Royal Vopak
Annual Report 2007

Key Data

Income from rendering of services EUR 853.0 million

Net profit attributable to shareholders EUR 182.9 million

Earnings per ordinary share EUR 2.90

Employees 3,564

Terminals 74 (in 30 countries)

Global storage capacity 21,834,200 cbm

Royal Vopak
Annual Report 2007

This English translation of the Annual Report contains the report of the Executive Board, the financial statements and other information. In the event of textual inconsistencies between the English and Dutch versions, the latter prevails.
Copies of the Dutch Annual Report and the English translation can be obtained from Royal Vopak, Corporate Communication & Investor Relations:
Telephone : +31 10 400 27 78
Fax : +31 10 404 73 02
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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Vopak

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Profile

With a history going back almost four centuries, Vopak is the global market leader in 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 for some time at these terminals, often under very specific conditions, such as temperature control, or they are blended to the desired specification. Vopak's terminals play a key role in the transit: products are transported from the terminal to end-users by vessel, railcar, 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 end-user. Vopak distinguishes three types of terminal:

- **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 offer customers professional support in optimising reliable and efficient logistics processes. From its terminals, Vopak offers its customers, who include governments and producers of and traders in oil products and chemicals, a high standard quality throughout the world. Vopak develops its services according to the product, market and functional requirements, often working with customers and/or strategic partners. For example, Vopak adds components or blends products: activities that add value for the customer. Vopak entered the market for storage of liquefied natural gas (LNG) for import and distribution to a consumption area, with the first terminal for this being built with Gasunie in Rotterdam (Netherlands). Vopak currently operates 74 terminals in 30 countries.
Sustainable entrepreneurship is the basis for long-term relationships with customers, strategic partners, employees, governments, neighbours and shareholders and is therefore an integral part of the company's processes and operations. In its decisions, Vopak not only considers economic aspects but also longer-term safety, health, environmental and social aspects. Vopak, therefore, consistently applies and enforces strict Safety, Health, Environment & Quality (SHEQ) standards, rules, codes and procedures. Vopak's policy is designed to prevent its activities causing damage and nuisance. Vopak wants to offer its employees a highly attractive, international working environment with excellent opportunities for development.

Vopak is organised into five divisions: Chemicals Europe, Middle East & Africa; Oil Europe, Middle East & Africa; Asia; North America and Latin America. There is also a separate project organisation for developing LNG terminals and functional support departments in key areas. The units of the worldwide organisation work closely together and actively exchange know-how and expertise, enabling Vopak to respond rapidly, creatively and precisely to changing customer wishes and market developments. Vopak aims to continually improve and expand its terminal network, particularly in strategically located international ports close to its customers' production centres and markets.

Vopak workforce at year-end comprises of 3,564 employees in the group companies and more then 1,100 employees in joint ventures for tank storage.

Key figures

In EUR millions	2007	2006
Results		
Income from rendering of services	853.0	778.1
Group operating profit before depreciation and amortisation (EBITDA)*	388.8	309.8
Group operating profit excluding exceptional items	272.9	220.9
Group operating profit (EBIT)*	292.2	216.6
Net profit attributable to shareholders*	182.9	131.9
Net profit attributable to holders of ordinary shares*	181.1	129.4
Cash flow from operating activities (net)	263.2	225.3
Investments		
Total investments	445.7	267.6
Average gross capital employed	2,251.7	2,145.5
Average capital employed	1,162.7	1,117.5
Proposed profit appropriation		
Dividend:		
Financing preference shares	1.8	2.5
Ordinary shares	59.3	46.8
Capital and financing		
Shareholders' equity	809.7	671.0
Interest–bearing loans	672.2	514.1
Net interest-bearing debt	561.9	425.7
Ratios		
ROCE excluding exceptional items	23.7	19.9
ROCE including exceptional items	25.1	19.4
Net debt : EBITDA	1.71	1.61
Interest cover (EBITDA : net finance costs)	8.5	7.1
Key figures per ordinary share (in EUR)		
Earnings per ordinary share	2.90	2.08
Diluted earnings per ordinary share	2.90	2.07
Earnings per ordinary share (excluding exceptional items)	2.62	1.96
Diluted earnings per ordinary share (excluding exceptional items)	2.62	1.96

* *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 focus, progress and acceleration

Changing markets demand a faster approach

The market is still changing at a rapid rate. The imbalance between supply and demand for oil and chemical products continues to be large and is in fact increasing. Prosperity is growing in many parts of the world. Local (oil) markets that have up to now been closed are gradually opening up. New types of energy, such as liquefied natural gas, are increasingly important as they place a smaller burden on the environment. These developments are leading to new and bigger freight flows that are increasingly international and even global, and so the importance of tank storage and related services is growing. All these trends led to a change in our strategy and the introduction of a number of significant strategic initiatives in 2006, and we have benefited from them in 2007. The fact that these developments are intensifying structurally is proof of the strategic choices made in the past.

These developments offer Vopak opportunities to build and acquire new terminals but also to adapt and expand existing sites. However, they also mean that our competitors and new entrants recognise opportunities in the market and are responding to them. Growing global demand for the services that Vopak offers is proving attractive to other companies. It is, therefore, more important than ever for Vopak to move up a gear and also to make a move in depth. As global market leader, we want to continue to stay at the front by continuous improvement and keep a step ahead of the competition. We have sharpened our strategy by tying growth even more to customer satisfaction and operational efficiency. This has provided a number of new strategic initiatives such as further development of design standards for new terminals that make use of all the company's know-how and further worldwide standardisation of service processes. These programmes were further developped during the year and will be introduced throughout the company in 2008; the results will become clear in the next few years.

Growth: once again, more gained from our existing network in 2007

In 2007, we were able to implement the strategy further and with great fervour. This success is shown partly by the increased storage capacity and the operating profit. With a 24% improvement in operating profit, excluding exceptional items, Vopak again recorded an excellent result in 2007. The increase came from responding to the continuing high demand for storage and transfer services in all markets that resulted in full capacity utilisation at our terminals. In the course of the year, we added 878,000 cbm of new storage capacity. We are particularly proud of the new (sixth) terminal in China, which we opened in Zhangjiagang in September. In addition, storage capacity was added in every region. There are considerable expansion projects at existing terminals and projects for building new terminals in many places in the world, the effects of which will be seen to some extent in 2008 but especially in 2009.

Customer focus: responding to different types of supply and demand

Our customers' area of operations is increasingly global and we are responding to this. Customers must experience Vopak as one company that is recognisable around the world and is distinctive by the most efficient operating and customer processes that add value according to the customer. Vopak wants to continue making the best possible use of its network of terminals. Standardisation of services to customers through the 'Customer Relationship Management Initiative' that Vopak has introduced, is an enormous help in delivering the promised service level more efficiently and consistently. Competition in the market is increasing and so more than ever the key points are speedy implementation and professionalism. As a global player, we have a unique position in the market. We operate at sites that are important to customers. This is a key reason why customers want to do business with us. To retain this position, we have to move and decide even faster, continue to provide the promised quality, take the initiative and be innovative. Also when working with our partners in the joint ventures. At the same time, we not only want to be a partner of global companies, but also to continue offering excellent service to our local customers. They, too, benefit from the quality and efficiency we can achieve with our network of terminals.

Operational efficiency: efficient operations with a focus on sustainability

Vopak's core business is loading and unloading products, monitoring product quality and, at the customer's request, blending products. This is how we add value for our customers and we do it well and safely every time. In this area too, however, we can make improvements. We want to align procedures and processes relating to the design of installations, day-to-day operations and maintenance with each other as far as possible throughout the Vopak organisation and organise them more efficiently, while keeping the right balance between 'global standard' and 'local customisation'. We are working more intensively than in the past on being a single, recognisable Vopak: an organisation of enthusiastic professionals distinguished by a high level of service and customer satisfaction and a cleverer way of dealing with costs. For example, by being more economical with energy, we were able to reduce consumption in 2007, which is good for the environment and also keeps costs in check, despite higher prices.

It's our people who do it: developing competencies and offering a foothold

Vopak calls for more from its people in many areas as a result of the many projects, the high tempo and improvements being aimed for. Focus, progress and acceleration also mean that people take on greater responsibility more quickly. Continuous improvement, therefore, also means continuous investment in people. Not only to ensure that they build up the right skills and competencies, but also so that they feel are a part of a large unit, of one Vopak. The ultimate aim of each personal development process is that everyone makes a contribution at his or her own level to the Vopak brand and the values that give it the right meaning. As well as competencies, people need a foothold to add value with their contribution to the whole. Consequently, we also invest a lot in their terms of reference: the Vopak Values. These core values offer them support if they are in a situation in which they have to make choices. During the past year, we have deployed a number of initiatives that put and keep the Vopak Values at the front of everyone's mind.

New growth from a trusted business model

A significant milestone for Vopak in 2007 was the decision to build the first liquefied natural gas (LNG) terminal in the Netherlands with Gasunie. The basis for this terminal is the worldwide increase in the use of natural gas, partly because of the strong growth in demand for cleaner fuels. In northwestern Europe, there is considerable demand for a port to handle natural gas in liquid form, with connections to the gas pipelines for transport to end-users. Vopak's business model as an independent provider of bulk storage and handling services is excellently suited to offering a cost-efficient solution to a range of customer groups. It gives us the chance, within this trusted model, to expand our area of operations into a new market segment. It is a logical step within Vopak's strategy, because of the optimal spread of risks and opportunities. We are expanding the basis of our core activities with this new step in the energy market.

We are well on course

The long-term prospects are that the trends referred to above will continue, the market will continue to grow and the rate of growth will increase further. For Vopak, these prospects translate into many opportunities and numerous projects. Consequently, the theme for 2008 is 'implementation and execution', which we are turning into specific action by unlocking opportunities and faster implementation of strategic initiatives and projects. The number of projects under construction and the strategic initiatives will become visible in the results in 2009.

Thanks to the efforts of all of our people, we are well on course and the outlook is promising. I wish, also on behalf of my Executive Board colleagues, to thank every one of them. We also thank our shareholders, customers and partners for their support and confidence.

John Paul Broeders
Chairman of the Executive Board
Royal Vopak

Report of the Supervisory Board

Financial statements

It is our pleasure to present the 2007 consolidated financial statements of Royal Vopak as prepared by the Executive Board. The financial statements were prepared in accordance with International Financial Reporting Standards (IFRS).

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 auditor's report is included on page 116. We approved the financial statements at our meeting on 6 March 2008 and recommend that you adopt them.

We concur with the proposal of the Executive Board, after the distribution of EUR 1.8 million on the financing preference shares in Royal Vopak, to distribute EUR 0.95 as a cash dividend to holders of ordinary shares, resulting in a gross amount of EUR 59.3 million and to add the remaining EUR 121.8 million to other reserves.

