares at 31 December		**62,383**	61,758

Notes to the consolidated balance sheet

All amounts are in EUR millions, unless stated otherwise.

12. Intangible assets

Movements in intangible assets were as follows:

	Note	Goodwill	Software	Other	Total
Purchase price of operating assets		4.3	36.5	1.6	**42.4**
Accumulated amortisation and impairment		–	- 15.4	- 0.3	**- 15.7**
Carrying amount in use		4.3	21.1	1.3	**26.7**
Purchase price under construction		–	10.3	–	**10.3**
Carrying amount at 1 January 2005		4.3	31.4	1.3	**37.0**
Movements:					
- Acquisitions		3.2	0.2	1.9	**5.3**
- Additions		–	5.6	1.0	**6.6**
- Disposals		–	- 1.0	–	**- 1.0**
- Amortisation	4	–	- 5.6	- 0.5	**- 6.1**
- Impairment	4	–	–	–	**–**
- Exchange differences		0.3	0.9	0.3	**1.5**
Carrying amount at 31 December 2005		7.8	31.5	4.0	**43.3**
Purchase price of operating assets		7.9	47.6	6.4	**61.9**
Accumulated amortisation and impairment		- 0.1	- 21.6	- 2.4	**- 24.1**
Carrying amount in use		7.8	26.0	4.0	**37.8**
Purchase price under construction		–	5.5	–	**5.5**
Carrying amount at 31 December 2005		7.8	31.5	4.0	**43.3**
Movements:					
- Acquisitions		4.0	–	–	**4.0**
- Additions		–	3.7	0.7	**4.4**
- Disposals		–	- 0.8	–	**- 0.8**
- Amortisation	4	–	- 6.5	- 1.2	**- 7.7**
- Impairment	4	- 1.1	–	–	**- 1.1**
- Exchange differences		- 1.7	- 0.7	1.0	**- 1.4**
Carrying amount at 31 December 2006		9.0	27.2	4.5	**40.7**
Purchase price of operating assets		10.1	51.7	7.7	**69.5**
Accumulated amortisation and impairment		- 1.1	- 27.0	- 3.2	**- 31.3**
Carrying amount in use		9.0	24.7	4.5	**38.2**
Purchase price under construction		–	2.5	–	**2.5**
Carrying amount at 31 December 2006		9.0	27.2	4.5	**40.7**

In 2006, an impairment of the goodwill of a discontinued sub-activity of logistics services in North America was recognised.

Impairment tests for goodwill

The cash flow generating components to which goodwill is allocated are reviewed for impairments. The realisable value is based on the value-in-use calculation. These calculations use cash flows projections based on group operating profits and sustaining capital expenditures of the budget for the coming year and the two subsequent planning years. Cash flows beyond the previously mentioned period of three years are extrapolated to a further 20-year period (or shorter if relevant), 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 rate is likewise determined before taxes. The discount rate used to calculate the net present value of these cash flows is determined per country and varies from 10% to 26%.

13. Property, plant and equipment

Movements in property, plant and equipment were as follows:

	Note	Land	Buildings	Tanks storage terminals	Vessels	Machinery and equipment	Total
Purchase price of operating assets		28.4	130.2	1,545.5	74.6	87.6	**1,866.3**
Accumulated depreciation and impairment		–	- 66.1	- 919.0	- 25.9	- 54.9	**- 1,065.9**
Carrying amount in use		28.4	64.1	626.5	48.7	32.7	**800.4**
Purchase price of assets under construction		0.2	0.3	47.7	0.2	1.4	**49.8**
Carrying amount at 1 January 2005		28.6	64.4	674.2	48.9	34.1	**850.2**
Movements:							
- Acquisitions		–	3.5	16.0	–	5.8	**25.3**
- Additions		2.0	3.1	134.0	0.7	13.9	**153.7**
- Reclassification to assets held for sale		–	–	–	- 18.5	–	**-18.5**
- Other reclassifications		- 3.6	0.4	–	–	3.8	**0.6**
- Disposals		- 0.2	–	- 0.1	–	- 0.3	**- 0.6**
- Depreciation	4	–	- 3.7	- 62.8	- 2.8	- 7.4	**- 76.7**
- Impairment	4	–	–	–	- 1.2	–	**- 1.2**
- Exchange differences		3.4	5.9	36.9	–	3.1	**49.3**
Carrying amount at 31 December 2005		30.2	73.6	798.2	27.1	53.0	**982.1**
Purchase price of operating assets		28.2	148.5	1,721.1	45.1	129.2	**2,072.1**
Accumulated depreciation and impairment		–	- 75.3	- 1,011.7	- 18.3	- 78.1	**- 1,183.4**
Carrying amount in use		28.2	73.2	709.4	26.8	51.1	**888.7**
Purchase price of assets under construction		2.0	0.4	88.8	0.3	1.9	**93.4**
Carrying amount at 31 December 2005		30.2	73.6	798.2	27.1	53.0	**982.1**
Movements:							
- Acquisitions		–	0.5	0.6	–	0.1	**1.2**
- Additions		0.4	8.7	205.4	0.6	13.2	**228.3**
- Reclassification to assets held for sale		–	–	–	- 2.5	–	**- 2.5**
- Disposals		–	- 0.1	- 2.8	–	- 0.2	**- 3.1**
- Depreciation	4	–	- 4.1	- 70.3	- 2.5	- 8.6	**- 85.5**
- Impairment	4	–	–	–	–	–	**–**
- Exchange differences		- 2.2	- 3.8	- 20.7	–	- 3.1	**- 29.8**
Carrying amount at 31 December 2006		28.4	74.8	910.4	22.7	54.4	**1,090.7**
Purchase price of operating assets		26.6	148.9	1,808.3	40.5	129.0	**2,153.3**
Accumulated depreciation and impairment		–	- 75.8	- 1,053.0	- 18.3	- 79.9	**- 1,227.0**
Carrying amount in use		26.6	73.1	755.3	22.2	49.1	**926.3**
Purchase price of assets under construction		1.8	1.7	155.1	0.5	5.3	**164.4**
Carrying amount at 31 December 2006		28.4	74.8	910.4	22.7	54.4	**1,090.7**

A terminal in Mexico is encumbered by collateral of EUR 7.6 million.

The Group leases equipment under a number of finance leases. The carrying amount of the equipment as at 31 December 2006 is EUR 0.9 million (2005: EUR 1.7 million). The resulting lease obligations amount to EUR 0.4 million (2005: EUR 1.4 million).

Grants by way of compensation for costs incurred in connection with assets are deducted from the assets and recognised in the income statement over the life of the assets. No Investment grants were received in 2006 (2005: EUR 0.6 million).

The terminal in Vietnam was acquired in 2006; the 2005 acquisitions relate to the acquisition of interests of third parties in joint ventures (see page 72).

At 31 December 2006, the purchase price of the assets under construction totalled EUR 164.4 million (2005: EUR 93.4 million), over EUR 100 million of which is attributable to large-scale projects. The capacity for oil products at the Europoort oil terminal in the Netherlands is being expanded by 440,000 cbm, together with a new jetty. Expectations are that this capacity will be commissioned in the fourth quarter of 2007. The construction of a new chemical terminal in Antwerp (Belgium) with a storage capacity of 100,000 cbm is in progress and is expected to be operational by mid-2008. In Singapore, the Sebarok terminal is being expanded by 216,000 cbm of capacity for fuel oil (to be commissioned in the first quarter of 2008) and the Banyan terminal by 60,000 cbm for chemicals and 105,000 cbm for biodiesel (commissioning planned for the fourth quarter of 2007). Construction of the new terminal in Zhangjiagang (China) has started. The total storage capacity for chemical products will be 268,000 cbm and completion of the first phase of (40,000 cbm) is planned for the second quarter of 2007. Commissioning of the remaining capacity is planned for mid-2008. Finally, the oil capacity in Sydney (Australia) is being expanded by 74,000 cbm, which will be ready for use in the first quarter of 2007.

The principal project under construction at year-end 2005 was the new Banyan terminal in Singapore (371,800 cbm for oil and chemicals storage). This terminal was commissioned in April 2006 as planned.

14. Joint ventures and associates

Movements in joint ventures and associates were as follows:

	Joint ventures		Associates		Total	
	2006	2005	**2006**	2005	**2006**	2005
Carrying amount at 1 January	**205.9**	177.8	**6.7**	6.6	**212.6**	184.4
Movements:						
- Share in profit	**35.9**	36.2	**0.1**	3.4	**36.0**	39.6
- Dividends received	**- 30.4**	- 34.1	**- 5.3**	- 3.9	**- 35.7**	- 38.0
- Investments	**11.1**	7.3	**0.2**	–	**11.3**	7.3
- Disposals	**–**	- 3.3	**- 0.2**	–	**- 0.2**	- 3.3
- Reclassification to assets held for sale	**- 7.7**	–	**–**	–	**- 7.7**	–
- Fair value changes of derivative financial instruments	**- 0.5**	–	**–**	–	**- 0.5**	–
- Exchange differences	**- 12.3**	22.0	**- 0.1**	0.6	**- 12.4**	22.6
Carrying amount at 31 December	**202.0**	205.9	**1.4**	6.7	**203.4**	212.6

None of the joint ventures and associates is listed on the stock exchange.

Negotiations concerning the sale of the 40% interest in Xiamen Paktank Company Ltd. started in 2006. The interest has been reclassified to assets held for sale.

Joint ventures are an important part of the Group. For a representative insight into the economic scope, the effects are shown on page 21 in the balance sheet and the income statement of the Group on application of the proportionate consolidation method to the joint ventures, to the extent that tank storage activities are concerned.

Associate Cableship Contractors Holding N.V. was liquidated in the course of 2006; the activities of this company had been discontinued at an earlier stage. The carrying amount of associates at 31 December 2006 now mainly relates to interests in shipping companies.

15. Classification of financial instruments

The table below shows the classification of financial instruments applied by Vopak, including the carrying amounts and fair values at year-end 2006 and year-end 2005.

	Note	Carrying amount		Fair value	
		2006	2005	**2006**	2005
Loans and receivables (carried at amortised cost)					
Loans to joint ventures and associates	16	**5.4**	10.3	**5.6**	10.4
Transferred receivable with continuing involvement	16	**29.6**	43.9	**29.6**	43.9
Other loans (excluding transferred receivable with continuing involvement)	16	**5.0**	14.6	**5.4**	15.3
Trade receivables	20	**81.4**	83.6	**81.4**	83.6
Other receivables	20	**103.0**	79.7	**103.0**	79.7
Cash and cash equivalents	21	**117.9**	177.1	**117.9**	177.1
		342.3	409.2	**342.9**	410.0
Derivative financial instruments (carried at fair value)	31				
Cross currency interest rate swaps		**- 74.2**	- 62.0	**- 74.2**	- 62.0
Interest rate swaps:					
- Assets		**2.7**	5.5	**2.7**	5.5
- Liabilities		**- 4.5**	- 7.5	**- 4.5**	- 7.5
Forward exchange contracts:					
- Assets		**3.2**	1.0	**3.2**	1.0
- Liabilities		**- 1.8**	- 4.2	**- 1.8**	- 4.2
		- 74.6	- 67.2	**- 74.6**	- 67.2
Other financial liabilities (carried at amortised cost)					
Private placements and bank loans	27	**- 454.1**	- 522.0	**- 501.2**	- 588.7
Credit facilities	27	**- 30.0**	–	**- 39.7**	–
Guarantee provided for a transferred receivable	27	**- 29.6**	- 43.9	**- 29.6**	- 43.9
Finance lease	27	**- 0.4**	- 1.5	**- 0.4**	- 1.4
Trade creditors	30	**- 43.8**	- 44.7	**- 43.8**	- 44.7
Wage tax and social security charges	30	**- 5.3**	- 5.6	**- 5.3**	- 5.6
Other creditors, accruals and deferred income	30	**- 177.9**	- 144.1	**- 177.9**	- 144.1
		- 741.1	- 761.8	**- 797.9**	- 828.4
Total		**- 473.4**	- 419.8	**- 529.6**	- 485.6
Unrecognised financial instruments					
Stand by credit facility	27			**470.0**	500.0
Stand by bank loans	27			**1.6**	16.9
Total				**471.6**	516.9

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

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

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

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

The fair value of finance leases is estimated by discounting the expected future cash flows at the market interest rate for leases. The estimated fair value reflects the change in interest rate.