Corporate Governance

In consultation with the Executive Board, we submitted the corporate governance structure and the corporate governance policy and a limited number of deviations from the best practice provisions of the Dutch Corporate Governance Code (the 'Code') for discussion during the Annual General Meeting in April 2007. The number of deviations has not changed. The main points of Vopak's corporate governance structure are set out in a separate section of this Annual Report. Corporate Governance structure and policy on this matter will be submitted to the Annual General Meeting in a separate agenda item. 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 in the prearranged schedule. None of the Supervisory Board members was frequently absent from the Board meetings. As part of the Supervisory Board's supervision responsibilities, the operational and financial objectives of the company were discussed at regular scheduled meetings.

Safety, health and environmental issues were among the topics discussed during each of these meetings. The Supervisory Board also visited several Vopak Terminals in Singapore, at which occasion the developments in the Asia division have been discussed with the responsible managers.

Other topics discussed regularly included strategy, budget, financing of the company, interest rate and foreign currency policy and internal and external quarterly, half-year and annual financial reports. Particular attention was given in 2007 to the increased Revolving Credit Facility and the Gate terminal LNG project. The Supervisory Board also considered the progress being made on ongoing projects and the launch of new projects. The various investment proposals related to expansion and greenfield projects in nearly every part of the world where Vopak operates. The external auditors were present during the meetings on the half-year and annual results. The interim report and auditor's report issued by the external auditors were also discussed during those meetings. The minutes of all the meetings of the Audit Committee were also considered and discussed in subsequent meetings of the Supervisory Board.

In addition to reviewing the ICT policy, the Supervisory Board discussed Management Development and Succession Planning. 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. At a meeting not attended by Executive Board members, the Supervisory Board discussed the proposals of the Remuneration Committee, its own performance and that of the Executive Board, and the performance of individual members of both bodies. The Supervisory Board also considered its required profile, composition and competencies.

Core committees

During 2007, 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 123 of this Annual Report.

Audit Committee

The Audit Committee met on five occasions in 2007. All of these meetings were attended by the external auditors. A core task of the Audit Committee was an extensive review of the financial reports and the budget before their consideration by the full Supervisory Board. The Committee also discussed the financing structure, analyses of the financial ratios, changes to the Revolving Credit Facility and the new Note Holders' Programme, pension issues, insurance, taxation, reports on the risks associated with the company's operational, commercial, financial and other activities and management reporting. The Audit Committee also considered the findings of the Internal Audit department, its work plan and the development of a risk classification matrix it is going to use. The Committee also discussed the scope of the audit, recommendations in the management letters and the current and future relationship with the external auditors. Conform the Code one meeting has been held with the external auditor without presence of the Executive Board members. Finally, the Audit Committee assessed its own performance throughout the year and its regulations. During 2007, Mr F.J.G.M. Cremers again acted as financial expert as meant by the relevant best practice provisions of the Code.

Selection and Appointment Committee
The Selection and Appointment Committee met on two occasions, when the profile and composition of the Supervisory Board were discussed. The proposal to appoint Mr A. van Rossum as a member of the Supervisory Board was prepared along with proposals to reappoint Mr M. van der Vorm and Mr F.J.G.M. Cremers. The proposal to reappoint Mr J.P.H. Broeders as chairman and member of the Executive Board was also prepared.

Remuneration committee
The Remuneration Committee met on six occasions during 2007. The recurring matters set out in the Remuneration Committee's annual plan were addressed at these meetings and included the 2008 annual salaries, the 2007 annual bonus, the annual bonus plan for 2008 and the long-term bonus. In consultation with a benefits expert, the Remuneration Committee drew up a proposal for the long-term incentive plan for the period following the expiry of the current long-term cash plan on 31 December 2007. This plan, which is in the form of a share plan, was approved by the Annual General Meeting in April 2007. Proposals to amend the remuneration of the members of the Supervisory Board and the members of the various core committees were adopted at the same time. The new amounts are included in the financial statements in this Annual Report.

Main points of the 2007 and 2008 remuneration policy
A number of changes to short-term and long-term variable component of the remuneration policy in force since 2005 were adopted during the Annual General Meeting in April 2007. These changes were made in the context of the overall remuneration package which consists mainly of the annual salary, annual bonus, long-term bonus and pension. The overall remuneration policy can be found on the company's website and is summarised below.

Annual salary
The amount of the fixed gross annual salary has been set so that it represents a proper reward for the efforts and responsibilities of a Vopak Executive Director. According to the job grading policy, as applied by Vopak, are these responsibilities set out in an independent assessment by Hay Group consultants. It is also important to be able to attract and retain directors who have the right specific experience and competencies to achieve the company's strategic objectives. Each year, the Remuneration Committee checks whether the annual salaries of Vopak's Executive Directors are sufficiently in line with these criteria. The test assesses the following elements: the structure and objectives of the company at that time, the performance of the individual Executive Director, general market developments and trends in the salaries of directors of some companies similar to Vopak, taking into account matters such as the type of business, geographical spread, size and stage of development. The Supervisory Board sets the Executive Directors' annual salary for the coming year following a recommendation of the Remuneration Committee. The fixed salary components of the three members of the Executive Board for the 2008 financial year were set partly on the basis of the contractual arrangements and partly on the proposal of the Remuneration Committee and were EUR 475,000 for Mr Broeders, EUR 418,000 for Mr de Kreij and EUR 388,000 for Mr de Koning.

Annual bonus
For the bonus year 2007, the Executive Directors are able to earn an annual bonus of 40% of the annual salary if they met the targets agreed in advance with the Supervisory Board. The maximum bonus is 62.5% if the pre-agreed maximum level of the targets is achieved. In accordance with the current remuneration policy, we have awarded Mr Broeders, Mr de Kreij and Mr de Koning bonuses of EUR 275,000, EUR 253,125 and EUR 235,000 respectively for their performance in 2007. For 2008, the possible bonus for the Chairman has been changed to 50% for on target performance and 70% of the annual salary for maximum performance. The possible bonus percentages for the other members of the Executive Board are unchanged.

The performance criteria for the annual bonuses in 2007 and 2008 are broken down by financial targets and personal targets, equally divided on target level. The Supervisory Board sets financial targets each year for the growths of the earnings per share (EPS) and Return on Capital Employed (ROCE) criteria. The personal targets are set annually after consultation with the individual Executive Directors.
These targets relate to the personnal performance, to the performance of the Executive Board as a whole as well as to a number of specific joint and individual targets.
These targets are not made public for commercial and competition reasons.

The relationship between performance and remuneration is set annually by the Supervisory Board and defined in a performance-remuneration matrix.

If EPS grows by 8% to 12% or more in the bonus year 2007 compared with the previous year, the annual bonus increases proportionately from 0% to a maximum 20% of the gross fixed salary. In addition, the Executive Directors have to achieve a ROCE of at least 14%, in which case 2.5% of the gross annual salary is paid out. If the ROCE percentage increases, this bonus increases proportionately to a maximum of 22.5% of the gross annual salary if the absolute ROCE is 18% or higher.

The financial target for the EPS performance criterion is being maintained for the bonus year 2008; if EPS grows by 8% to 12% or more compared with the previous year, the annual bonus increases proportionately from 0% to a maximum of 22.5% (chairman) and 20% (other members) of the gross annual salary. With respect to the ROCE performance criterion, the target for the bonus year 2008 has been increased. Executive Directors have to achieve a ROCE of at least 18%, in which case 2.5% of the gross annual salary will be paid out. If the ROCE percentage increases, this bonus also increases proportionately, to a maximum of 22.5% (chairman and other members) of the gross annual salary if the absolute ROCE is 20% or more.

An Executive Director can earn up to a further 25% (chairman in 2008) and 20% (chairman in 2007 and other members in 2007 and 2008) of the fixed gross salary by achieving personal targets set each year.

Long-term bonus/Long-term Cash Plan 2005-2007

The long-term bonus plan in the form of the Long-term Cash Plan 2005–2007 allows Executive Directors to earn a cash bonus if EPS grows by at least 25% in a period of three years. If so, an amount equal to 60% of their average fixed salary for the three-year period will be distributed to the members of the Executive Board. This figure can rise to a maximum of 120% of the average fixed salary if the increase in EPS for this period is 35% or more. Under this plan and based on actual growth in EPS in the period 2005 to 2007, the Executive Directors have earned cash bonuses of EUR 452,000 (Mr Broeders), EUR 474,000 (Mr de Kreij) and EUR 378,106 (Mr de Koning).

Long-term bonus/Long-term Incentive Plan 2008

The Long-term Incentive Plan (LTIP) approved by the Annual General Meeting in 2007 replaces the Long-term Cash Plan and consists of two plans: the Performance Share Grant Plan and the Share Ownership Plan.

1. Performance Share Grant Plan

   Under the new plan, a block of performance shares (Vopak shares) is granted conditionally to the Executive Directors each year. The grant criteria are:

   - the Executive Director's gross annual salary at the time of the conditional grant;
   - the policy-based value as a percentage of gross annual salary: 45% for the chairman and 40% for the other Executive Directors for 2008;
   - the average closing market price in the quarter preceding the conditional grant.

   Final grant will be after three years and is based on achieving financial targets with the number of shares granted ranging between 0% and 150% of the number of shares granted conditionally at the beginning of the performance period.

   The financial performance of the business during those three years is measured by the average ROCE and growth in EBITDA. Based on currently-known variables, the maximum definitive grant at the end of the three-year period (which starts in 2008) would be a total of 20,829 performance shares for the three members of the Executive Board together.

2. Share Ownership Plan

   Furthermore members of the Executive Board are required to build up and keep a portfolio of Vopak shares in the amount of one year's gross salary. To this end, from 2007, they can purchase shares which are placed in a portfolio. If the portfolio reaches the intended level, the Performance Shares obtained after three years become available to the Executive Director. If the intended level is not reached, the Performance Shares, after the three-year period, are placed in a portfolio and frozen for five years. The shares in the portfolio are released after this five-year period, notwithstanding an Executive Board member's obligation to maintain the shares in a portfolio at the target level of one year's gross salary.

   As consideration for keeping the shares in a portfolio, the company offers a performance-related number of matching shares after five years. For this, performance is measured by the EPS growth criterion for the five-year period. The number of matching shares can rise to 200% of the number of shares placed in the portfolio in a given year if growth in EPS is 129% or more for the five-year performance period.

   For 2012, the number of matching shares could range between 0 to a total of 20,380 for the three members of the Executive Board together.

The company has purchased shares in order to cover commitments to the Executive Directors under the LTIP. The purchase programme has been carried out by a credit institution that made its trading decisions on the purchases independently of Vopak and without Vopak influencing the timing of the purchase.

Pension

The Royal Vopak Executive Directors' Pension Plan is a defined contribution plan under which the Executive Directors receive an amount each year to build up a retirement pension. The pension contribution paid to the Executive Directors is between 20% and 36% of pensionable earnings, depending on their age. In accordance with contractual arrangements, the retirement age for the current Executive Directors is 60 to 62 years.

Each year, the Remuneration Committee reviews the overall remuneration package against the remuneration levels of other similar multinational companies listed on the AEX and AMX stock exchanges and ensures that the overall package is at least competitive with their remuneration packages. The Remuneration Committee is advised in its review by independent external remuneration advisers.

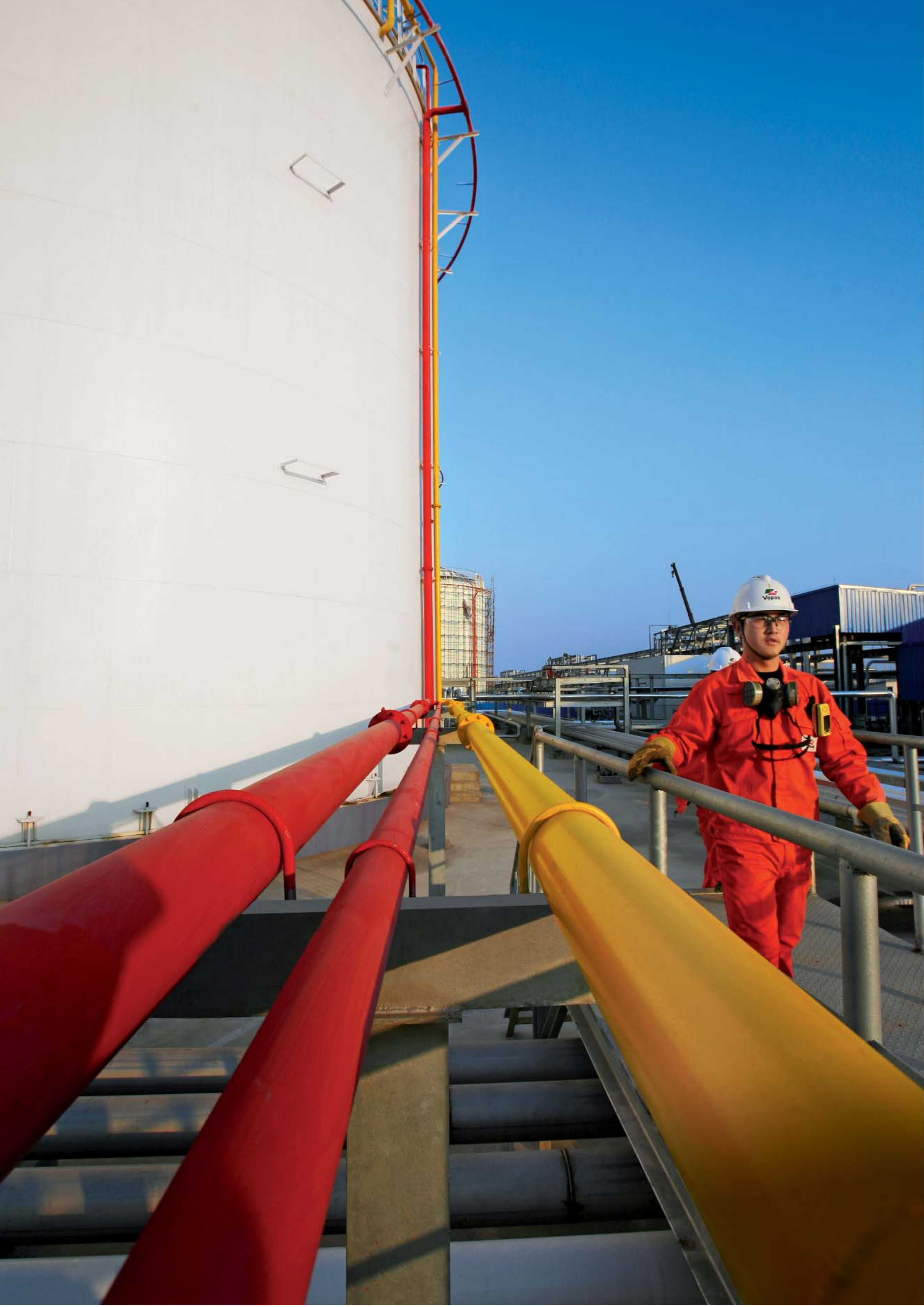
Personal information

Mr A. van Rossum was appointed as a member of the Supervisory Board during the Extraordinary General Meeting of 27 September 2007. The terms of office of Mr M. van der Vorm and Mr F.J.G.M. Cremers expire at the next Annual General Meeting. The Board is grateful that Mr van der Vorm and Mr Cremers have expressed their willingness to serve another term of four years on the Supervisory Board. Mr van der Vorm and Mr Cremers will, therefore, be proposed for reappointment during the next Annual General Meeting. As explained during the Annual General Meeting, Mr J.D. Bax will retire in 2008 on reaching the age of 72. The Supervisory Board decided to appoint Mr A. van Rossum to its Chairman as of 25 April 2008. The term of Mr J.P.H. Broeders expires as well. The board is grateful that Mr Broeders has expressed his willingness to be reappointed as member (and chairman) of the Executive Board for a successive term of four years.
Finally, we would like to express our sincere appreciation to the Executive Board and all the company's employees for their efforts in 2007 and for the corresponding improvement in the results.

Rotterdam, 6 March 2008

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
A. van Rossum

The Board of Directors and the members of the Supervisory Board are very grateful to Mr Bax for the creditable manner in which he has served the company since 2002 as chairman of the Supervisory Board. During this period Mr Bax supervised the change process of Vopak from general logistics company to a business with tank storage as core activity and the development of the growth strategy that Vopak currently carries out successfully as world market leader.



Report of the Executive Board

Core elements of Vopak's mission

- *Safety, quality, flexibility and reliability as critical success factors*
- *Sustainable entrepreneurship as an integral part of operating processes*
- *Recognisable services throughout the global network*
- *Focus 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 as the largest global independent tank storage company to strengthen its leadership and supports this by:

- *Growth leadership*
  - *optimising and expanding existing terminals*
  - *developing terminals in new geographical areas*
  - *acquisitions*
  - *developing terminals for new products or markets, such as LNG*
- *Customer leadership - recognisable high-level services at every site*
- *Efficiency leadership - safe, sustainable and profitable*

The strategy is being implemented through special internal programmes, known as strategic initiatives, and excellence programmes for improving existing operating processes

Long-term financial targets

- *As a result of the commissioning of the current expansion projects Vopak expects to achieve its guidance for 2011 of group operating profit before depreciation and amortisation (EBITDA) of EUR 475-550 million per year one or two years earlier*
- *The strategic long-term target for Return on Capital Employed remains unchanged at around 16% for the Group as a whole*

Strategic framework of Vopak

Demand for storage services again developed favourably during 2007. Economic growth is creating high demand for oil and chemical products and growth in emerging markets is leading to increasing consumption of raw materials, semi-manufactures and energy. The imbalance between production and use in different regions is only increasing, generating more marine transport and the ever greater importance of storage hubs in optimising logistics processes. The temporary storage of products in strategically-located ports has an essential role in the transport chain.

The effect of continuously growing demand is strengthened in part by the increasing range of product specifications for motor fuels, among other things. As a result, shipments of components and demand for additional services, such as adding components to make the fuel the right quality are growing. The flow of bio-ethanol in particular is increasing strongly: Europe is developing into a significant import market for this, with Rotterdam as a major port for shipment to the hinterland and Brazil as an important exporter. Vopak is using the opportunities this development offers by further expanding storage capacity, particularly for bio-ethanol and by offering specific services along with producers and traders in biofuels at various places around the world. In addition, the deregulation of oil product markets in countries such as Indonesia enables producers and traders to enter these markets, prompting demand for high-quality storage services. In addition, the strong development of the LNG market is a powerful boost to new longer-term growth opportunities.

Third phase of strategy

In 2007, Vopak entered the third phase of its strategy that began in 2002. The first phase, from 2002 to 2004, addressed the recovery of and focus on tank storage. There was scope for growth and excellence during the second phase, from 2005 and 2006. Three points are key to the third phase that started in 2007: growth leadership, customer leadership and efficiency leadership. The combination of these three components is the basis for solutions that Vopak wants to use to contribute to the success of regional and global logistics processes of its customers in a changing world.

Growth leadership
The current market climate is favourable, with long-term trends pointing towards a continuing increase in demand for storage of liquid products. This offers Vopak excellent opportunities for growth. In balancing the range of opportunities, we follow the customer, because responding to customer demand is at the heart of Vopak's business model. Consequently, Vopak further intensified its growth strategy during 2007. The careful balancing of different trends and customer requirements has created a number of sites with top priority for expanding storage capacity. Specific expansion and growth plans are set out on page 16 and 17 of this Annual Report.

We saw the first benefits from aiming for growth leadership in 2007. Worldwide storage capacity increased to 21.8 million cbm, as several new storage tanks totalling 878,000 cbm were commissioned, while two terminals, totalling 247,800 cbm, were sold. The new capacity includes a terminal in Zhangjiagang (China), with storage capacity of 124,600 cbm for chemical products, which came on stream in June 2007. This Chinese terminal is wholly owned by Vopak, and which it intends to expand in the next few years. The first part of a major expansion programme, with 240,000 cbm of new capacity for fuel oil, was carried out at the Europoort oil terminal in Rotterdam. Further extra capacity of 165,000 cbm was also added to the terminal in Banyan (Singapore). In addition, new storage tanks were taken into use during this period at terminals in Australia, Belgium, China, Korea, Mexico, the Netherlands, Saudi Arabia, Thailand and the United States. Ownership of the companies in Estonia and Vietnam was also increased to 100%.

This policy also calls for decisiveness. Different solutions have to be found for terminals where this strategy cannot be implemented, occasionally resulting in the sale of a terminal. In 2007, Vopak sold terminals in Westwego (United States) and Dordrecht (Netherlands) with a total capacity of 247,800 cbm. Based on increased demand from our customers, Vopak announced several new building plans during this reporting period. At the end of 2009, Vopak and its partner AKR expect to open a storage terminal for oil products in the port of Tanjung Priok, Indonesia. In addition, the terminals in Singapore will be expanded again, for both oil and chemical products. In Vietnam, a start will be made on an initial expansion specifically for chemical products at the terminal acquired last year in Ho Chi Minh City. There are also expansions at the Botlek terminal in Rotterdam and the terminal in Alemoa (Brazil). The terminal in Teesside (United Kingdom) will be expanded among others for biofuels.

Vopak has also enterred the market for temporary storage of liquefied natural gas (LNG) for import and throughput to the regions where it will be used. The final decision to build an LNG terminal on the Maasvlakte near Rotterdam along with our partner Gasunie and the first customers, Dong Energy, OMV/EconGas and Essent, was taken in December 2007. We expect the first phase, with 9 billion cubic metres of throughput capacity per annum, to be operational in the second half of 2011.

Customer leadership
In 2007, Vopak started developing strategic initiatives whose implementation will take several years and which will result in a continuously rising service level. One of our resources, with a specific focus on customer loyalty, is our key-account programme. This programme was continued in 2007 and proved to be successful. A number of key accounts have been designated as such and a key-account manager has been appointed in each division to form the Key Account Management team with the commercial excellence director. A global account manager has also been appointed for each global key account. Key-account management focuses on multinational customers and meets their growing demand for global and regional solutions: reliable and consistently high-quality services that are recognisable worldwide. Vopak aims to improve its service in order to keep or create a preferred position with these large and/or strategic customers. This may be by standardising services such as framework contracts, reports, automatic order processing and feedback at the level of service that the customer desires. As multinational customers are increasingly demanding a consistent service level at all sites, one of the strategic initiatives addresses improving key customer service processes and making them consistent. This will create an increase in customer service.