16. Loans granted

Movements in loans granted were as follows:

	Loans to joint ventures and associates		Other loans		Total	
	2006	2005	**2006**	2005	**2006**	2005
Carrying amount at 1 January	**10.3**	9.9	**58.5**	138.8	**68.8**	148.7
Movements:						
- Loans granted	**5.4**	0.4	**11.5**	0.8	**16.9**	1.2
- Repayments	**- 10.3**	–	**- 21.3**	- 141.0	**- 31.6**	- 141.0
- Continuing involvement in transferred receivable	**–**	–	**–**	53.4	**–**	53.4
- Reduction of continuing involvement in transferred receivable	**–**	–	**- 9.8**	- 11.0	**- 9.8**	- 11.0
- To assets held for sale	**–**	–	**–**	–	**–**	–
- Recognition due to effective interest method	**–**	–	**0.3**	2.6	**0.3**	2.6
- Impairments	**–**	–	**- 0.2**	–	**- 0.2**	–
- Reversal of impairments	**–**	–	**–**	0.1	**–**	0.1
- Exchange differences	**–**	–	**- 4.4**	14.8	**- 4.4**	14.8
Carrying amount at 31 December	**5.4**	10.3	**34.6**	58.5	**40.0**	68.8
Non-current receivables	**5.1**	10.3	**13.8**	47.0	**18.9**	57.3
Current receivables	**0.3**	–	**20.8**	11.5	**21.1**	11.5
Carrying amount at 31 December	**5.4**	10.3	**34.6**	58.5	**40.0**	68.8

Loans granted include subordinated loans totalling EUR 8.6 million (2005: EUR 15.9 million). The loans with remaining terms exceeding 5 years total EUR 7.4 million.

Loans granted include an amount of EUR 7.4 million (2005: EUR 4.8 million) in loans to shipping companies, the repayment of which depends on the cash flow. Security totalling EUR 6.0 million was obtained in the form of second mortgages on vessels, the fair value of which is sufficient. No security was obtained for the remaining loans to shipping companies.

Other loans include the transferred receivable with continuing involvement. In 2005 this receivable was transferred but as part of the credit risk remains with the Group there is continuing involvement. The balance of the receivable, amounting to EUR 28.7 million at 31 December 2006 (2005: EUR 42.7 million), will be released in full in proportion to the expiring guarantee in the next two years. The guarantee provided (see also note 27) amounted to EUR 29.6 million at 31 December 2006 (2005: EUR 43.9 million). The outstanding amount of the transferred receivable amounted to EUR 78.8 million at 31 December 2006 (2005: EUR 99.2 million).

An impairment of EUR 0.2 million was recognised for a loan amounting to the equivalent of EUR 1.2 million. It is expected that the balance of the loan will be fully repaid during 2007.

To provide insight into the effective interest rates and the periods in which they are reviewed, please refer to the note 31. The fair value is provided in note 15.

17. Other financial assets

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

18. Deferred taxes

The deferred tax assets and liabilities were allocated as follows:

	Balance sheet at 1-1-2005		Balance sheet at 31-12-2005	
	Asset	Liability	Asset	Liability
Intangible assets	–	13.9	–	16.9
Property, plant and equipment	1.3	73.0	2.7	85.2
Loans granted	–	5.2	–	5.0
Employee benefits	24.6	–	24.4	–
Derivative financial instruments	7.3	–	5.1	–
Tax effect of carry-forward losses	11.6	–	10.6	–
Other	–	7.9	6.8	–
Total deferred tax assets and liabilities	**44.8**	**100.0**	**49.6**	**107.1**
Offset of deferred tax assets and liabilities	- 12.9	- 12.9	- 4.3	- 4.3
Balance of deferred tax assets and liabilities	**31.9**	**87.1**	**45.3**	**102.8**

	Balance sheet at 1-1-2006		Balance sheet at 31-12-2006	
	Asset	Liability	Asset	Liability
Intangible assets	–	16.9	0.5	16.1
Property, plant and equipment	2.7	85.2	6.4	86.6
Loans granted	–	5.0	0.1	3.9
Employee benefits	24.4	–	21.3	1.3
Derivative financial instruments	5.1	–	2.7	0.1
Tax effect of carry-forward losses	10.6	–	5.6	–
Other	6.8	–	2.4	8.1
Total deferred tax assets and liabilities	**49.6**	**107.1**	**39.0**	**116.1**
Offset of deferred tax assets and liabilities	- 4.3	- 4.3	- 18.0	- 18.0
Balance of deferred tax assets and liabilities	**45.3**	**102.8**	**21.0**	**98.1**

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 per fiscal unit after critically assessing whether there are sufficient conditions to realise these deferred tax assets, based on the revised strategic plans and related tax plans.

Carry-forward losses for which deferred tax assets have not (fully) been recognised amount to EUR 14.3 million at 31 December 2006 (2005: EUR 17.0 million). The maturity schedule is as follows:

2010	**0.1**
2011	**10.8**
2014	**0.2**
2015	**0.7**
Offsettable for an unlimited period	**2.5**
Total	**14.3**

Deferred tax assets have not been recognised because it is not probable that sufficient taxable profit will be available to utilise 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 recognised. These earnings have been permanently reinvested.

19. Other non-current assets

This item comprises prepaid land use rights that are allocated to the period to which they relate. The remaining period as at 31 December 2006 varies between 38 to 48 years.

20. Trade and other receivables

		2006	2005
	Trade debtors	82,2	84.7
	Allowance account for credit losses trade debtors	- 0,8	- 1.1
	Other receivables	103.0	79.7
Total		184.4	163.3

The fair value of outstanding amounts is almost equal to the carrying amount. There is no indication as at the balance sheet date that these receivables will not be recovered, insofar as no allowances were formed.

The exposure to bad debt risk is usually limited as buyers of logistics services are mostly international manufacturers with a high credit rating. Moreover, the value of the products stored for these clients usually exceeds the value of the receivables and Vopak generally has the right of retention. In 2006, impairments of EUR 0.2 million were recognised and EUR 0.5 million was used.

21. Cash and cash equivalents

		2006	2005
	Cash and bank	54.5	60.3
	Short-term deposits	63.4	116.8
Total		117.9	177.1

The effective interest on short-term deposits was 3.2% (2005: 2.4%); these deposits have an average term of 45.9 days (2005: 4.2 days) and are subject to value changes only to a limited extent. The carrying amount is deemed equivalent to the fair value at the balance sheet date.

Reconciliation with the consolidated cash flow statement is as follows:

		2006	2005
	Cash and cash equivalents	117.9	177.1
	Bank overdrafts	- 29.5	- 21.4
Total		88.4	155.7

Of the cash and cash equivalents as at 31 December 2006, EUR 7.9 million is not at the free disposal of the Group, being cash and cash equivalents with insurance pools (31 December 2005: EUR 8.1 million).

22. Assets held for sale

Movements in the assets held for sale were as follows:

		Asset	Liability
Balance at 1 January 2006		24.7	2.2
	Reversal of impairments due to sale	1.0	–
	Disposals	- 23.6	–
	Reclassifications	9.3	- 1.8
Balance at 31 December 2006		11.4	0.4

During 2006, 8 inland vessels for transport of chemicals were sold.

The assets held for sale as at 31 December 2006 comprise for the most part the 40% interest in the joint venture in Xiamen (China). The realisable value of this interest is expected to be at least equal to the carrying amount.

23. Issued capital, share premium and treasury shares

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

	Numbers				Amounts		
	Issued ordinary shares	Financing preference shares	Total shares	Treasury shares	Issued capital	Share premium	Treasury shares
Balance at 1 January 2005	**61,011,307**	**19,451,000**	**80,462,307**	**- 293,943**	**80.5**	**206.0**	**- 4.3**
Issue of new shares for stock dividend	1,439,349	–	1,439,349	–	1.4	24.8	–
Dividend in shares	–	–	–	–	–	- 26.6	–
Treasury stock used for stock dividend	–	–	–	17,943	–	–	0.3
Capital reduction	–	–	–	–	–	- 13.0	–
Issued to option holders	–	–	–	116,000	–	–	1.7
Balance at 31 December 2005	**62,450,656**	**19,451,000**	**81,901,656**	**- 160,000**	**81.9**	**191.2**	**- 2.3**
Capital reduction	–	–	–	–	–	- 13.0	–
Issued to option holders	–	–	–	40,000	–	–	0.6
Balance at 31 December 2006	**62,450,656**	**19,451,000**	**81,901,656**	**- 120,000**	**81.9**	**178.2**	**- 1.7**

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

The issued share capital consists of 62,450,656 ordinary shares with a nominal value of EUR 1.00 each and 19,451,000 financing preference shares with a nominal value of EUR 1.00 each. Of the issued ordinary shares, 120,000 are held in the treasury stock in connection with existing commitments under share option schemes. During the year, options were exercised on 40,000 ordinary shares.

From 1 January 2005, the dividend percentage on the outstanding financing preference shares (nominal value plus share premium) has been 4.73%, which is equivalent to a dividend of EUR 2.5 million for 2006 (2005: EUR 3.0 million). The percentage will be set again on 1 January 2010 and every five years thereafter.

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

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

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

The company will have the right to repurchase the financing preference shares in five annual payments. If the company decides to repurchase them, only the share premium will be repaid in the first four years. The annual repayment of the share premium will be limited to a maximum of 20% of the outstanding share capital of the financing preference shares of EUR 65 million at 31 December 2004. On 14 December 2006, the Supervisory Board approved the proposal of the Executive Board to distribute dividend of EUR 13 million from the share premium for the financing preference shares as at 2 January 2007, like the previous year. The outstanding share capital consequently fell from EUR 52 million to EUR 39 million and the annual dividend potentially distributable to the holders of financing preference shares decreased to EUR 1.8 million.
As a result of this distribution, the balance of the share premium for the outstanding 19,451,000 cumulative financing preference shares dropped to EUR 19,549,000 as at 31 December 2006.