Leadership in operational efficiency
Vopak aims for sustainable operational efficiency: a way of working that focuses on continuous improvement in three areas: design, operation and maintenance. We are aiming for standard designs, replicable concepts based on best practice in design, techniques and technology, as developing modular building blocks and uniform design standards speed up the design phase while maintaining very high quality and further reducing the 'total cost of ownership'.

We have taken a step forward in the field of operational efficiency with the structural reduction of the cost of, for example, energy consumption. In addition, there was a successful pilot project in Houston in 2007 to highlight

First liquefied natural gas (LNG) terminal in the Netherlands with access to north-western Europe

Development of the Gate (Gas Access To Europe) terminal LNG project, which began in 2005, reached a significant milestone in 2007. In December, Vopak and Gasunie, the two initiators, took the final investment decision on the construction of the first Dutch LNG terminal. This was done after three major European energy companies, Dong Energy, OMV/EconGas and Essent, had signed definitive long-term transport contracts for a combined throughput of 9 billion cubic metres of natural gas per year. This is the terminal's initial capacity and is sufficient to supply all seven million households in the Netherlands with natural gas. The terminal will consist of three storage tanks and a jetty. Each tank will have a storage capacity of 180,000 cubic metres. It will be possible to increase the throughput capacity of the LNG terminal to 16 billion cubic metres per year in the future. Dong Energy, Essent and OMV Gas International each owns a 5% minority interest in the Gate terminal, which will ensure that the independent nature of the terminal continues to be fully guaranteed. The LNG import terminal is a safe and clean transfer facility with four functions:

- *receipt of LNG from special LNG carriers in the port;*
- *tanks to buffer receipt of LNG for continuous delivery;*
- *regasification of LNG into natural gas;*
- *delivery of natural gas to the transmission network for the Dutch and north-western European markets.*

The total all-inclusive costs for the LNG terminal project in Rotterdam are about EUR 800 million and it is expected that the terminal will be fully operational in the second half of 2011.

A consortium of experienced Italian, Spanish and French construction companies has been selected as lead contractor for the project. The terminal is planned for the Maasvlakte area in Rotterdam, close to the port entrance on the North Sea. This location is easily accessible to LNG carriers and all management and handling facilities are available. In the autumn, Gate entered into a fifty-year lease with the Port of Rotterdam for the 35 hectare site.

The Rotterdam site provides easy access to large, nearby potential markets for natural gas in north-western Europe. The industrial complexes in the immediate area allow synergies to be achieved, for example from waste heat. The terminal is in line with Dutch and European energy policy, which has strategic diversification of the transport of LNG, sustainability, safety and environmental friendliness as key criteria. The terminal makes a contribution to growing demand for energy in Europe and reinforces the position of the Netherlands as a European gas hub.

At the end of 2007, Gasunie and Vopak entered into an agreement with Essent to co-operate on the further development of an LNG terminal in the Eemshaven. This venture is set out in a Heads of Agreement. Essent is taking a 50% interest while Gasunie and Vopak have each taken a 25% interest in the project.

and address operational efficiency improvements. This programme proved to be effective and resulted in a large number of proposals that will lead to efficiency improvements in the future. It is a good example of a strategic initiative that we will be rolling out at a number of other terminals in 2008. Preventive maintenance is becoming more important at sites to prevent, for example, a pump suddenly failing, so that we can raise reliability. Here, too, Vopak has completed an initial pilot with a programme that will be implemented more widely in 2008.

Growth perspective

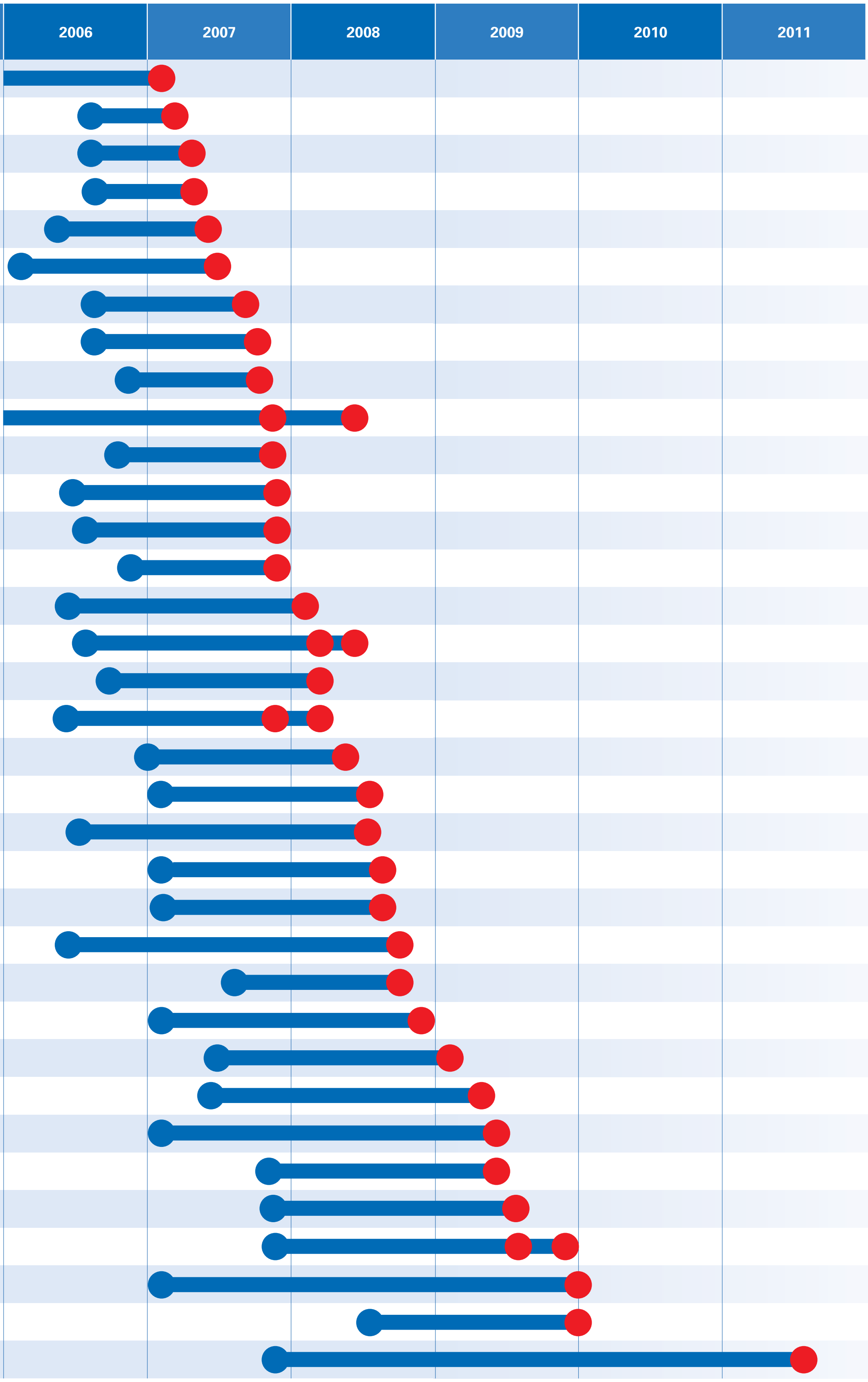
Division	Location	Country	Ownership	Type	Products
Asia	Sydney	Australia	100%	Expansion	Oil products
Asia	Lanshan	China	41.7%	Expansion	Oil products
OEMEA	Malmö	Sweden	100%	Conversion	Bitumen
CEMEA	Vlaardingen	Netherlands	100%	Expansion	Vegetable oils
Asia	Ulsan	Korea	51%	Expansion	Chemicals
Asia	Zhangjiagang	China	100%	Greenfield	Chemicals
CEMEA	Antwerp	Belgium	100%	Expansion	Chemicals
CEMEA	Rotterdam	Netherlands	100%	Expansion	Chemicals
Asia	Darwin	Australia	100%	Expansion	Chemicals
OEMEA	Rotterdam	Netherlands	100%	Expansion	Oil products
Asia	Map Ta Phut	Thailand	49%	Expansion	Chemicals
Asia	Banyan	Singapore	69.5%	Expansion	Chemicals and Biodiesel
OEMEA	Al-Jubail	Saudi-Arabia	10%	Expansion	Chemicals
North America	Savannah	US	100%	Expansion	Oil products and Chemicals
OEMEA	Fujairah	United Emirates	30%	Expansion	Oil products
CEMEA	London	UK	100%	Expansion	Oil products
Latin America	Puerto Cabello	Venezuela	100%	Expansion	Oil products
Latin America	Altamira	Mexico	100%	Expansion	Chemicals
CEMEA	Antwerp	Belgium	100%	Greenfield	Chemicals
Asia	Ho Chi Minh City	Vietnam	100%	Expansion	Chemicals
Asia	Sebarok	Singapore	69.5%	Expansion	Oil products
Asia	Penjuru	Singapore	69.5%	Expansion	Chemicals
Asia	Zhangjiagang	China	100%	Expansion	Chemicals
Asia	Caojing	China	50%	Expansion	Chemicals
CEMEA	Teesside	UK	100%	Expansion	Biodiesel
Asia	Banyan	Singapore	69.5%	Expansion	Oil products
Asia	Sydney	Australia	100%	Expansion	Oil products
CEMEA	Rotterdam	Netherlands	100%	Expansion	Chemicals
CEMEA	Antwerp	Belgium	100%	Expansion	Chemicals
OEMEA	Gothenborg	Sweden	100%	Expansion	Oil products
Latin America	Alemoa	Brazil	100%	Expansion	Chemicals
Asia	Banyan	Singapore	69.5%	Expansion	Oil products and Chemicals
Asia	Penjuru	Singapore	69.5%	Expansion	Chemicals
Asia	Jakarta	Indonesia	49%	Greenfield	Oil products
LNG	Rotterdam	Netherlands	42.5%	Greenfield	LNG

Blue = start construction

Red = commissioned

Noot: Projects under construction above 20,000 cbm

CBM	Status
75,000	Completed 2007
30,000	Completed 2007
	Completed 2007
3,000	Completed 2007
10,000	Completed 2007
124,600	Completed 2007
11,270	Completed 2007
31,600	Completed 2007
10,870	Completed 2007
440,000	Under construction
55,600	Completed 2007
165,000	Completed 2007
102,060	Completed 2007
11,100	Completed 2007
380,000	Under construction
45,000	Under construction
20,000	Under construction
31,700	Under construction
100,000	Under construction
40,000	Under construction
216,000	Under construction
22,000	Under construction
85,000	Under construction
40,000	Under construction
40,000	Under construction
320,000	Under construction
83,000	Under construction
156,000	Under construction
40,000	Under construction
60,000	Under construction
37,200	Under construction
397,500	Under construction
65,000	Under construction
250,000	In preparation
540,000	Under construction