24. Other reserves

Movements in other reserves were as follows:

	Exchange differences	Revaluation reserve derivatives	Revaluation reserve assets	**Total other reserves**
Balance at 1 January 2005	- 12.0	- 15.7	–	**- 27.7**
Movements:				
- Exchange differences on net investments in foreign activities	61.3	–	–	**61.3**
- Effective part of hedges of net investments in foreign activities	- 43.6	–	–	**- 43.6**
- Tax effect on exchange differences and hedges	10.2	–	–	**10.2**
- Use of exchange differences on net investments in foreign activities (to income statement)	–	–	–	**–**
- Use of effective part of hedges of net investments in foreign activities (to income statement)	–	–	–	**–**
- Tax effect on use of exchange differences and hedges	–	–	–	**–**
- Change in value of effective part of cash flow hedges	–	- 1.0	–	**- 1.0**
- Tax effect on value changes in cash flow hedges	–	0.6	–	**0.6**
- Use of effective part of cash flow hedges (to income statement)	–	5.5	–	**5.5**
- Tax effect on use of cash flow hedges (to income statement)	–	- 1.7	–	**- 1.7**
- Revaluation of assets	–	–	4.9	**4.9**
- Tax effect on revaluation of assets	–	–	- 1.8	**- 1.8**
- Depreciation on revaluation of assets	–	–	- 0.1	**- 0.1**
Balance at 31 December 2005	15.9	- 12.3	3.0	**6.6**
Movements:				
- Exchange differences on net investments in foreign activities	- 39.1	–	–	**- 39.1**
- Effective part of hedges of net investments in foreign activities	29.4	–	–	**29.4**
- Tax effect on exchange differences and hedges	- 6.7	–	–	**- 6.7**
- Use of exchange differences on net investments in foreign activities (to income statement)	- 0.9	–	–	**- 0.9**
- Use of effective part of hedges of net investments in foreign activities (to income statement)	0.2	–	–	**0.2**
- Tax effect on use of exchange differences and hedges	0.2	–	–	**0.2**
- Change in value of effective part of cash flow hedges	–	2.2	–	**2.2**
- Tax effect on value changes in cash flow hedges	–	- 1.6	–	**- 1.6**
- Use of effective part of cash flow hedges (to income statement)	–	6.6	–	**6.6**
- Tax effect on use of cash flow hedges (to income statement)	–	- 2.0	–	**- 2.0**
- Depreciation on revaluation of assets	–	–	- 0.6	**- 0.6**
- Tax effect on depreciation on revaluation of assets	–	–	0.2	**0.2**
Balance at 31 December 2006	- 1.0	- 7.1	2.6	**- 5.5**

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

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

The schedule for use is as follows:

	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	**Total**
Schedule for use of revaluation reserve derivatives	- 4.4	- 1.1	- 0.7	- 0.6	- 0.3	–	**- 7.1**

25. Retained earnings

Movements in retained earnings were as follows:

	2006	2005
Balance at 1 January	**326.1**	237.0
Dividend paid in cash	**- 40.5**	- 4.5
Measurement of share option schemes	**0.1**	0.1
Release of revaluation reserve	**0.4**	0.1
Unclaimed dividend	**0.2**	–
Options exercised	**- 0.1**	0.2
Net profit attributable to shareholders	**131.9**	93.2
Balance at 31 December	**418.1**	326.1

Of the retained earnings, EUR 339.0 million can be distributed freely (see page 104).

26. Minority interests

Statement of changes in minority interests:

	2006	2005
Balance at 1 January	**55.1**	51.4
Profit for financial year	**15.0**	12.6
Dividend	**- 3.1**	- 16.6
Investments/disposals	**- 0.4**	0.2
Exchange differences	**- 2.4**	7.5
Balance at 31 December	**64.2**	55.1

27. Interest-bearing loans

These notes provide information on the contractual conditions of the interest-bearing loans. For further information on possible currency and interest rate risks, reference is made to note 30.

A break-down is set out below:

	Note		2006		2005
Non-current interest-bearing loans					
Private placements and bank loans	27.1	**432.6**		476.2	
Credit facilities	27.2	**30.0**		–	
Guarantee provided for a transferred receivable	16	**9.9**		32.9	
Finance lease and others	13	**0.1**		0.9	
Total			**472.6**		510.0
Current interest-bearing loans					
Private placements and bank loans	27.1	**21.5**		45.8	
Guarantee provided for a transferred receivable	16	**19.7**		11.0	
Finance lease and others	13	**0.3**		0.6	
Total			**41.5**		57.4
Total interest-bearing loans			**514.1**		567.4

27.1 Private placements and bank loans

Movements in private placements and bank loans were as follows:

	2006	2005
Balance at 1 January	**522.0**	542.1
- Early repayments	**- 2.5**	- 114.0
- Regular repayments	**- 45.5**	- 3.3
- Effective part of fair value changes interest rate swaps (fixed to floating)	**0.3**	- 4.1
- Effects of effective interest method	**0.2**	- 1.3
- Acquisitions	**–**	3.8
- Bank loans drawn	**14.8**	42.1
- Exchange differences	**- 35.2**	56.7
Balance at 31 December	**454.1**	522.0
Non-current liabilities	**432.6**	476.2
Current liabilities	**21.5**	45.8
Balance at 31 December	**454.1**	522.0

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

2008	**48.2**
2009	**50.7**
2010	**25.7**
2011	**203.6**
2012	**16.0**
After 2012	**88.4**
Total non-current liabilities at 31 December 2006	**432.6**

Breakdown of loans by currency:

	Local currency		Euro	
	2006	2005	**2006**	2005
Euro (EUR)	**46.6**	91.2	**46.6**	91.2
US Dollar (USD)	**400.8**	405.2	**299.9**	337.8
Pound sterling (GBP)	**35.0**	35.0	**51.9**	50.9
Singapore Dollar (SGD)	**112.7**	82.8	**55.7**	42.1
Total			**454.1**	522.0

The private placements and bank loans consist of three components as at 31 December 2006:

1. US private placements (US PP) drawn by Royal Vopak amounting to EUR 359.9 million, with an average remaining term of 4.3 years. The maximum remaining nominal term is 10 years and in most cases repayment is effected as at the end of the term, with a repayment peak of EUR 203.6 million in 2011. A regular repayment of EUR 3.3 million will be effected in 2007. Early repayment of the total US PP programme as at 31 December 2006 would have incurred a penalty interest of approximately EUR 35.0 million.

2. Private placements and bank loans drawn by Royal Vopak amounting to EUR 38.5 million, with an average remaining term of approximately 1.8 years. The maximum remaining term is 3 years and repayment will in all cases be effected as at the end of the term, of which EUR 18.2 million in 2007.

3. Bank loans drawn by Vopak Terminals Singapore Pte. Ltd. for an amount of EUR 55.7 million (SGD 112.7 million). The remaining term of these loans is over 6 years and the loans will be repaid as at the end of the term.

Re 1:
Specifically for the US PP programme, the following main conditions apply:

- The net debt to EBITDA ratio may not exceed 3.00 from 1 July 2004 until 30 June 2007, with the interest rate increasing by 50 basis points for ratios between 2.75 and 2.80 or by 150 basis points for ratios between 2.80 and 3.00. From 1 July 2007, the limit is 2.75.
- The ratio between the EBITDA and the net finance costs (Interest Cover Ratio, ICR) may not drop below 4.0.
- Shareholders' equity for the period of 1 July 2004 to 31 December 2006 may not be less than the higher of:
  (i) EUR 418.0 million
  (ii) EUR 418.0 million, increased after 1 July 2004 by 40% of the profit on ordinary activities after tax, less minority interests in the consolidated net profit, and less each decrease in the cumulative financing preference shares (up to a maximum decrease of EUR 63.0 million).

  After 31 December 2006, 40% of the profit on ordinary activities after tax, less the minority interests in the consolidated net profit, will be added to arrive at a required minimum of EUR 725.0 million.
- A number of major sub-holding companies have provided guarantees regarding compliance with the obligations under the terms of this financing.

Since the beginning of March 2007 the conditions of the US PP programme have been improved. Especially the net debt to EBITDA ratio has increased. Under the amended conditions the ratio may not exceed 3.75 (maximum ceiling was 2.75) with the interest rate increasing by 25 basis points for ratios between 3.00 and 3.25 or by 75 basis points for ratios between 3.25 and 3.50. Starting from a ratio of 3.50 the interest rate is increasing by 200 basis points.

Re 2:
The ratios applicable to these private placements and bank loans are equivalent to the ratios for the credit facility (see note 27.2.)

Re 3:
Vopak Terminals Singapore Pte. Ltd. ('VTS') entered into three practically identical bank loans totalling SGD 116.0 million to finance the construction of the Banyan terminal in Singapore. As at 31 December 2006, an amount of SGD 112.7 million (EUR 55.7 million) was drawn.

The financing was provided based on the creditworthiness of VTS and the following financial ratios apply for VTS:
- The debt to equity ratio may not exceed 1.5 : 1.
- The ratio between EBITDA and net interest expense must be at least 4 : 1.
- Equity must be at least SGD 150.0 million.

27.2 Credit facilities
On 6 July 2005, Royal Vopak and Vopak THI B.V. entered into a committed syndicated credit facility for an amount of EUR 500 million with a term of five years. Amounts in most standard currencies can be drawn and repaid at any time. This financing is partly taken out in order to provide for the expected future borrowing requirement of the Group. As at 31 December 2006, EUR 30 million of this facility had been used.

The following financial ratios apply:
- The Net Debt/EBITDA ratio may not exceed 3.75.
- The ICR may not be less than 3.5.
- A number of major subholdings act as a guarantor for fulfilment of the obligations arising on account of this facility.

27.3 Financial ratios
Based on the consolidated figures, the ratios as at 31 December 2006 were as follows:
- At 31 December 2006, the Net Debt/EBITDA ratio for the private placements and bank loans is 1.61 (31 December 2005: 1.76). For a breakdown of the calculation of the Net Debt, please refer to page 23 of this report.
- For the credit facility, the Net Debt/EBITDA ratio as at 31 December 2006 is 1.63.
- For the private placements and the bank loans the ICR as at 31 December 2006 is 7.1 (31 December 2005: 6.7).
- For the credit facility, the ICR as at 31 December 2006 is 7.1 (31 December 2005: 6.8).
- The minimum required shareholders' equity as at 31 December 2006, in accordance with the calculation method outlined in paragraph 27.1 re 1, is EUR 464.0 million (31 December 2005: EUR 418.0 million). At 31 December 2006, the actual shareholders' equity was EUR 671.0 million (31 December 2005: EUR 603.5 million).

Consequently, the financial ratios referred to in paragraph 27.1 that are applicable to Royal Vopak were comfortably complied with as at 31 December 2006.

Vopak Terminals Singapore Pte. Ltd. also comfortably complied with the financial ratios referred to in paragraph 27.1 as at 31 December 2006.

28. Pensions and other employee benefits

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

		2006	2005
Balance at 1 January		**70.5**	79.0
	Movements:		
	- Acquisitions	**–**	3.5
	- Disposals	**–**	- 3.4
	- Net periodic pension charges	**21.0**	20.2
	- Interest accrual employer's contribution provision for years of past service	**0.9**	–
	- Employer's contribution	**- 82.7**	- 27.5
	- Benefits paid directly by the employer	**- 1.6**	- 1.4
	- Exchange differences	**- 0.5**	1.5
	- Other	**- 1.0**	- 1.4
Balance at 31 December		**6.6**	70.5
	Current assets	**- 0.3**	–
	Non-current assets	**- 66.3**	- 2.7
	Current liabilities	**3.7**	2.6
	Non-current liabilities	**69.5**	70.6
Balance at 31 December		**6.6**	70.5

The tables hereafter present a summary of the effects on the balance sheet, the income statement and assumptions underlying the actuarial calculations relating to the principal average or final pay plans and the other benefit plans.

The defined benefit plans are plans in The Netherlands, the United States, the United Kingdom, Germany, Belgium, Switzerland and Brazil. The measurement of obligations under defined benefit plans takes future salary increases into account. On the other hand, a discount rate equal to the interest rate on high-quality corporate bonds is used for calculating their net present value. The effect of the difference between projected and actual salary increases and that of the difference between projected and actual returns on plan assets are both part of the actuarial results. The actuarial result does not entail a funding obligation. It arises from a calculation method to allocate the plan liabilities to individual years.

To the extent that unrecognised 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 more than 13 years, equal to the average future term of service.

The German pension plans are not funded; the defined benefit obligations for these plans total EUR 15 million. As at 31 December 2006, approximately 58% of the plan assets were bonds (year-end 2005: 62%), 39% shares (year-end 2005: 37%) and 3% real-estate (year-end 2005: 1%). The pension funds have not invested in shares in Koninklijke Vopak N.V. or in real-estate of the Group.

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

Due to statutory changes in the Netherlands, the early retirement schemes for employees born on or after 1 January 1950 were curtailed. These employees were offered defined contribution schemes and a contribution to the life-course scheme instead. A provision has been formed for future contributions that correspond to the years of past service. The consequences for the presented figures were as follows:

- A curtailment of the pension obligations under defined benefit plans of EUR 19.4 million.
- A release to the income statement of EUR 19.4 million under defined benefit plans as a result of this curtailment.
- An addition to the pension provision for defined contribution schemes corresponding to the years of past service. This addition of EUR 22.9 million is taken to the income statement.
- An increase in the employer's contribution for defined contribution schemes of EUR 4.8 million. The portion of this increase that relates to years of past service is compensated by the release of the provision for defined contribution schemes for past years of service. The release amounted to EUR 3.1 million in 2006.