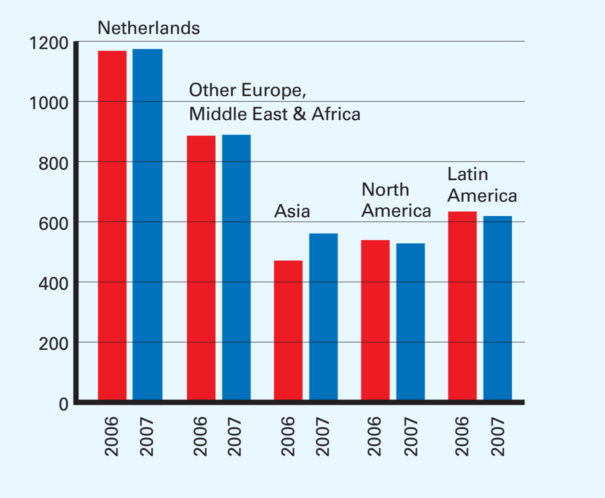
Corporate social responsibility

Long-term thinking is key to Vopak's sustainability
Long-term commitment is a key guideline for Vopak's sustainable entrepreneurship when doing business with partners in strategic alliances, joint ventures and with customers, as well as in relationships with its employees. Vopak takes long-term safety, health, environmental and social aspects into account in all its decisions. The principle underlying this policy is sustainable development on the basis of People, Planet, Profit. Applying the principles of sustainable entrepreneurship leads to high-quality services and lower costs. For Vopak, sustainable entrepreneurship means a profitable operation without accidents and with the least burden on the environment. Customers give preference to suppliers who can guarantee a high degree of quality and safety by means of comprehensive attention to sustainability.

People

Sustainable investment in people
Vopak has made a specific decision to act as a socially responsible employer. This is a natural choice for a company focusing on long-term operations and with long-term customer relationships. Maintaining and investing in sustainable relationships with employees and offering them a challenging working environment offer Vopak considerably more than always attracting new people. The atmosphere in the company is one of Vopak's strengths. The style of dealing with people is informal, with the Vopak feeling, loyalty and enthusiasm permeating the company, despite the large range of nationalities. It is particularly important to keep and add to these good cultural elements, given the professionalisation process at Vopak.

Employees subsidiaries by region
Average over the year



International sustainable entrepreneurship
Vopak operates in thirty countries, each of which has its own laws, culture and customs. In this context, it applies Vopak Values and subscribes to the principles of the International Labour Organisation (ILO) and the United Nations' Universal Declaration of Human Rights. Vopak ensures that human rights are respected and, where necessary, safeguarded when performing its activities. Vopak has internal policies and a code of conduct that supplement local rules in the countries where it operates to ensure that fundamental standards for employment and human rights are met throughout the world. In the Corporate Governance section on page 49 a list of these codes of conduct is included.

Building long-term relationships from an equilibrium
Vopak wishes to bind people for the long term by maintaining the right balance between factors that employees regard as important in their work, such as interesting job content, personal development, career prospects, competitive employment conditions and work-life balance. As an employer, Vopak has profiled itself as an attractive international company and an employer who encourages, binds and retains people. This is particularly important in today's turbulent labour market and it also allows Vopak to be able to recruit the right people. In 2007, a great deal of attention was paid to drawing up a realistic and attractive corporate profile for use around the world for advertising in the labour market. The recruitment and selection website has become much more user-friendly and easier to access, as shown by the increase in the number of applications for vacancies from 20 to 220 per month. Vopak has extensive contacts with universities and carries out its own recruitment and selection activities. This year, Vopak also wants to address the higher vocational education level in the same way.

Professionalisation of the organisation and management
Vopak is rapidly developing into a robust multinational; the organisation must be in line with this in terms of its professionalism. This demands a transparent and rational approach to decision making, based on facts. As a learning organisation, Vopak needs good management information systems and high-quality knowledge management, they are vital for standardisation and professionalisation.

Performance management was introduced in 2006. This system sets clearly-defined leadership competencies. In connection with this, particular attention was paid to creating a remuneration policy in 2007 that links performance and pay. Vopak has developed a long-term bonus plan for senior management and changes have been made for other groups of staff to reward better performance. The structure of the corporate management development programme has also been changed. As well as the programmes for younger employees and middle-management with senior management potential, there is now a third programme for senior managers. The structure of the programme has also been made more logical and effective by tightening the participation conditions somewhat. People now have to attend certain specified courses before moving to a subsequent phase.

Vopak Values

People are the key success factor in Vopak's growth strategy. Vopak's rapid growth requires us to pay more attention to communicating the company's core values, the Vopak Values. A lot of time and energy has been invested in making employees aware of the importance of these values. The values of Integrity, Professionalism, Improvement, Ownership, Service, Passion and Agility are the basis for any decision and ensure a constant level of quality in our services. Various initiatives were developed in 2007, including an educational game, Vopak Volare, which centres on these standards and poses dilemmas to the players that link in with Vopak's strategy and core values.

Operational Excellence; safety, health, environment and quality

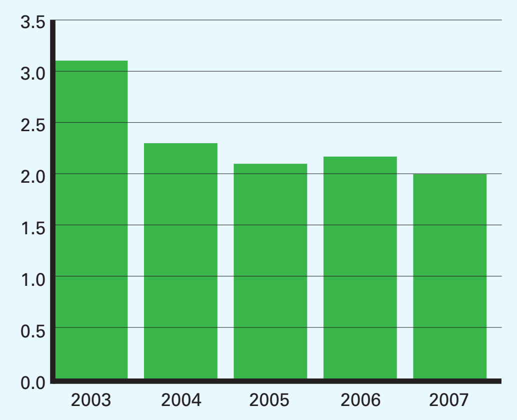
Sustainable growth

Vopak approaches safety, health, environment, technical and operational matters under the banner of Operational Excellence. This ensures that growth goes hand in hand with the maintenance and further improvement of high quality standards. Consequently, the environment and safety are a natural and completely integral part of our operating processes and business practices. Operational Excellence is embedded in and linked to all levels of Vopak's organisation. At the highest level, one Executive Board member has responsibility for this policy. At corporate level, policy development and specialist knowledge have been brought together in a separate Operational Excellence department. Staff have also been appointed at divisional and terminal level to support management in this specific area. Vopak aims to be a leading player in SHEQ (Safety, Health, Environment and Quality), technology and operations, acting in line with the strict requirements of its customers in the oil and petrochemical industries.

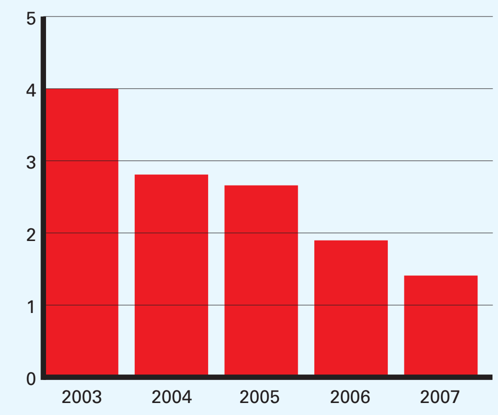
Safety above all

Vopak's comprehensive safety policy is set out in the Fundamentals on Safety programme, which was implemented at all terminals four years ago. These constitute strict operational rules of conduct and procedures that are in line with the requirements that Vopak's customers set in the areas of safety and risk control in the chemical and oil industries. To work safe at Vopak is the starting point for the Fundamentals on Safety. This applies not only to our own managers and

Sickness absenteeism (as a percentage)

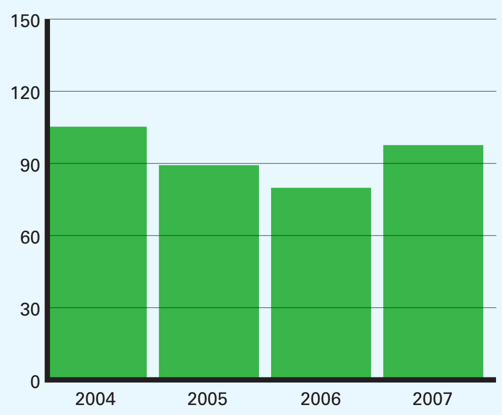


LTIR performance*



LTIR = number of accidents with absenteeism per 1 million hours worked (own personnel)

Number of spills reported



employees, but also to everyone who visits the terminals. Contractors are assessed on their safety performance and have to meet clearly-defined performance and conduct requirements including Vopak's Code of Conduct. Vopak continues to work actively on good relationships with the community. At the local level, employees, their families and terminals' immediate neighbours are actively involved in matters such as health, safety and the environment. Vopak also participates in public and industry consultative bodies.

Further improvement through measuring and reporting

The Executive Board and senior management explain the significance of safety during safety inspection visits, with employees at the terminals being addressed on this theme. Line managers also perform regular inspections. Measuring is the basis for being able to make further improvements, even for incidents. This means that an open reporting culture is essential for safety management. Vopak has a range of programmes to improve this openness. These efforts are now starting to bear fruit in the form of more reports of actual and potential incidents. As a result of improved reporting both the number of incidents not leading to loss of working time and the number of near-misses rose in 2007. This shows a more realistic relationship between accidents and near-misses. More importantly, all the information, from which we learn a great deal, is available to all employees. The number of accidents resulting in absence from work (Lost Time Injury Rate - LTIR) fell in 2007 from 1.9 to 1.4 incidents per million hours worked. The ultimate aim, stated in 2006, is to avoid all incidents with an interim target of 1.0 in 2009. There were 6.2 incidents involving personal injury (Total Injury Rate = TIR) per million hours worked in 2007 (2006: 7.5).

As well as personal safety, the integrity of operations and terminals is determined by process safety at the terminals. A significant measure of process safety is the number of product spills per year. Policy focuses on avoiding product spills but if one occurs there are protocols for reporting it and cleaning up the spillage and any consequences. There has been a great deal of attention in recent years to transparent reporting of product spills of more than 200 litres. These incidents are investigated and proposals for prevention are implemented. There were 97 product spills in the past year (2006: 79). The increase in the number of spills compared with 2006 is probably because of greater management attention, which has led to an increase in reported incidents. Vopak is disappointed by this development and continues to try and avoid spills as far as possible. There was a broadly-based review in 2007 into reducing the number of product spills. Its aim was to identify trends and the underlying causes. Further improvement initiatives to avoid spills based on this review will be implemented in 2008. Introducing improvements arising from audits, staff training and meeting Vopak's internal standards will improve process safety further.