To improve the financial position, an additional amount of EUR 50 million was allocated to the Dutch pension fund, making it possible, for instance, to increase the investment in shares.

	Note	2006	2005	2004
Movements in pension obligations				
Obligations at 1 January		**848.4**	780.1	
Movements:				
- Additional plans [1]		**–**	0.9	
- Acquisitions		**–**	3.9	
- Disposals/curtailments		**- 22.9**	- 5.7	
- Costs of rights accrued in the financial year		**13.7**	13.8	
- Interest expenses		**33.1**	35.2	
- Actuarial gains (-) and losses		**- 15.8**	48.3	
- Benefits paid from the pension fund		**- 33.9**	- 32.8	
- Benefits paid directly by the employer		**- 1.6**	- 1.4	
- Exchange differences		**- 3.3**	6.1	
Obligations at 31 December		**817.7**	848.4	
Movements in plan assets				
Fair value of plan assets at 1 January		**694.9**	629.5	
Movements:				
- Additional plans [1]		**–**	0.1	
- Acquisitions		**–**	–	
- Disposals/curtailments		**–**	- 1.7	
- Expected return on assets		**37.6**	34.0	
- Actuarial gains and losses (-)		**- 7.5**	39.2	
- Employer's contributions		**72.7**	22.8	
- Employees' contributions		**0.6**	0.5	
- Benefits paid		**- 34.4**	- 33.2	
- Exchange differences		**- 2.3**	3.7	
Fair value of plan assets at 31 December		**761.6**	694.9	
Obligations less fair value of plan assets at 31 December		**56.1**	153.5	
Net actuarial gains and losses not yet recognised		**- 71.8**	- 85.7	
Net pension assets (-) and obligations defined benefit plans recognised at 31 December		**- 15.7**	67.8	
Net pension obligations defined contribution schemes		**22.3**	2.7	
Net pension obligations recognised at 31 December		**6.6**	70.5	
Assumptions based on weighted average at 31 December				
Discount rate		**4.58%**	4.11%	4.58%
Expected return on plan assets		**5.67%**	5.04%	5.41%
Expected general salary increase		**2.43%**	2.11%	2.15%
Expected price index increase		**2.12%**	1.83%	1.87%
Components of net periodic pension charges				
Current service costs		**13.7**	13.8	
Release due to curtailments		**- 19.4**	–	
Interest expense		**33.1**	35.2	
Expected return on plan assets		**- 37.6**	- 34.0	
Amortisation of actuarial gains and losses		**1.4**	0.5	
Pension charges defined benefit plans	3	**- 8.8**	15.5	
Employer's contribution to defined contribution schemes		**10.0**	4.7	
Provision for employer's contribution corresponding to years of past service		**22.9**	–	
Release of provision for employer's contribution corresponding to years of past service		**- 3.1**	–	
Pension charges defined contribution schemes	3	**29.8**	4.7	
Net periodic pension charges		**21.0**	20.2	

[1] *Relates to a number of additional pension plans included in the measurement based on IAS 19*

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

	Men	Women
Age 45	36.0	40.9
Age 65	17.8	22.0

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:

	2006	2005	2004	2003	2002
Obligations	**817.7**	848.4	780.1	681.4	666.5
Fair value of plan assets	**761.6**	694.9	629.5	600.2	559.3
Obligations minus fair value at 31 December	**56.1**	153.5	150.6	81.2	107.2
Historical figures actuarial gains (-) and losses pension obligations	**- 15.8**	48.3	86.0	- 36.4	22.6
Historical figures actuarial gains and losses (-) plan assets	**- 7.5**	39.2	12.0	- 2.1	- 76.5

Sensitivity analysis

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

	Increase 1%		Decrease 1%	
	2006	2005	**2006**	2005
Discount rate	**–**	- 0.1	**6.0**	7.3
Expected return on plan assets	**- 6.5**	- 6.0	**6.5**	6.0
Expected price index increase	**10.7**	11.2	**- 4.5**	- 4.6

Given the IFRS methodology, any differences only become apparent in the net periodic pension charges for 2008 via amortisation of net actuarial gains and losses not yet recognised. Differences compared with the assumption do not affect the net pension charges for 2007.

29. Other provisions

Movements in other provisions were as follows:

	Environmental risks	Reorgani-sation	Other	**Total**
Non-current liabilities	8.3	1.2	12.1	**21.6**
Current liabilities	2.2	4.4	6.0	**12.6**
Balance at 1 January 2006	10.5	5.6	18.1	**34.2**
Movements:				
- Additions	5.3	0.5	5.6	**11.4**
- Withdrawals	- 2.8	- 2.1	- 4.6	**- 9.5**
- Releases	- 0.1	- 0.7	- 0.8	**- 1.6**
- Interest accrual	–	–	0.1	**0.1**
- Reclassification to assets held for sale	–	–	0.3	**0.3**
- Exchange differences	- 0.1	–	- 0.2	**- 0.3**
Balance at 31 December 2006	12.8	3.3	18.5	**34.6**
Non-current liabilities	8.5	0.8	13.3	**22.6**
Current liabilities	4.3	2.5	5.2	**12.0**
Balance at 31 December 2006	12.8	3.3	18.5	**34.6**
Expected withdrawals				
< 1 year	4.3	2.5	5.2	**12.0**
1 - 2 years	1.5	0.8	4.0	**6.3**
2 - 3 years	2.7	–	1.9	**4.6**
3 - 4 years	1.5	–	2.3	**3.8**
4 - 5 years	1.5	–	1.0	**2.5**
> 5 years	1.3	–	4.1	**5.4**
Total	12.8	3.3	18.5	**34.6**

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 reliable after conducting thorough research and drawing up a management plan for the site, on the basis of which the governmental authorities issues an order. In 2006, this has led to an increase in the provision for environmental risks of EUR 5.3 million.

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

Other provisions include an amount of EUR 10.3 million relating to claims and damages incurred but not yet reported relating to the insurance activities. In 2006, EUR 3.6 million was added for expected claims and EUR 1.2 million was used.

30. Trade and other payables

		2006	2005
	Trade payables	43.8	44.7
	Wage tax and social security charges	5.3	5.6
	Other creditors, accruals and deferred income	177.9	144.1
Total		**227.0**	194.4

31. Derivative financial instruments

General

The principal derivative financial instruments that are 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 2005 and 31 December 2006 is shown below in order of maturity date:

Market value of the derivative financial instruments at 31-12-2005

		< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total	Assets	Liabilities
Currency risks										
	Forward exchange contracts									
	- Hedge accounting	- 3.1	–	–	–	–	–	- 3.1	0.1	3.2
	- No hedge accounting	- 0.1	–	–	–	–	–	- 0.1	0.9	1.0
	Cross currency interest									
	rate swap									
	- No hedge accounting	–	- 25.4	- 8.2	–	–	- 8.2	- 41.8	–	41.8
Interest rate risks										
	Interest rate swaps									
	- Cash flow hedge	–	–	–	–	–	0.8	0.8	0.8	–
	- Fair value hedge	–	–	- 0.9	- 1,1	- 0.8	–	- 2.8	–	2.8
	- No hedge accounting	–	–	–	–	–	–	–	4.7	4.7
	Cross currency interest									
	rate swap									
	- Hedge accounting	–	- 9.5	- 3.8	–	–	- 6.9	- 20.2	–	20.2
Total		**- 3.2**	**- 34.9**	**- 12.9**	**- 1.1**	**- 0.8**	**- 14.3**	**- 67.2**	**6.5**	**73.7**
	Current	- 3.2	–	–	–	–	–	- 3.2	1.0	4.2
	Non-current	–	- 34.9	- 12.9	- 1.1	- 0.8	- 14.3	- 64.0	5.5	69.5
Total		**- 3.2**	**- 34.9**	**- 12.9**	**- 1.1**	**- 0.8**	**- 14.3**	**- 67.2**	**6.5**	**73.7**

Market value of the derivative financial instruments at 31-12-2006

		< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total	Assets	Liabilities
Currency risks										
	Forward exchange contracts									
	- Hedge accounting	1.4	–	–	–	–	–	1.4	3.0	1.6
	- No hedge accounting	–	–	–	–	–	–	–	0.2	0.2
	Cross currency interest									
	rate swap									
	- No hedge accounting	- 38.4	- 12.6	–	–	- 12.5	–	- 63.5	–	63.5
Interest rate risks										
	Interest rate swaps									
	- Cash flow hedge	–	–	–	–	–	0.7	0.7	0.7	–
	- Fair value hedge	–	- 0.7	- 0.9	- 0.9	–	–	- 2.5	–	2.5
	- No hedge accounting	–	–	–	–	–	–	–	2.0	2.0
	Cross currency interest									
	rate swap									
	- Hedge accounting	- 4.0	- 2.0	–	–	- 4.7	–	- 10.7	–	10.7
Total		**- 41.0**	**- 15.3**	**- 0.9**	**- 0.9**	**- 17.2**	**0.7**	**- 74.6**	**5.9**	**80.5**
	Current	- 41.0	–	–	–	–	–	- 41.0	3.2	44.2
	Non-current	–	- 15.3	- 0.9	- 0.9	- 17.2	0.7	- 33.6	2.7	36.3
Total		**- 41.0**	**- 15.3**	**- 0.9**	**- 0.9**	**- 17.2**	**0.7**	**- 74.6**	**5.9**	**80.5**

Currency risks

When applying hedge accounting, the effective part of the movement in fair value of the forward exchange contracts is recognised in the exchange differences reserve (equity component) from 1 January 2005, to the extent that they relate to the hedging of net investments in foreign activities. Reversal through the income statement takes place proportionately if (part of) the underlying position is sold. Both the ineffective part and the interest component are recognised directly in the income statement. All currency hedges for 2006 were effective.

As part of the currency risk policy, the Group has converted fixed-interest USD loans (US PPs) totalling USD 250 million into fixed-interest loans for the amount of EUR 252.9 million by means of cross currency interest rate swaps (CCIRS). The terms of the CCIRS were as follows: USD 150 million until 19 December 2007, USD 40 million until 19 June 2008, USD 10 million until 19 December 2008 and USD 50 million until 19 June 2011.

The fair value changes relating to the currency part of the principal of the CCIRS are recognised directly in the income statement to compensate for the exchange differences on the hedged USD loans. The fair value changes relating to the fixed interest flows are recognised in equity under the revaluation reserve derivatives by means of hedge accounting (cash flow hedges). Sofar up to 31 December 2006, a loss of EUR 7.1 million, net of tax, was consequently recognised in equity (see note 24).

Interest rate risks

By means of various interest rate swaps, the Group converted fixed interest loans (US PPs) totalling USD 100 million to floating interest loans. The terms of these swaps are: for USD 32 million until 19 December 2008, for USD 37 million until 21 December 2009 and for USD 31 million until 20 December 2010.
These interest rate swaps were designated as being fair value hedges. The part of the value adjustment of the instrument regarded as effective is in principle also recognised in the underlying loan. Total movements as at 31 December 2006 resulted in a loss of EUR 2.5 million on the interest rate swaps, and a gain of EUR 2.7 million on the loans. On balance, the ineffective part of the fair value change results in a gain of EUR 0.2 million.

Vopak Terminal Singapore converted various floating interest loans totalling SGD 80 million into fixed interest loans by means of different interest rate swaps. The term of these interest rate swaps is until 13 May 2012 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 2005 and 31 December 2006 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 31-12-2005

	Note	Effective interest	Total	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years
Cash and cash equivalents and bank overdrafts	21	**2.4%**	**155.7**	**155.7**	**–**	**–**	**–**	**–**	**–**
Loans granted:									
- EUR floating interest		5.2%	4.2	0.7	0.8	0.3	0.3	0.3	1.8
- EUR fixed interest		5.3%	20.7	–	10.0	–	–	0.3	10.4
- USD fixed interest		0%	42.7	10.7	21.3	10.7	–	–	–
- CHF fixed interest		4.3%	1.2	0.1	0.1	0.1	0.9	–	–
Total loans granted	16		**68.8**	**11.5**	**32.2**	**11.1**	**1.2**	**0.6**	**12.2**
Loans drawn:									
- EUR fixed interest		6.4%	- 89.1	- 41.7	- 18.3	- 0.2	- 20.6	- 0.2	- 8.1
- EUR floating interest		4.5%	- 2.0	- 0.4	- 0.4	- 0.4	- 0.4	- 0.4	–
- GBP fixed interest		7.9%	- 50.9	–	–	–	–	–	- 50.9
- SGD floating interest		3.7%	- 42.1	–	–	–	–	–	- 42.1
- USD fixed interest [1]		6.2%	- 93.9	- 15.3	- 26.2	- 14.9	- 3.8	- 3.7	- 30.0
- USD fixed interest with interest rate swaps		8.2%	- 289.4	–	–	- 50.7	- 31.3	- 26.2	- 181.2
Total loans drawn	27		**- 567.4**	**- 57.4**	**- 44.9**	**- 66.2**	**- 56.1**	**- 30.5**	**- 312.3**
Derivative financial instruments (currency component fair value):									
- Effect of interest rate swaps USD from fixed to floating interest:									
Fixed		7.8%	84.5	–	–	27.0	31.3	26.2	–
Floating		8.4%	- 84.5	–	–	- 27.0	- 31.3	- 26.2	–
- Effect of interest rate swap from USD fixed to EUR fixed (CCIRS):									
EUR fixed interest		8.9%	- 252.9	–	- 152.0	- 50.5	–	–	- 50.4
USD fixed interest		8.3%	211.1	–	126.7	42.2	–	–	42.2
- Effect of interest rate swap SGD from floating to fixed interest:									
SGD floating interest		3.9%	40.7	–	–	–	–	–	40.7
SGD fixed interest		3.7%	- 40.7	–	–	–	–	–	- 40.7
Total derivative financial instruments			**- 41.8**	**–**	**- 25.3**	**- 8.3**	**–**	**–**	**- 8.2**
Total			**- 384.7**	**109.8**	**- 38.0**	**- 63.4**	**- 54.9**	**- 29.9**	**- 308.3**

[1] Including guarantee for a transferred receivable with continuing involvement

Effective interest rates and interest rate reset period at 31-12-2006

	Note	Effective interest	Total	< 1 year	1-2 years	2-3 years	3-4 year	4-5 years	> 5 years
Cash and cash equivalents and bank overdrafts	21	**3.0%**	**88.4**	**88.4**	**–**	**–**	**–**	**–**	**–**
Loans granted:									
- EUR floating interest		6.1%	3.7	0.5	2.5	0.1	0.1	0.1	0.4
- EUR fixed interest		5.9%	6.6	0.5	0.5	0.5	0.5	0.5	4.1
- USD fixed interest		0%	28.7	19.1	9.6	–	–	–	–
- CHF fixed interest		4.3%	1.0	1.0	–	–	–	–	–
Total loans granted	16		**40.0**	**21.1**	**12.6**	**0.6**	**0.6**	**0.6**	**4.5**
Loans drawn:									
- EUR fixed interest		6.5%	- 46.6	- 18.2	–	- 20.4	–	–	- 8.0
- EUR floating interest		4.0%	- 30.0	–	–	–	- 30.0	–	–
- GBP fixed interest		7.9%	- 51.9	–	–	–	–	–	- 51.9
- SGD floating interest		4.0%	- 55.7	–	–	–	–	–	- 55.7
- USD fixed interest [1]		6.8%	- 69.2	- 23.3	- 13.2	- 3.3	- 1.3	–	- 28.1
- USD fixed interest with interest rate swaps		8.2%	- 260.7	–	- 44.7	- 27.0	- 22.6	- 149.7	- 16.7
Total loans drawn	27		**- 514.1**	**- 41.5**	**- 57.9**	**- 50.7**	**- 53.9**	**- 149.7**	**- 160.4**
Derivative financial instruments (currency component fair value):									
- Effect of interest rate swaps USD from fixed to floating interest:									
Fixed		7.8%	-73.0	–	- 23.4	- 27.0	- 22.6	–	–
Floating		9.1%	73.0	–	23.4	27.0	22.6	–	–
- Effect of interest rate swap from USD fixed to EUR fixed (CCIRS):									
EUR fixed interest		8.9%	- 252.9	- 152.0	- 50.5	–	–	- 50.4	–
USD fixed interest		8.3%	189.4	113.7	37.9	–	–	37.8	–
- Effect of interest rate swap SGD from floating to fixed interest:									
SGD floating interest		4,0%	39,5	–	–	–	–	–	39,5
SGD fixed interest		3,5%	- 39,5	–	–	–	–	–	- 39,5
Total derivative financial instruments			**- 63.5**	**- 38.3**	**- 12.6**	**–**	**–**	**- 12.6**	**–**
Total			**- 449.2**	**29.7**	**- 57.9**	**- 50.1**	**- 53.3**	**- 161.7**	**- 155.9**

[1] Including guarantee for a transferred receivable with continuing involvement

Credit risks

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

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 and a fixed expense allowance. The Supervisory Board members do not receive any profit-related bonuses or options. Members of Committees receive supplementary remuneration. The total remuneration paid to Supervisory Board members and former Supervisory Board members in the financial year was EUR 0.2 million (2005: EUR 0.2 million).

The table below shows the amounts received by each member individually in 2006.

In EUR thousands	Gross remun-eration	Audit Committee	Selection Committee	Remun-eration Committee	Fixed expense allowance	**Total 2006**	Total 2005
J.D. Bax	35	–	3	2	2	**42**	40
F.J.G.M. Cremers	28	5	–	2	2	**37**	37
C.J. van den Driest [1]	18	–	–	–	1	**19**	–
R.M.F. van Loon	28	5	3	2	2	**40**	40
M. van der Vorm	28	5	–	–	2	**35**	37
Total current Supervisory Board members	137	15	6	6	9	**173**	154
R. den Dunnen [2]	14	–	1	–	1	**16**	33
J.M. Hessels [3]	–	–	–	–	–	**–**	10
Total former Supervisory Board members	14	–	1	–	1	**16**	43
Total	151	15	7	6	10	**189**	197

[1] Remuneration for 2006 relates to the period since 27 April 2006, the date of appointment

[2] Remuneration for 2006 relates to the period ended on 27 April 2006, the date of resignation

[3] Remuneration for 2005 relates to the period ended on 29 April 2005, the date of resignation

Except for Mr Van den Driest (see note 32.2), the Supervisory Board members did not hold any shares in Royal Vopak at year-end 2006 and 2005. No loans, advances or guarantees have been provided to current or former Supervisory Board members.

32.2 Remuneration of Executive Board members

The table hereafter shows the remuneration of the current and former Executive Board members. In accordance with IFRS, remuneration consists of compensation to be allocated for work performed during the financial year, irrespective of the actual payment. Total remuneration amounted to EUR 2.6 million (2005: EUR 2.7 million).

The breakdown for current and former Executive Board members is as follows:

In EUR thousands	Salary		Short-term variable remun-eration		Long-term variable remun-eration		Pension		Value options		Total	
	2006	2005	**2006**	2005	**2006**	2005	**2006**	2005	**2006**	2005	**2006**	2005
J.P.H. Broeders	**390**	285	**227**	154	**156**	142	**84**	57	**14**	14	**871**	652
F.D. de Koning [1]	**362**	210	**206**	113	**145**	84	**133**	78	**–**	–	**846**	485
J.P. de Kreij	**390**	390	**227**	211	**156**	156	**97**	98	**42**	72	**912**	927
Total current Executive Board members	**1,142**	885	**660**	478	**457**	382	**314**	233	**56**	86	**2,629**	2,064
C.J. van den Driest [2]	**–**	450	**–**	126	**–**	63	**–**	–	**–**	–	**–**	639
Total former Executive Board members	**–**	450	**–**	126	**–**	63	**–**	–	**–**	–	**–**	639
Total	**1,142**	1,335	**660**	604	**457**	445	**314**	233	**56**	86	**2,629**	2,703

[1] Remuneration for 2005 relates to the period from appointment to the Executive Board as at 1 June 2005

[2] The 2005 remuneration for Mr Van den Driest ended at 31 December 2005, when he stepped down from the Executive Board

The Executive Board members are not members of a defined benefit plan but, where appropriate, of a defined contribution scheme. The normal retirement age for Mr De Kreij and Mr De Koning under the scheme is 60, whereas for Mr Broeders a retirement age of 62 will apply.

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

The short-term variable remuneration, which is paid out in cash, is based on financial and personal targets up to a maximum of 60% of the fixed salary. The financial targets are based on:

- An increase in the earnings per share of at least 8% to 12%, compared with the previous year. In that case, the variable remuneration component will increase proportionally by 0% to 20% of the fixed salary;
- If a ROCE of 13% is achieved, additional variable remuneration of 2.5% of the fixed salary applies. If the ROCE is higher, this variable remuneration component can increase proportionally to a maximum of 17.5% of the fixed salary, if the ROCE is 16%. If the ROCE is above 16%, a variable remuneration of 20% of the fixed salary applies and for 2006 and 2005, the two financial targets resulted in a short-term variable component of 40% of the fixed salary.

The long-term variable remuneration is linked to the increase in earnings per ordinary share over a period of 3 years (ending on 31 December 2007). If the increase in earnings per ordinary share is at least 25%, the Executive Board members will receive remuneration in cash in the fourth year that is equal to 60% of the average salary of the three-year period. The percentage may increase to a maximum of 120% if the earnings per ordinary share increase by 35% or more over the three-year period. The amounts attributable to the financial year are shown in the overview above, in which the maximum costs are taken into account for the time being.

Of the current and former Executive Board members, Mr De Kreij and Mr Van den Driest held 24,008 and 2,668 shares respectively as at 31 December 2006 and 31 December 2005. Mr De Kreij also has 1,000 written put option contracts on shares as at 31 December 2006 (31 December 2005: 600 contracts). All transactions involved were performed for the account and risk of the Executive Board members concerned.

32.3 Options granted to Executive Board members

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

Breakdown of outstanding options:

						Outstanding options	
			Year of	Issued	Exercise price	at 31 December	
			issue	options	in euros	**2006**	2005
	J.P.H. Broeders	up to 13 May 2009	2004	20,000	13.75	**20,000**	20,000
	J.P. de Kreij	up to 31 December 2007	2003	50,000	12.40	**50,000**	50,000
		up to 31 December 2008	2004	25,000	15.05	**25,000**	25,000
		up to 31 December 2009	2005	25,000	15.73	**25,000**	25,000
Total current Executive Board members				120,000		**120,000**	120,000
	P.R.M. Govaart	up to 31 December 2007	2003	40,000	12.40	**–**	40,000
Total former Executive Board members				40,000		**–**	40,000
Total				160,000		**120,000**	160,000

During the year under review, no new options were granted, while 40,000 options were exercised at an average exercise price of EUR 29.48 and no options lapsed. The transfer obligations under the share option schemes are covered by shares held in the treasury stock.

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

	2006	2005
Expected volatility	–	20%
Expected option period	–	5 years
Expected dividends	–	3.0%
Risk-free interest rate	–	3.5%
Fair value at date of grant	–	2.58

The expected volatility is based on historical information.