Terminal Health Assessments

Terminal Health Assessments were introduced in 2005 and they are aimed at continuous improvement of the operating processes, including environmental and safety performance. This measurement method is based on the Chemical Distribution Institute Terminal Assessment (CDI-T) and is proving to be highly successful. The first cycle of terminal audits was completed in 2007 and Terminal Health Assessment audits have now been performed at 96% of Vopak's terminals. The new terminals in the network will be assessed in the coming year. A new cycle of assessments starts in 2008 and will also measure improvement plans that have been implemented. Customers and governments also regularly carry out standard quality, environmental and safety audits.

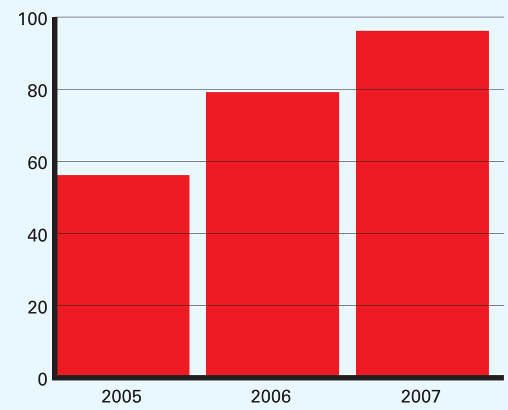
Conflict between reducing emissions and energy consumption

Vopak has two environmental objectives; reducing emissions into water, soil and air as far as possible and also reducing its CO_2 footprint relative to the throughput of products. Vopak does not itself generate CO_2 from its operating processes although these processes do use energy and CO_2 is released in generating it. Vopak mainly consumes energy for pumping, warming or cooling certain products and for operations to achieve environmental improvements, such as waste-water purification and vapour recovery systems. Efforts to reduce energy consumption and improve energy management continued successfully in 2007 from the viewpoint of both sustainability and cost efficiency. The Expert Forum Energy, a group- wide consultative body, has the role of co-ordinating and encouraging energy management and reduction projects. Actual and potential initiatives are developed into Vopak Energy Management Guidelines. Vopak's environmental care focuses mainly on preventing emissions into the environment. These are reduced by vapour recovery treatment, waste-water purification and soil protection constructions. Vopak recognises the conflict between measures to reduce emissions and the use of energy. This conflict comes about because environmental measures require the use of energy and so there has to be a balance between overall energy consumption and the greatest environmental efforts. Attention continues to be given to reducing and preventing waste, especially that produced by tank cleaning and pipe flushing. Vopak is always looking for ways to reduce these waste flows, particularly by a smarter approach to planning, using and cleaning systems. Waste flows are recorded and disposed of in a controlled manner.

On the road to sustainable terminals

It is Vopak's intention to be leading in its line of business in terms of the sustainability of its operations. Vopak's emphasis is on safety, health and the environment and forms the distinguishing factor for its customers and results in a new generation of design requirements for its new terminals. Closed tank roof constructions, vapour return systems and vapour recovery items, impermeable flooring and leak detection systems are now standard for all new development activities. A study into a possible future and emission-free 'green terminal' has started under the project name 'Terminalling in the future'.

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



Financial Performance

Income from rendering of services

In 2007, Vopak generated income from rendering of rendering of services of EUR 853.0 million, a 10% increase on 2006 (EUR 778.1 million), including a currency translation loss of EUR 16.1 million.

All divisions made positive contributions to the rise in income from rendering of services, which came from a combination of a further increase in occupancy rate at the terminals, increased capacity at existing terminals, development of new terminals and an increase in turnover per cubic metre of storage capacity as a result of rate revisions and the change of the product mix.

Group operating profit

Group operating profit rose by 35% to EUR 292.2 million in 2007 (2006: EUR 216.6 million), including a currency translation loss of EUR 5.0 million. Adjusted for exceptional items, group operating profit rose by 24% to EUR 272.9 million (2006: EUR 220.9 million). The improvement in the result came from the strategic focus of all divisions on growth in storage capacity at existing businesses, development of new terminals, major focus on the wishes of our customers and improvements in operating efficiency.

Exceptional items recognised in 2007 were the gains on the sales of the participating interest in VOTG Tanktainer GmbH, the cleaning stations in Sweden, the terminal in Westwego in the US, the terminal in Dordrecht (the Netherlands), the waste disposal and railcar cleaning activities in the US and a minority interest in the Gate terminal. Impairment was recognised in connection with the sale of the terminal in Hemiksem (Belgium), to be made in 2008, and on the goodwill in APCS in Australia. The relocation of the chemical ter-

Income from rendering of services

In EUR millions	2007	2006	Δ%
Chemicals Europe, Middle East & Africa	324.2	296.6	9
Oil Europe, Middle East & Africa	193.4	165.1	17
Asia	136.8	121.4	13
North America	130.4	128.2	2
Latin America	63.7	61.8	3
Non-allocated	4.5	4.0	13
Core activities	853.0	777.1	10
Non-core activities	–	1.0	
Income from rendering of services	853.0	778.1	10

Group operating profit (EBIT and EBITDA)

In EUR millions	2007	2006	Δ%
Chemicals Europe, Middle East & Africa	89.3	60.7	47
Oil Europe, Middle East & Africa	79.7	62.7	27
Asia	78.8	74.9	5
North America	31.1	25.5	22
Latin America	21.1	19.9	6
Non-allocated	- 26.5	- 23.4	13
Group operating profit core activities excluding exceptional items	273.5	220.3	24
Non-core activities	- 0.6	0.6	
Group operating profit excluding exceptional items	272.9	220.9	24
Exceptional items	19.3	- 4.3	
Group operating profit (EBIT)	292.2	216.6	35
Depreciation and amortisation	96.6	93.2	4
Group operating profit before depreciation and amortisation (EBITDA)	388.8	309.8	26

minal in Hamburg is leading to a reduction in value which is fully offset by grants received. Overall, these exceptional items made a positive contribution of EUR 19.3 million to the group operating profit (exceptional items 2006: EUR 4.3 million negative).
Group operating profit before amortisation and depreciation including joint ventures and associates (EBITDA) and excluding exceptional items rose by 18% to EUR 369.5 million (2006: EUR 314.1 million). The increase in EBITDA takes Vopak closer to its target range of EUR 475-550 million in 2011, as stated in early 2007.

Net finance costs

Net finance costs amounted to EUR 42.9 million (2006: EUR 44.2 million). The slight fall is mainly attributable to a smaller loss on derivative financial instruments. At year end 2007, interest-bearing loans rose to EUR 672.2 million (2006: EUR 514.1 million) as a result of new loans being taken out. Net interest-bearing debt rose to EUR 561.9 million (2006: EUR 425.7 million).
The average interest rate on interest-bearing loans fell to 6.3% at year end 2007 (2006: 7.0%), thanks to optimisation of financing. The average remaining term at year end was 6.3 years (2006: 4.0 years).

Income tax

Income tax expense for 2007 amounted to EUR 51.2 million (2006: EUR 25.5 million). The increase comes from a combination of the higher group operating profit and lower non-recurring gains (in 2006 there were non-recurring gains of EUR 10.4 million from the settlement of tax positions of prior years).

Group operating profit and ROCE

In EUR millions	EBIT	Average capital employed	ROCE
Chemicals Europe, Middle East & Africa	93.6	349.9	26.8
Oil Europe, Middle East & Africa	81.0	159.5	50.8
Asia	78.8	439.7	17.9
North America	37.0	140.9	26.3
Latin America	21.1	81.9	25.7
Non-allocated	- 23.8	- 11.7	
Total core activities including exceptional items	287.7	1,160.2	24.8
Non-core activities including exceptional items	4.5	2.5	
Total including exceptional items	292.2	1,162.7	25.1

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

In EUR millions	2007	2006
Income statement		
Income from rendering of services	956.1	882.9
Group operating profit before depreciation and amortisation (EBITDA)	420.8	341.4
Group operating profit (EBIT)	305.8	230.4
Net profit attributable to shareholders	182.9	131.9
Net profit attributable to holders of ordinary shares	181.1	129.4
Balance sheet		
Non-current assets	1,879.7	1,556.3
Current assets	387.9	399.7
Total assets	2,267.6	1,956.0
Non-current liabilities	932.5	786.2
Current liabilities	455.2	434.6
Total liabilities	1,387.7	1,220.8
Total equity	879.9	735.2
Financial ratios		
Interest cover	8.5	7.1
Net debt : EBITDA	1.75	1.66

The effective tax rate was 20.5% in 2007 (2006 effective tax rate excluding exceptional items for prior years: 20.8%), the slight fall being due to a reduction in tax provisions as a result of cuts in tax rates in various countries where Vopak operates.

Net profit attributable to holders of ordinary shares

Net profit attributable to holders of ordinary shares increased by 40% to EUR 181.1 million (2006: EUR 129.4 million).

Non-current assets

During 2007, there was a total investment of EUR 445.7 million, of which EUR 389.9 million was invested in property, plant and equipment and the remainder among others in acquiring subsidiaries. EUR 197.2 million of the property, plant and equipment was for expansion investments at existing terminals. Please see the growth perspective on pages 16 and 17 for further details of the approved plans.

Shareholders' equity attributable to holders of ordinary shares

Shareholders' equity attributable to holders of ordinary shares increased by EUR 138.7 million mainly as a result of the net profit and items taken direct to shareholders' equity. A total dividend of EUR 49.2 million was paid.

Interest-bearing loans

New loans were drawn and the terms of the largest existing loan were changed in 2007 to finance Vopak's growth strategy. In early March 2007, the terms of the US Private Placement financing program were improved, in particular the Net Debt/EBITDA ratio requirement was relaxed from a maximum of

Net investments by division

In EUR millions	2007	2006
Chemicals Europe, Middle East & Africa	119.9	59.6
Oil Europe, Middle East & Africa	118.4	56.1
Asia	130.9	97.1
North America	9.9	14.8
Latin America	17.1	8.1
Non-allocated	- 20.2	- 3.1
	376.0	232.6
Non-core activities	- 7.0	- 0.1
Net investments	369.0	232.5

Investments

In EUR millions	2007	2006
Investments		
Intangible assets	4.6	4.4
Property, plant and equipment	389.9	228.3
Joint ventures and associates	6.2	11.3
Loans granted	7.4	16.9
Acquisition of subsidiaries including goodwill	35.5	5.9
Other non-current assets	2.1	0.8
Subtotal	445.7	267.6
Disposals		
Intangible assets	0.1	0.6
Property, plant and equipment	0.7	2.7
Joint ventures and associates	4.8	0.2
Loans granted	29.6	31.6
Subsidiaries	34.2	–
Assets held for sale	7.3	–
Subtotal	76.7	35.1
Net investments	369.0	232.5

2.75 to 3.75. This gives Vopak greater scope to use loan capital to finance its expansion plans.

A new private loan of USD 375 million was placed on the American Private Placement market in the second quarter of 2007. It consisted of different tranches with terms of 8, 10, 12 and 15 years, all to be repaid on the maturity date. The tranche with a term of 8 years (USD 75 million) carries a variable interest rate, while the other three tranches of USD 100 million each have a fixed interest rate averaging about 6%. In addition, a continuous credit facility with a value of EUR 1 billion in various currencies was agreed with a syndicate of twelve international relationship banks on 1 August 2007. This new Revolving Credit Facility (RCF) has an initial term of five years with two renewal options of one year each. There is also an option to increase the facility to EUR 1.2 billion. This new facility replaces a credit facility of EUR 500 million which was concluded in July 2005. The entire RCF was available at the balance sheet date.

Total interest-bearing loans were EUR 672.2 million at 31 December 2007 (31 December 2006: EUR 514.1 million) as a result of the capital expenditure program.

Dividend proposal

A dividend of EUR 0.95 per ordinary share, an increase of 27% (2006: EUR 0.75), payable in cash, will be proposed to the Annual General Meeting on 24 April 2008. This is equivalent to 33% of earnings per ordinary share (2006: 36%). Adjusted for exceptional items, the payout is 36% of earnings per ordinary share.

Funding

In EUR millions	2007	2006
Cash and cash equivalents	136.4	117.9
Non-current portion of interest-bearing loans	- 624.6	- 472.6
Current portion of interest-bearing loans	- 47.6	- 41.5
Bank overdrafts	- 26.1	- 29.5
Net interest-bearing debt	**- 561.9**	- 425.7
Derivative financial instruments (currency)	- 41.4	- 63.5
Credit-replacement guarantees	- 13.9	- 15.2
Cash not at free disposal	- 7.9	–
Net debt for ratio calculation	**- 625.1**	- 504.4
Net debt : EBITDA	**1.71**	1.61
Interest cover	**8.5**	7.1

Abridged cash flow statement

In EUR millions	2007	2006
Cash flows from operating activities (gross)	334.5	285.7
Net finance costs paid and received	- 34.7	- 33.0
Income tax paid	- 36.6	- 27.4
Cash flows from operating activities (net)	**263.2**	225.3
Investments	- 445.7	- 267.6
Disposals	76.7	35.1
Cash flows from investing activities	**- 369.0**	- 232.5
Cash flows from financing activities	**131.3**	- 57.6
Net cash flows	**25.5**	- 64.8

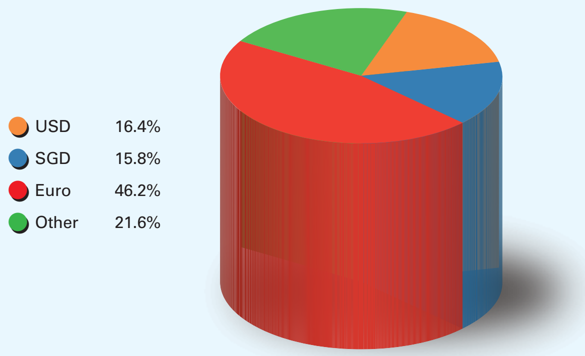
Outlook

- Demand for storage services continues to be high in all markets, with no indications that this trend will change in the next few years. Based on the current projects under construction, Vopak will add more than 2.7 million cbm of storage capacity around the world in the next two years, the majority of these projects will start to contribute to the profitability during 2009. If the Vopak Bahamas Terminal project and the joint venture in Estonia are concluded successfully, worldwide capacity will grow to more than 28 million cbm.
- Vopak expects Group operating profit excluding exceptional items to increase around 10% in 2008 (2007: EUR 272.9 million). As a result of the commissioning of the current expansion projects Vopak expects to achieve its guidance for 2011 of group operating profit before depreciation and amortisation (EBITDA) of EUR 475-550 million per year one or two years earlier.
- The projects under construction, including the Gate terminal project, involve overall capital expenditure of about EUR 1.6 billion; this means total net capital expenditure for Vopak of around EUR 450 million in the coming years.

Exchange rates

Per EUR 1.00		USD		SGD
	2007	2006	**2007**	2006
Average exchange rate (translation rate income statement)	**1.37**	1.26	**2.06**	1.99
Year-end exchange rate (translation rate balance sheet)	**1.46**	1.32	**2.10**	2.02

EBIT in 2007 by currency



The world of Vopak


South Africa - Vopak Terminal Durban


China - Vopak Shanghai - Caojing Terminal

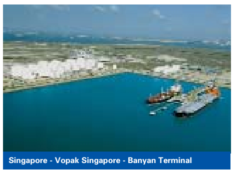

China - Vopak Terminals Shandong Lanshan


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

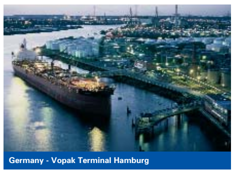

Thailand - Thai Tank Terminal


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 TTR


The Netherlands - Vopak Terminal Vlaardingen


Sweden - Vopak Terminals Gothenburg


Sweden - Vopak Terminal Malmö


United Kingdom - Vopak Terminal London

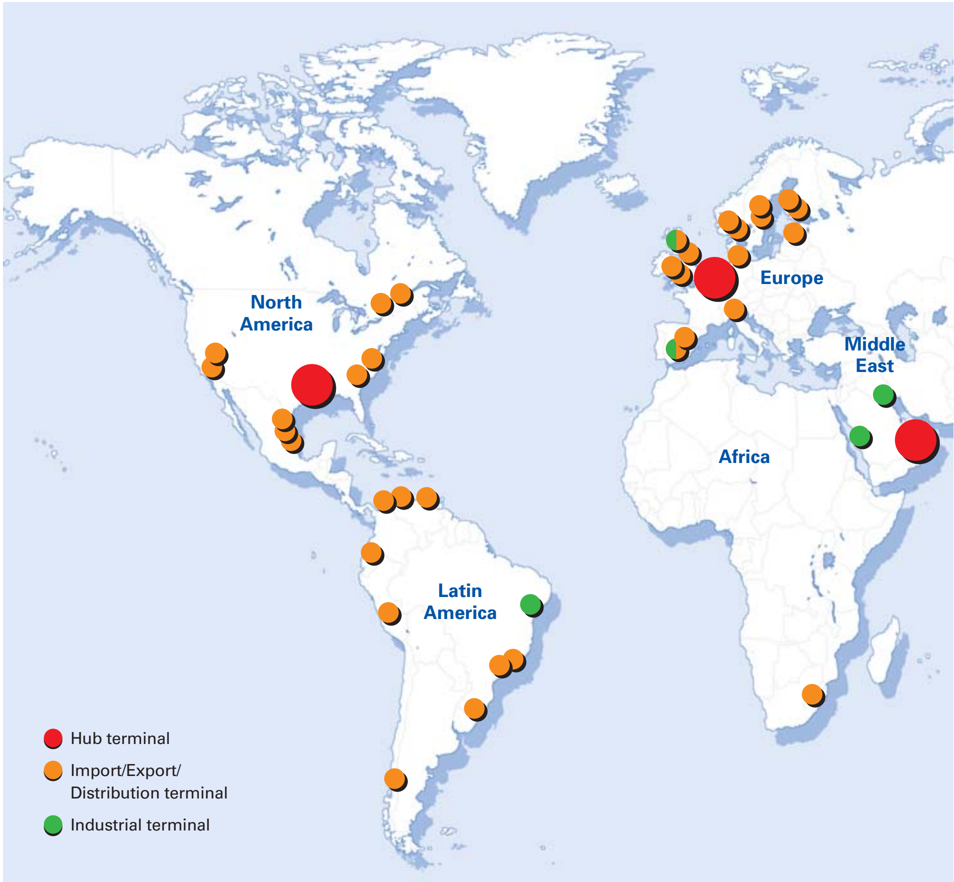

United Kingdom - Vopak Terminal Teesside


Brazil - Vopak Brazil - Alemoa Terminal


Brazil - Vopak Brazil - Aratu Terminal


Brazil - União/Vopak Armazéns Gerais

Chile - Vopak Chile - San Antonio Terminal

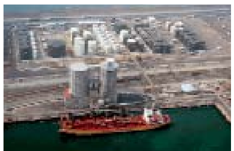



Colombia - Vopak Colombia - Cartagena Terminal


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 - 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 Laurenshaven


The Netherlands - Vopak Terminal Vlissingen


Spain - Terquimsa Barcelona


Spain - Terquimsa Tarragona


Sweden - Vopak Terminal Gävle


Sweden - Vopak Terminal Södertälje

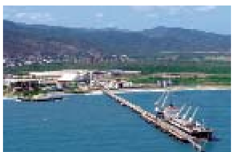

Switzerland - Vopak Terminal Basle


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

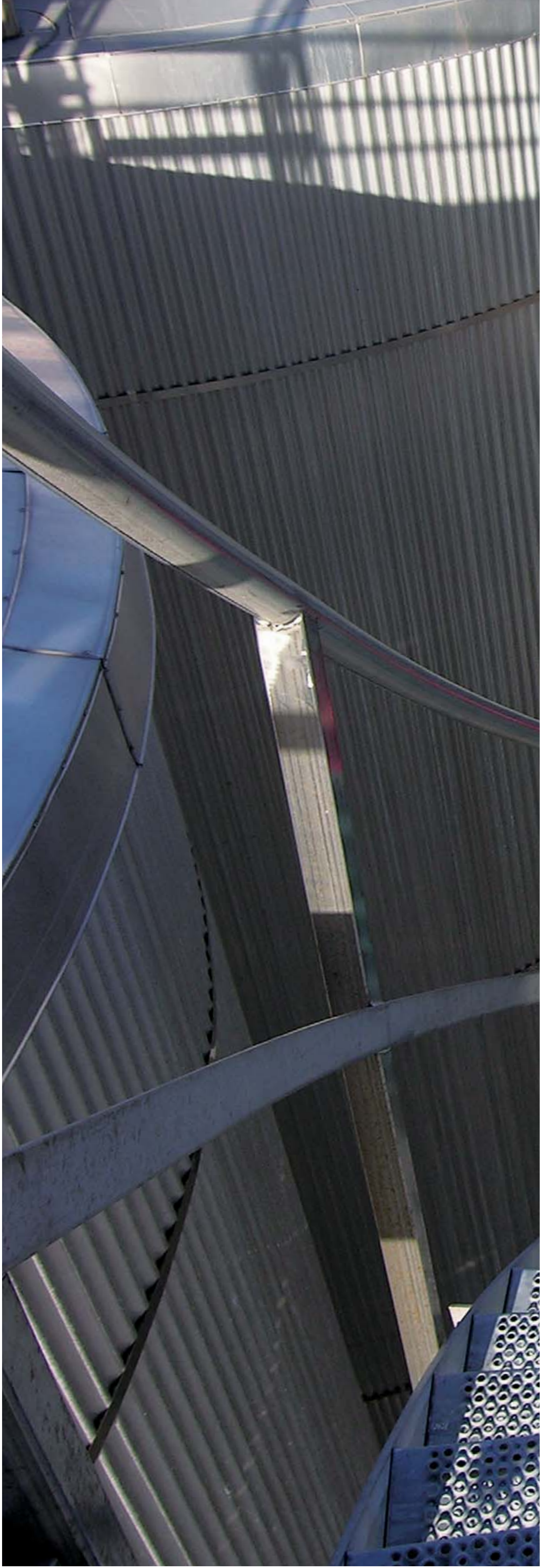

Saudi Arabia - SabTank (Al Jubail)


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)

Better performance with existing facilities

Highlights

- Once again, significant growth from existing capacity
- Higher occupancy rate and increased throughput
- Product portfolio further improved
- Good cost control

Keen anticipation of growth
'Demand for storage services is ever increasing', says Kees van Seventer, president of the CEMEA division. 'Demand for the storage of biofuels in particular is expanding even faster. Growth has been achieved almost exclusively from the existing capacity. The tanks are full and demand is enormous. But it is exactly now that we have to remain very alert to keeping customers satisfied. And so we have to reinvest a significant proportion of what we earn, in people, but also in hardware. As we are handing more products more often, we also have to look at the complete infrastructure: pipelines, pumps and jetties. Consequently, we have invested a lot in these in 2007.'