Recognised costs of share option schemes (in thousands)	2006	2005
Options 2003	–	54
Options 2004	35	35
Options 2005	21	21
Total costs	**56**	110
Carrying amount of options at 31 December	**27**	83

33. Cash flows from operating activities (gross)

	Note	2006	2005
Net profit		**146.9**	105.8
Adjustments for:			
- Depreciation, amortisation and impairment	4	93.3	85.7
- Net finance costs	7, 8	44.2	39.3
- Income tax	9	25.5	25.6
- Movements in other non-current assets		- 62.7	0.6
- Movements in provisions excluding deferred taxes		1.6	- 13.7
- Movements in minority interests		- 3.1	- 16.4
- Dividend received from joint ventures and associates	14	35.7	38.0
- Result joint ventures and associates	6	- 36.0	- 39.6
- Result on sale of intangible assets		0.2	–
- Result on sale of property, plant and equipment		0.4	- 0.9
- Result on sale of subsidiaries, joint ventures and associates		–	0.9
- Options		–	0.1
Realised value adjustments of derivative financial instruments		1.1	- 29.6
Movements in other current assets (excl. cash and cash equivalents)		7.4	- 1.4
Movements in other current liabilities (excluding bank overdrafts and dividends)		31.0	33.3
Effect of changes in exchange rates on other current assets and liabilities		0.2	- 3.2
Cash flows from operating activities (gross)		**285.7**	224.5

34. Operating lease

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

	2006	2005
Less than one year	29.6	29.8
Between 1 and 5 years	106.6	101.7
More than 5 years	246.5	230.7
Total	**382.7**	362.2

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

In 2006, EUR 34.1 million was recognised as expenses in the income statement relating to operating leases (2005: EUR 30.8 million).

35. Investment commitments undertaken

The investment commitments undertaken amount to EUR 197.8 million as at 31 December 2006 (2005: EUR 75.0 million).

36. Contingent liabilities

Guarantees and security provided for joint ventures, associates and third parties amounted to EUR 73.9 million (2005: EUR 85.0 million).

The Group is exposed to risks regarding environmental obligations arising from past activities. The sites of a number of locations, for example, must be decontaminated before delivery at the end of the contractual period. 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 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, to the extent that the Executive Board is of the opinion that the final results do not justify any 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 Supervisory Board members or Executive Board members.

In 2006, the Group did not conduct any transactions with companies in which Executive Board members and/or persons closely related to them have a significant financial interest.

Transactions with subsidiaries, joint ventures and associates

Royal Vopak has a business relationship with its subsidiaries, joint ventures and associates (see page 117).

Company financial statements

Company income statement

	In EUR millions	2006	2005
	Profit of participating interests after tax	132.4	133.0
	Other results after tax	- 0.5	- 39.8
Net profit		**131.9**	93.2

Company balance sheet at 31 December before profit appropriation

	In EUR millions	Note		2006		2005
	Participating interests in group companies	2	969.7		883.3	
	Loans granted	3	192.1		305.2	
	Pensions and other employee benefits		56.4		–	
	Derivative financial instruments	6	2.0		4.6	
Total non-current assets				**1,220.2**		1,193.1
	Trade and other receivables		8.4		7.0	
	Prepayments and accrued income		2.0		1.4	
	Derivative financial instruments	6	3.1		0.9	
	Cash and cash equivalents		0.9		33.6	
Total current assets				**14.4**		42.9
	Bank overdrafts		27.7		20.2	
	Current portion of interest-bearing loans		21.5		44.5	
	Creditors and other liabilities		26.9		54.9	
	Derivative financial instruments	6	43.9		3.3	
Total current liabilities				**120.0**		122.9
Current assets less current liabilities				**- 105.6**		- 80.0
Total assets less current liabilities				**1,114.6**		1,113.1
	Interest-bearing loans	5	407.0		431.6	
	Derivative financial instruments	6	36.3		69.5	
Non-current liabilities				**443.3**		501.1
Provisions		7		**0.3**		8.5
	Share capital		81.9		81.9	
	Share premium		178.2		191.2	
	Share capital and share premium			260.1		273.1
	Statutory reserve for participating interests		70.3		70.2	
	Exchange differences reserve		- 1.0		15.9	
	Revaluation reserve derivatives		- 7.1		- 12.3	
	Revaluation reserve assets		2.6		3.0	
	Other reserves		214.2		160.4	
	Unappropriated profit		131.9		93.2	
	Other shareholders' equity components			410.9		330.4
Shareholders' equity		4		**671.0**		603.5
Total				**1,114.6**		1,113.1

Notes to the company financial statements

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

All amounts are in EUR millions, unless stated otherwise.

1. General

1.1 Accounting policies

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

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

1.2 Participating interests in group companies

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

2. Participating interests in group companies

	2006	2005
Carrying amount at 1 January	**883.3**	684.9
Movements:		
- Investments	**2.6**	8.8
- Dividend	**- 6.1**	- 20.0
- Exchange differences	**- 34.5**	55.3
- Hedging	**- 8.0**	18.3
- Revaluation of assets	**–**	3.1
- Other	**–**	- 0.1
- Profit	**132.4**	133.0
Carrying amount at 31 December	**969.7**	883.3

3. Loans granted

	Loans to subsidiaries	Loans to participating interests	Other loans	Total
Carrying amount at 1 January 2005	386.9	–	12.0	**398.9**
Movements:				
- Loans granted	–	–	–	**–**
- Repayments	- 99.9	–	- 0.6	**- 100.5**
- Movement in current portion of loans	–	–	0.1	**0.1**
- Exchange differences	6.7	–	–	**6.7**
Carrying amount at 31 December 2005	293.7	–	11.5	**305.2**
Movements:				
- Loans granted	–	2.5	–	**2.5**
- Repayments	- 99.9	–	- 10.1	**- 110.0**
- impairment	–	–	- 0.2	**- 0.2**
- Movement in current portion of loans	–	–	- 1.2	**- 1.2**
- Exchange differences	- 4.2	–	–	**- 4.2**
Carrying amount at 31 December 2006	189.6	2.5	–	**192.1**

At 31 December 2006, loans granted did not include any subordinated loans (2005: EUR 11.1 million).

4. Shareholders' equity

Movements in the number of shares, share capital and share premium are discussed in note 23. The share premium can be distributed in full, free of tax.

The table hereafter shows the movements of the other shareholders' equity components during 2005 and 2006.

The exchange difference reserve includes all exchange rate 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 fair value movements in derivative financial instruments, net of tax, that hedge the net investments 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) with regard to fixed interest flows in the future.

After adjustment for the negative revaluation reserve derivatives (EUR 7.1 million) is at 31 December 2006, a total of EUR 339.0 million (2005: EUR 241.3 million) distributable out of other reserves and unappropriated profit for 2006.

	Statutory reserve participating interests	Exchange-differences reserve	Revaluation reserve derivatives	Revaluation reserve assets	Other reserves	Unappro-priated profit	**Total**
Balance at 1 January 2005	62.4	- 12.0	- 15.7	–	82.8	87.6	**205.1**
Movements:							
- Profit appropriation	–	–	–	–	83.1	- 83.1	**–**
- Dividend in cash	–	–	–	–	–	- 4.5	**- 4.5**
- Exchange differences on net investments in foreign activities	–	61.2	–	–	–	–	**61.2**
- Effective part of hedges of net investments in foreign activities	–	- 43.6	–	–	–	–	**- 43.6**
- Tax effect on exchange differences and hedges	–	10.3	–	–	–	–	**10.3**
- Changes in value of effective part of cash flow hedges	–	–	- 0.9	–	–	–	**- 0.9**
- Tax effect on changes in value of cash flow hedges	–	–	0.6	–	–	–	**0.6**
- Use of effective part of cash flow hedges (to income statement)	–	–	5.4	–	–	–	**5.4**
- Tax effect of use of cash flow hedges (to income statement)	–	–	- 1.7	–	–	–	**- 1.7**
- Revaluation of assets	–	–	–	3.1	–	–	**3.1**
- Depreciation on revaluation reserve	–	–	–	- 0.1	0.1	–	**–**
- Measurement of share option schemes	–	–	–	–	0.1	–	**0.1**
- Issued to option holders	–	–	–	–	1.8	–	**1.8**
- Treasury stock used for dividend	–	–	–	–	0.3	–	**0.3**
- Transferred from other reserves to statutory reserves	7.8	–	–	–	- 7.8	–	**–**
- Profit for the year	–	–	–	–	–	93.2	**93.2**
Balance at 31 December 2005	70.2	15.9	- 12.3	3.0	160.4	93.2	**330.4**
Movements:							
- Profit appropriation	–	–	–	–	52.7	- 52.7	**–**
- Dividend in cash	–	–	–	–	–	- 40.5	**- 40.5**
- Exchange differences on net investments in foreign activities	–	- 39.1	–	–	–	–	**- 39.1**
- Effective part of hedges of net investments in foreign activities	–	29.4	–	–	–	–	**29.4**
- Tax effect on exchange differences and hedges	–	- 6.7	–	–	–	–	**- 6.7**
- Use of exchange differences on net investments in foreign activities (to income statement)	–	- 0.9	–	–	–	–	**- 0.9**
- Use of effective part of hedges on net investments (to income statement)	–	0.2	–	–	–	–	**0.2**
- Tax effect of use of exchange differences and hedges (to income statement)	–	0.2	–	–	–	–	**0.2**
- Changes in value of effective part of cash flow hedges	–	–	2.2	–	–	–	**2.2**
- Tax effect of changes in value of cash flow hedges	–	–	- 1.6	–	–	–	**- 1.6**
- Use of effective part of cash flow hedges (to income statement)	–	–	6.6	–	–	–	**6.6**
- Tax effect of use of cash flow hedges (to income statement)	–	–	- 2.0	–	–	–	**- 2.0**
- Depreciation on revaluation reserve	–	–	–	- 0.4	0.4	–	**–**
- Measurement of share option schemes	–	–	–	–	0.1	–	**0.1**
- Options exercised	–	–	–	–	- 0.1	–	**- 0.1**
- Issued to option holders	–	–	–	–	0.6	–	**0.6**
- Unclaimed dividend	–	–	–	–	0.2	–	**0.2**
- Transferred from other reserves to statutory reserves	0.1	–	–	–	- 0.1	–	**–**
- Profit for the year	–	–	–	–	–	131.9	**131.9**
Balance at 31 December 2006	70.3	- 1.0	- 7.1	2.6	214.2	131.9	**410.9**

5. Interest-bearing loans

	Nominal value		More than 5 years		Average term in years		Average interest in %	
	2006	2005	**2006**	2005	**2006**	2005	2006	2005
Private placements and bank loans	**407.0**	431.6	**49.5**	274.4	**4.1**	4.6	7.8	8.0

6. Derivative financial instruments

Market value of derivative financial instruments as at 31 December 2005 in order of maturity date:

	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total	Assets	Liabilities
Currency risks									
Forward exchange contracts	- 2.4	–	–	–	–	–	- 2.4	0.9	3.3
Cross currency interest rate swaps	–	- 34.9	- 12.0	–	–	- 15.1	- 62.0	–	62.0
Interest rate risks									
Interest rate swaps	–	–	- 0.9	- 2.0	–	–	- 2.9	4.6	7.5
Total	**- 2.4**	**- 34.9**	**- 12.9**	**- 2.0**	**–**	**- 15.1**	**- 67.3**	**5.5**	**72.8**
Current	- 2.4	–	–	–	–	–	- 2.4	0.9	3.3
Non-current	–	- 34.9	- 12.9	- 2.0	–	- 15.1	- 64.9	4.6	69.5
Total	**- 2.4**	**- 34.9**	**- 12.9**	**- 2.0**	**–**	**- 15.1**	**- 67.3**	**5.5**	**72.8**

Market value of derivative financial instruments as at 31 December 2006 in order of maturity date:

	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total	Assets	Liabilities
Currency risks									
Forward exchange contracts	1.7	–	–	–	–	–	1.7	3.1	1.4
Cross currency interest rate swaps	- 42.5	- 14.5	–	–	–	- 17.3	- 74.3	–	74.3
Interest rate risks									
Interest rate swaps	–	- 0.7	- 0.9	- 0.9	–	–	- 2.5	2.0	4.5
Total	**- 40.8**	**- 15.2**	**- 0.9**	**- 0.9**	**–**	**- 17.3**	**- 75.1**	**5.1**	**80.2**
Current	- 40.8	–	–	–	–	–	- 40.8	3.1	43.9
Non-current	–	- 15.2	- 0.9	- 0.9	–	- 17.3	- 34.3	2.0	36.3
Total	**- 40.8**	**- 15.2**	**- 0.9**	**- 0.9**	**–**	**- 17.3**	**- 75.1**	**5.1**	**80.2**

7. Provisions

Movements in provisions were as follows:

	Pensions and other employee benefits	Reorganisa-tion	Deferred taxes	Other	Total
Balance at 1 January 2005	0.3	2.1	–	0.9	**3.3**
Movements in 2005:					
- Additions	2.4	0.1	7.9	–	**10.4**
- Withdrawals	- 2.7	- 1.0	–	- 0.9	**- 4.6**
Balance at 31 December 2005	–	1.2	7.9	–	**9.1**
Non-current liabilities	–	0.6	7.9	–	**8.5**
Current liabilities	–	0.6	–	–	**0.6**
Balance at 31 December 2005	–	1.2	7.9	–	**9.1**
Movements in 2006:					
- Additions	–	–	–	–	**–**
- Withdrawals	–	- 0.7	- 7.9	–	**- 8.6**
Balance at 31 December 2006	–	0.5	–	–	**0.5**
Non-current liabilities	–	0.3	–	–	**0.3**
Current liabilities	–	0.2	–	–	**0.2**
Balance at 31 December 2006	–	0.5	–	–	**0.5**

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 71.8 million (2005: EUR 80.2 million). Guarantees and security provided for group companies amounted to EUR 69.2 million (2005: EUR 70.0 million).

Joint and several liability undertakings for an amount of EUR 114.1 million (2005: EUR 131.3 million) were issued for bank credits granted to Royal Vopak and its subsidiaries. An amount of EUR 4.1 million (2005: EUR 1.1 million) relates to bank credits granted to foreign 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.

Rotterdam, 8 March 2007

The Executive Board
J.P.H. Broeders (Chairman)
J.P. de Kreij (CFO)
F.D. de Koning

The Supervisory Board
J.D. Bax (Chairman)
M. van der Vorm (Vice-chairman)
F.J.G.M. Cremers
C.J. van den Driest
R.M.F. van Loon

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Other information

Auditors' report

To the shareholders of Koninklijke Vopak N.V. (Royal Vopak)

Report on the financial statements

We have audited the financial statements of Koninklijke Vopak N.V., Rotterdam, for the year 2006 as set out on pages 49 to108 of this annual report. These financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2006, the income statement, statement of recognised income and expense in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. The company financial statements comprise the company balance sheet as at 31 December 2006, the company profit and loss account for the year then ended and the notes.

Executive Board's responsibility

The Executive Board of Koninklijke Vopak N.V. is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the Executive Board report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executive Board of the company, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Koninklijke Vopak N.V. as at 31 December 2006 and of its result 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 Netherlands Civil Code.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of Koninklijke Vopak N.V. as at 31 December 2006 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 393 (5)(e) of Book 2 of the Netherlands Civil Code, we report, to the extent of our competence, that the executive board report is consistent with the financial statements as required by Section 391 (4) of Book 2 of the Netherlands Civil Code.

Rotterdam, 8 March 2007

PricewaterhouseCoopers Accountants N.V.

J.A.M. Stael RA

Articles of Association provisions governing profit appropriation

The Articles of Association provisions governing profit appropriation are included in Articles 19 and 27.

The relevant paragraphs of these articles are as follows:

19.2. At the meeting:

b. the financial statements prepared by the Executive Board are presented to the Annual General Meeting for adoption and the appropriation of profit is adopted in accordance with Article 27 of these Articles of Association.

27.12. The profit remaining after the application of the provisions in the preceding paragraphs is at the free disposal of the Annual General Meeting, on the understanding that no dividend may be distributed if at the time of the intended distribution the balance of the dividend reserve for the financing preference shares is positive, and subject to the conditions that no further dividend is distributed on the defensive preference shares or the financing preference shares and that with respect to the financing preference shares no reserve will be formed and no addition made to an existing reserve.

Proposed profit appropriation

The proposal to the Annual General Meeting will be to distribute a dividend on the financing preference shares of EUR 2.5 million (2005: EUR 3.0 million) and a dividend in cash of EUR 0.75 per ordinary share, with a nominal value of EUR 1.00 each (2005: EUR 0.60 in cash). Provided that the Annual General Meeting adopts the income statement, balance sheet and dividend proposal, the dividend for the 2006 financial year will be made payable on 4 May 2007.

Stichting Vopak

The objects of Stichting Vopak, established in Rotterdam, are to promote the interests of Koninklijke Vopak N.V. (Royal Vopak) and of all those involved with this company or any of its affiliated companies in order to safeguard, among other things, Royal Vopak's and these companies' continuity, identity and independence.

During the year under review, the Board of Stichting Vopak convened twice. At these meetings, the protection of Vopak and the effectiveness thereof were discussed. Furthermore, the Board was extensively briefed by the Chairman of the Executive Board of Royal Vopak on the developments in the company.

In addition, the financing of Stichting Vopak and the composition of the Board were discussed. Mr A. Schaberg was appointed Officer B during the meeting held on 5 April 2006. The current members of the Board of Stichting Vopak are:

- A.P. Timmermans, Chairman and Officer B
- J.D. Bax, Officer A
- J.H.M. Lindenbergh, Officer B
- R.E. Selman, Officer B
- A. Schaberg, Officer B

No cumulative defensive preference shares in Royal Vopak had been issued at the balance sheet date.

Defensive 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 defensive 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 whether and when there is a need to issue defensive preference shares to Stichting Vopak.

Rotterdam, 8 March 2007

Stichting Vopak

Declaration of independence

In the opinion of the Board of Stichting Vopak and the Executive Board of Royal Vopak, the requirements of Appendix X of the Listing and Issuing Rules of Euronext N.V., Amsterdam, have been satisfied in respect of the independence of the Officers of Stichting Vopak.

Rotterdam, 8 March 2007

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

Stichting Administratiekantoor Financieringspreferente Aandelen Vopak ('the Foundation')

As at 31 December 2006, the Foundation administered 19,451,000 registered financing preference shares with a nominal value of EUR 1.00 each in Royal Vopak, for which an equal number of depositary receipts for shares had been issued.

During the year under review, the Board of the Foundation convened twice. During these meetings, items on the agenda included the manner in which the Foundation would vote at the Annual General Meeting to be held on 27 April 2006.
At that meeting, the Foundation agreed to all proposals made to the General Meeting. One holder of depositary receipts was granted a proxy upon request.

Furthermore, a letter from an institutional investor's representative was discussed as well as the response to the letter.

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 an annual compensation of EUR 6,353 each.

The Board of the Foundation will grant proxies to the holders of depositary receipts at their request. The Board of the Foundation will also comply with all voting instructions from the holders of depositary receipts. The granting of proxies and the acceptance of voting instructions will always be in accordance with a limit of two-hundred-and-twelve votes for every thousand financing preference shares.

Rotterdam, 8 March 2007

Stichting Administratiekantoor Financieringspreferente Aandelen Vopak

Information on the Executive Board members

Personal details regarding Mr J.P.H. Broeders

Nationality	: Dutch
Year of birth	: 1964
Previous important position held	: President of Vopak Asia
Supervisory board memberships	: none
Number of Vopak shares held	: none
Date of appointment	: 1 June 2004

Personal details regarding Mr J.P. de Kreij

Nationality	: Dutch
Year of birth	: 1959
Previous important positions held	: Senior Partner PricewaterhouseCoopers N.V. Managing Partner Transaction Services
Supervisory board memberships	: Evides N.V.
Number of Vopak shares held	: 24,008 plus 1,000 written put option contracts [1)]
Date of appointment	: 1 January 2003

Personal details regarding Mr F.D. de Koning

Nationality	: Dutch
Year of birth	: 1949
Previous important positions held	: Director Shell Moerdijk, Shell Pernis and Shell Nederland Senior Vice President, Unconventional Resources Shell Exploration & Production Company Houston (USA)
Supervisory board memberships	: none
Number of Vopak shares held	: none
Date of appointment	: 1 June 2005

[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 J.D. Bax (Chairman)

Age	: 71 years (26-3-1936)
Nationality	: Dutch
Previous important position held	: President of the Executive Board of SBM Offshore N.V.
Other positions/ Supervisory Board memberships	: AON Groep Nederland B.V. SBM Offshore N.V., Vice-chairman TBI Holdings B.V., Chairman
Number of Vopak shares held	: none
Date of first appointment	: 6 November 2002
Current term	: 2006 – 2010

Chairman of the Selection and Appointment Committee
Member of the Remuneration Committee

Personal details regarding Mr M. van der Vorm (Vice-chairman)

Age	: 48 years (20-8-1958)
Nationality	: Dutch
Profession/Main position	: Chairman of the Executive Board HAL Holding N.V.
Other positions/ Supervisory board memberships	: Anthony Veder Group N.V. Koninklijke Boskalis Westminster N.V.
Number of Vopak shares held	: none
Date of first appointment	: 3 November 2000
Current term	: 2004 - 2008

Member of the Audit Committee
Member of the Selection and Appointment Committee (as from 8 March 2007)

Personal details regarding Mr F.J.G.M. Cremers (member)

Age	: 55 years (7-2-1952)
Nationality	: Dutch
Previous important position held	: Member of the Executive Board and CFO of VNU N.V.
Other positions/ Supervisory board memberships	: N.V. Nederlandse Spoorwegen Rodamco Europa N.V. Fugro N.V., Vice-chairman N.V. Luchthaven Schiphol Commissie Kapitaalmarkt AFM
Number of Vopak shares held	: none
Date of first appointment	: 1 October 2004
Current term	: 2004 - 2008

Chairman of the Audit Committee
Member of the Remuneration Committee

Personal details regarding Mr C.J. van den Driest (member)

Age	: 59 years (22-11-1947)
Nationality	: Dutch
Profession/Main position	: Director of Carelshaven B.V.
Previous important position held	: Chairman of the Executive Board of Royal Vopak
Other positions/ Supervisory board memberships	: Anthony Veder Group N.V., Chairman Broström AB Darlin N.V., Chairman Dura Vermeer Groep N.V., Chairman Goudse Verzekeringen N.V. HES Beheer N.V. Van Oord N.V. Stork N.V.
Number of Vopak shares held	: 2,668
Date of first appointment	: 27 April 2006
Current term	: 2006 – 2010

Member of the Selection and Appointment Committee (as from 8 March 2007)

Personal details regarding Mr R.M.F. van Loon (member)

Age	: 65 years (6-3-1942)
Nationality	: Dutch
Previous important position held	: Vice-President Shell Chemicals Ltd.
Other positions/ Supervisory board memberships	: Synbra Holding BV, Chairman Koninklijke Boskalis Westminster N.V., Chairman
Number of Vopak shares held	: none
Date of first appointment	: 23 April 2003
Current term	: 2003 – 2007

Chairman of the Remuneration Committee
Member of the Audit Committee
Member of the Selection and Appointment Committee (until 8 March 2007)

Principal company officers

Chemicals Europe, Middle East & Africa

Division Management

Kees van Seventer	Division President
Casper Pieper	Commercial/ Netherlands
Colin Scott	Operations & SHEQ/ United Kingdom
Ferry Lupescu	Finance & Control
Albert Meijer	Human Resources

Business Units

Luc Soly	Belgium
Paul Cox	Vlaardingen, Netherlands
Richard Smith	Finland
Rob Kasteel	Inland Shipping
Paul Leurink	Shared Services, Netherlands
Mark Noordhoek-Hegt	South Africa
Klaus Günther	DUPEG, Germany
Joris Meerbach	Standic, Netherlands

Joint ventures

Jose Callejas Sanches	Terquimsa, Spain

Oil Europa, Middle East & Africa

Division Management

Frank Erkelens	Division President
Boudewijn Siemons	Operational Excellence & Business Development
Hari Dattatreya	Sales & Marketing
Ard Huisman	Finance & Control

Business Units

Juergen Franke	Germany
Piet Hoogerwaard	Agencies
Igor Lepetukhin	Moscow, Representative office
Dick Richelle	Oil Rotterdam, Netherlands
Jarmo Stoopman	Sweden
Severin Pluess	Switzerland
Ian Cochrane	Middle East, Dubai

Joint ventures

Aernout Boot	Vopak Horizon Fujairah, UAE
Paul Nix	Sabtank, Saudi Arabia
Anne Bruggink	Pakterminal, Estonia
Bert Jaski	MOT, Netherlands
Jan Buiter	Cross-Ocean, Netherlands

Asia

Division Management

Paul Govaart	Division President
Len Daly	Business Development
Rob Dompeling	Singapore
Wim Samlal	Finance & Control
Lee Marn Seng	Human Resources
Jeffrey Tan	SHEQ
C.G. Tan	China Management
Jan Bert Schutrops	China Terminals

Business Units

Ron Dickinson	Australia
Jason Tan	Vietnam

Joint ventures

Imran-ul Haque	Engro Vopak, Pakistan
Bon de Jonge van Ellemeet	Shanghai, China
Paul Chong	Xiamen, China
Hua Ziye	Lanshan, China
Tawatchai Chittavanich	Thai Tank Terminal, Thailand
Wilfred Lim	Ningbo, China
J.I. Lee	Ulsan, Korea
A. Furuuchi	Nippon Vopak, Japan
Teng Bo	Tianjin, China
Law Say Huat	Kertih Terminals, Malaysia
Roy Li	Cosco Vopak Logistic, China

North America

Division Management

Pieter Bakker	Division President & Gulf Coast
John J. Baker	Sales & Marketing
Jim Dubose	SHE, Operations & Technical East Coast and Canada (acting)
Mike Lacavera	West Coast
Joey Anslum	Vopak Logistics Services
Montiano Blom	Project Director

Latin America

Division Management

Eelco Hoekstra	Division President
Dick Oskam	Marketing & Sales
Esteban Kepcija	SHE, Operations & Maintenance
Michiel van Cortenberghe	Finance & Control
Jose Ramos	Human Resources

Business Units

Martijn Notten (*)	Andean region
Thijs-Jan Huizer (*)	Mexico
Frank Wisbrun (*)	Brazil
Ignacio Gonzalez	Chile
Ian ter Haar	Peru

Corporate Staff

Chris Badenhorst	Commercial Excellence & Strategic Developments
Hugo Brink	Tax & Insurance
Rolf Brouwer	Communication & Investor Relations
Ton van Dijk	Information Services
Michiel Gilsing	Control & Business Analysis
Henk de Kort	Human Resources
Henk Mol	External Reporting & Compliance
Michiel van Ravenstein	Program Office
Paul Runderkamp	Legal & Corporate Secretary
Dirk van Slooten	LNG project
Dion Veldhuyzen	Internal Audit
Niek Verbree	Operational Excellence
Bert Vermeer	Finance & Control LNG
Cees Vletter	Treasury

(*) *Also member of the Division Management*

Consolidated subsidiaries, joint ventures and associates

A. Principal consolidated companies

Europe, Middle East & Africa

Belgium
Vopak Agencies Antwerpen NV
Vopak Chemicals Logistics Belgium NV
Vopak Terminal ACS NV

Finland
Vopak Chemicals Logistics Finland Oy

France
Vopak Agencies France Sarl

Germany
Vopak Terminal Hamburg GmbH
Vopak DUPEG GmbH

The Netherlands
Vopak Nederland B.V.
Vopak Terminal Vlissingen B.V.
Vopak Terminal Amsterdam B.V.
Vopak Agencies Amsterdam B.V.
Vopak Agencies Rotterdam B.V.
Vopak Agencies Terneuzen B.V.
Vopak Barging Europe B.V.
Vopak Chemicals EMEA B.V.
Vopak Chemicals Logistics Netherlands B.V.
Vopak LNG Holding B.V.
Vopak Logistic Services Dordrecht B.V. (Standic)
Vopak Logistic Services OSV B.V.
Vopak Mineral Oil Barging B.V.
Vopak Oil EMEA B.V.
Vopak Shared Services B.V.
Vopak Terminal Botlek B.V.
Vopak Terminal Botlek-Noord B.V.
Vopak Terminal Chemiehaven B.V.
Vopak Terminal Europoort B.V.
Vopak Terminal Laurenshaven B.V.
Vopak Terminal TTR B.V.
Vopak Terminal Vlaardingen B.V.

Russia
Koninklijke Vopak N.V., Moscow Representative office

South Africa
Vopak Terminal Durban (Pty) Ltd.

Sweden
Vopak Logistics Nordic AB

Switzerland
Vopak (Schweiz) AG

United Kingdom
Vopak Terminal Ipswich Ltd.
Vopak Terminal London Limited B.V.
Vopak Terminal Purfleet Ltd.
Vopak Terminal Teesside Ltd.
Vopak Terminal Windmill Ltd.

Asia/Australia

Australia
Australian Petro Chemical Storage Pty Ltd. (55%)
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]

Singapore
Vopak Holding Singapore Pte. Ltd.
Vopak Terminals Singapore Pte. Ltd. (69,5%) [2]
Vopak Terminal Penjuru Pte. Ltd. (69,5%) [3]

Vietnam
AP Petrochemical (Vietnam) Co. Ltd. (80%)

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 Westwego Inc.
Vopak Terminal Wilmington Inc.
Vopak Logistics Services USA LLC
Vopak Terminal Los Angeles Inc.
Vopak Terminal Long Beach Inc.

Latin America

Brazil
Vopak Brasil SA

Chile
Vopak Chile Limitada

Colombia
Vopak Colombia S.A.

Mexico
Vopak Mexico SA de CV

Peru
Vopak Peru S.A.

Venezuela
Vopak Venezuela S.A.

B. Joint ventures and associates

Europe, Middle East & Africa

Estonia
Pakterminal Ltd. (50%)

Germany
Interstream Barging GmbH (50%)
VOTG Tanktainer GmbH (41,67%)

The Netherlands
Cross-Ocean B.V. (50%)
Cosco Container Lines B.V (50%)
Gate terminal B.V. (50%)
Gate terminal Management B.V. (50%)
Interstream Barging B.V. (50%)
Maasvlakte Olie Terminal N.V. (16,67%)
MultiCore CV (25%)

Spain
Terminals Quimicos SA (Terquimsa) (50%)

United Arab Emirates
Vopak Horizon Terminal Fujairah Ltd. (30%)

Asia

China
Xiamen Paktank Company Ltd. (40%)
Vopak Terminals 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%)
Cosco Vopak Logistics Co. Ltd. (50%)

Japan
Nippon Vopak Co. Ltd. (39,77%)

Korea
Vopak Terminals Korea Ltd. (49%)

Malaysia
Kertih Terminals Sdn. Bhd. (30%) [4]

Pakistan
Engro Vopak Terminal Ltd. (50%)

Thailand
Thai Tank Terminal Ltd. (49%)

Latin America

Brazil
Uniao-Vopak Armazens Gerais Limitada (50%)

Ecuador
Vopak Ecuador SA (50%)

[1] *Vopak Terminal Penjuru Pte. Ltd. 60% ownership in Vopak Terminals Shandong Lanshan*
[2] *Vopak Holding Singapore Pte. Ltd. 69.5% ownership in Vopak Terminals Singapore Pte. Ltd.*
[3] *Vopak Terminals Singapore Pte Ltd. 100% ownership in Vopak Terminal Penjuru Pte. Ltd.*
[4] *Vopak Terminal Penjuru Pte. Ltd. 30% ownership in Kertih Terminals Sdn. Bhd.*

Five-year consolidated review

In EUR millions			IFRS		NL GAAP
	2006	2005	2004	2003	2002
Consolidated abridged income statement					
Income from rendering of services	**778**	683	648	750	796
Other operating income	**3**	4	12	3	2
Total operating income	**781**	687	660	753	798
Operating expenses	**- 508**	- 470	- 455	- 488	- 541
Depreciation, amortisation and impairment	**- 93**	- 86	- 87	- 115	- 121
Total operating expenses	**- 601**	- 556	- 542	- 603	- 662
Result joint ventures and associates					
using the equity method	**36**	39	29	42	77
Group operating profit	**216**	170	147	192	213
Net finance costs	**- 44**	- 39	- 46	- 48	- 57
Profit before income tax	**172**	131	101	144	156
Income tax	**- 25**	- 25	- 1	- 27	- 30
Net profit	**147**	106	100	117	126
Attributable to:					
- Holders of ordinary shares	**129**	90	81	98	104
- Holders of financing preference shares	**3**	3	7	7	7
- Minority interests	**15**	13	12	12	15
Net profit	**147**	106	100	117	126
Income from rendering of services excluding disposed					
non-core activities	**778**	677	615	599	637
Group operating profit excluding disposed non-core activities	**216**	177	149	157	185
Consolidated abridged balance sheet					
Intangible assets	**41**	43	37	7	6
Property, plant and equipment	**1,091**	982	850	995	1,107
Financial assets	**223**	271	321	333	414
Deferred tax assets	**21**	45	24	5	6
Other	**86**	26	10	–	–
Total non-current assets	**1,462**	1,367	1,242	1,340	1,533
Total current assets	**359**	398	340	408	466
Total assets	**1,821**	1,765	1,582	1,748	1,999
Total equity	**735**	659	552	579	561
Total non-current liabilities	**699**	774	761	867	1,071
Total current liabilities	**387**	332	269	302	367
Total liabilities	**1,086**	1,106	1,030	1,169	1,438
Total equity and liabilities	**1,821**	1,765	1,582	1,748	1,999

Glossary

Audit Committee	Committee within the Supervisory Board that assists the Executive Board in performing the supervisory tasks relating to, among other things, the integrity of the financial statements, the financial reporting, the internal audit procedures and the relationship with and the independence of the external auditors
Biofuels/Biodiesel/Bio-ethanol	Products of vegetable origin or from animal fats that are added to gasoline or diesel
Blending	Blending of different types of products
Capital employed	Total assets less current liabilities, excluding assets and current liabilities not related to operational activities
Cbm	Cubic metre
CDI-T	Chemical Distribution Institute – Terminals, a risk assessment system for the storage of liquid chemicals at independent terminals, set up by an independent international organisation
CEMEA	Vopak division Chemicals Europe, Middle East & Africa
CFO	Chief Financial Officer, Member of the Executive Board, specifically charged with Finance
Corporate Governance	The manner in which the company is managed and the supervision of management is structured
COSO	Committee of Sponsoring Organisations of the Treadway Commission, an international organisation whose aim is to create a model for information on and management of business risks
Co-siting project	Adjacent or at the site of Vopak the customer constructs a plant
EBIT	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ERMF	Enterprise Risk Management Framework, framework of processes and systems for recognising and controlling risks
Greenfield	Building a new terminal on undeveloped land
Hay Group method	Methodology which enables the autonomous rating of salaries
HR	Human Resources
Hub	Regional storage and transport centre
IFRS	International Financial Reporting Standard
Industrial terminal	Terminal whose services are integrated with a chemical complex or oil refinery
ICT	Information and Communication Technology
Key account management	Internal policies are co-ordinated especially for international customers
KPI	Key Performance Indicator, important operating indicator
LNG	Liquefied Natural Gas
Lost Time Injury Rate (LTIR)	Number of accidents entailing absence from work per million hours worked
Noteholders programme	A long term financing arrangement with a consortium of private investors
OEMEA	Vopak division Oil Europe, Middle East & Africa
Oleochemicals	Semi-finished chemical products derived from plants
PEPI	Packaged Enabled Process Improvement, integrated software system
Put option contract	Right to sell, with the seller of a put option having the right, not the obligation, to sell the underlying value (e.g. 100 Vopak shares) at a pre-determined price within a specific period of time. The buyer of the put option is obliged to buy this value on the same conditions
ROCE	Return on Capital Employed, EBIT as a percentage of the average capital employed
Shared user concept	Tanks are used jointly for several customers
SHEQ	Safety, Health, Environment and Quality
Throughput	Volume of a product handled by a terminal in a given period, calculated as (in + out)/2

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