Optimisation and improvement
'Vopak's strategy in our division focuses mainly on improvement and expansion. In 2007, we further improved our terminal network. It may sound paradoxical but, with this aim, we first completely restructured our Standic land logistics terminal in Dordrecht in the Netherlands and then sold it. And we have sold the terminal in Hemiksem in Belgium. The transfer will take place in 2008, once our new terminal on the left bank of the Scheldt in Antwerp is ready. In Germany, we will be relocating the Vopak Dupeg Terminal and integrating it into the large Vopak Hamburg oil terminal. The relocation and integration is a complex project that will certainly take three to four years.

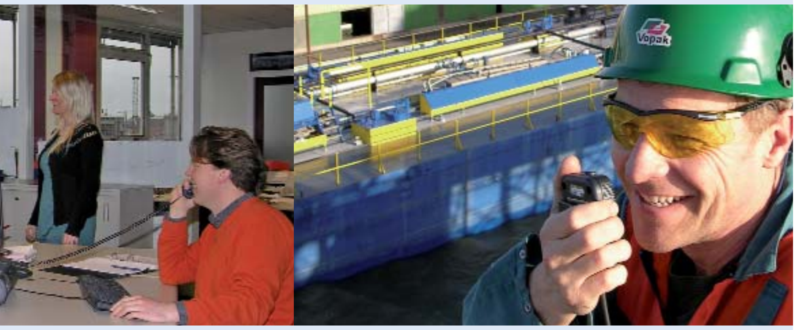
We are busy reducing energy costs and raising productivity at all our terminals. We are raising productivity mainly by mechanising and automating activities that we currently do by hand. We have set up labour pools in various places in order to be able to anticipate developments more quickly. These create a flexible group of people who we can rotate between the different terminals in a region, depending on where peaks are occurring.'

Effective response to customers' wishes
'To strengthen our customer leadership, we have identified how we can best serve the different categories of customer. We aim, as Vopak, for long-term relationships with customers. A key condition for this is that we create added value for them, irrespective of whether they are local customers or multinational customers. For example, we can offer framework contracts to customers with whom we do business at more than one of our terminals, globally or regionally. This

brings many benefits to both parties. Such contracts reduce the threshold to doing business as all the key issues, such as liability, have already been agreed. It demarcates the risks and makes doing business easier for both parties. The customer only has to negotiate prices and volumes at the local level.'

New construction at existing sites

'In 2007, we grew mainly through a combination of higher capacity utilisation and further improvements. We have also expanded at our terminals in Vlaardingen, Antwerp and Rotterdam Botlek , together more then 46.000 cbm.This new construction is in response to the growing demand for capacity. We have identified product/market combinations for these terminals which offer opportunities for growth and adding value for our customers. The expansions will come

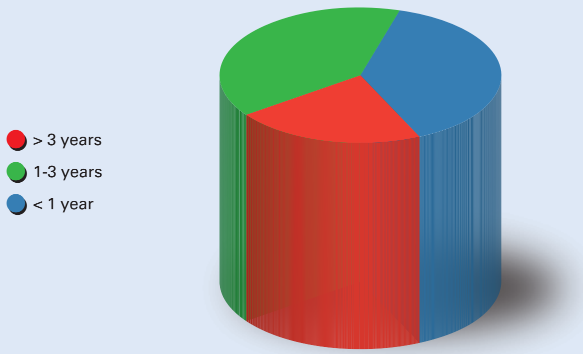


on stream next year. In Belgium, we will take the first phase of the expansion of the Vopak Linkeroever Terminal in Antwerp into use in May 2008. It has been built according to all the latest design standards and has 100,000 cbm of storage capacity, eight loading stations and three jetties, but the total capacity could be increased to 400,000 cbm. This new terminal will not only serve our customers in the chemical industry in the region but is also a response to the growing significance of tank storage in the Benelux as a distribution hub for Europe. Increasingly, the trend is for new industries in the Middle East to supply Rotterdam and Antwerp as transit ports for other locations in Europe.
In the United Kingdom, an additional 40,000 cbm will come on line at the Teesside Terminal in the course of 2008 for the storage and transport of biofuels, including bio-ethanol. Along with Vopak's existing terminals in London and Ipswich, where biofuels are already blended and transported, this expansion will strengthen Vopak's leading position in the UK biofuel market. The London terminal will also be expanded by 45,000 cbm. In the Netherlands, we expand at the terminal in Vlaardingen and will complete the construction of 156,000 cbm at Botlek in 2009.' The joint venture in Spain will expand with 14,000 cbm.

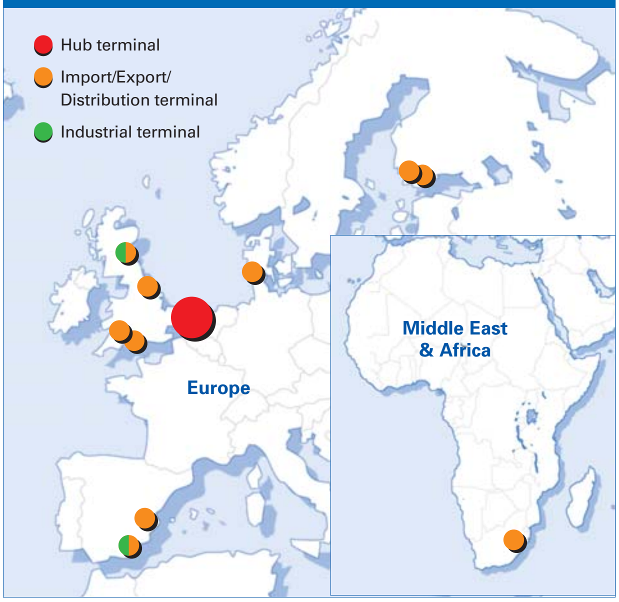
Key figures

In EUR millions	2007	2006
Income from services	324.2	296.6
Operating profit before depreciation and amortisation (EBITDA)	128.8	95.6
Operating profit (EBIT)	93.6	60.7
Average gross capital employed	703.5	698.1
Average capital employed	349.9	363.8
ROCE	26.8%	16.7%
Storage capacity	4,097,300	4,178,400
Capacity utilisation	96%	94%

Contract position



Map of terminals



Oil Europe, Middle East & Africa (OEMEA)

Effective response to increasing market demand

Highlights

- Excellent results thanks to continuing strong demand
- Better occupancy rate at good margins
- Sharp expansion of capacity
- New strategic partner for terminal in Estland found

Increasing demand thanks to continuing imbalance, higher product specifications

'The dynamism in the oil market and the demand for tank storage continued to be high in 2007', notes Frank Erkelens, president of the OEMEA division. 'There is still an imbalance as most oil is used in regions where it is not produced. In addition, demand is increasing as a result of the great range of product specifications for motor fuels, growth in biofuels (leading to shifts in the market and very great demand for storage in new locations) and increasing energy consumption in emerging countries. This is offering so many opportunities for growth that we have to set priorities. We made a start on this in 2006 by determining which regions we want to operate in and which activities we want to develop further. We further refined the blueprint in 2007.

Business Development strengthened further

'A team examines volumes and customer wishes by region, closely following global developments, to identify feasible projects. The Business Development department then moves this forward. This year, we strengthened this department in particular, so that we are able to grasp opportunities promptly as, if we do not act in time, someone else will. A piece of land in a port can only be used once and if we want to buy it, there has to be a timely, distinctive bid.'

Strengthening hub functions

'We worked on a number of very large projects in 2007. For example, we strengthened the north-western European hub function of Rotterdam-Europoort by a 440,000 cbm expansion for fuel oil and jet fuel, approximately half of which will be operational in 2008. Rotterdam is the marketplace where all the players come together to serve the fuel oil market. They supply local customers such as container ships in the port and power stations. Smaller quantities are also received for distribution in larger quantities or vice versa. The terminal also provides additional services, such as blending products to make the product suitable for different regions. The Biopetrol biodiesel plant in Botlek-Noord (Rotterdam, the Netherlands) came on stream at the end of the year. Vopak will store both feedstocks and final products. This co-operation is a good example of the further development of this terminal into a hub for biofuels. The concept offers a number of opportunities for further expansion and our ambitions for the next few years. 380,000 cbm of extra fuel oil capacity has been built in Fujairah (UAE) to strengthen its regional hub function, which will come on stream in early 2008. In Sweden 60.000 cbm storage capacity is added as well.

Change of direction in Baltic region

From its former partners Vopak acquired the remaining shares of Pakterminal in 2007. The strategy for this terminal, located in Tallin (Estonia) is currently under review, what resulted in the start of discussion with EOS Terminals, also located in Tallin, to form a jointventure. Subject to approval by authorities, this joint venture may be established in 2008.

Jet fuel

The hub for jet fuel in Gävle (Sweden) became operational at the beginning of the year. Fuel is brought in by ship and transported onwards by train. As an independent supplier, we are able to arrange this transport very efficiently, since we can combine shipments for several suppliers into a bulk train. Airports do not want to be dependent on just one company and the individual companies are not large enough to organise transport in such an economical way. This concept is so successful that customers have asked us to offer it in other locations.'

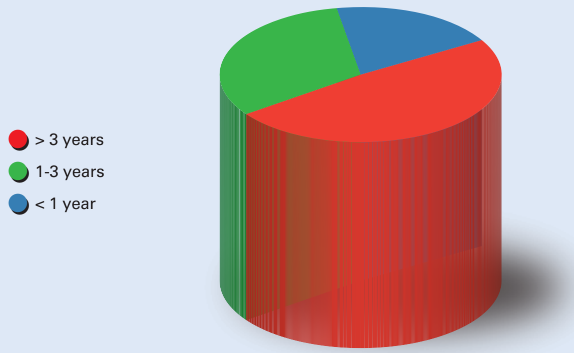
Key account management: service to customers

'To further raise the value that our services add for customers, we have taken great strides in key-account management. The number of activities that we develop with key accounts has grown sharply. Thanks to better understanding of the market, we can be of even greater service to our customers in locations where they themselves can grow. In other areas too, we have improved our service through various projects. For example, we implemented a project to reduce ship-handling times in Fujairah with the result is that our customers need the ships for less time and this increases customer satisfaction. We have also improved and organised the energy balance for the entire division.'

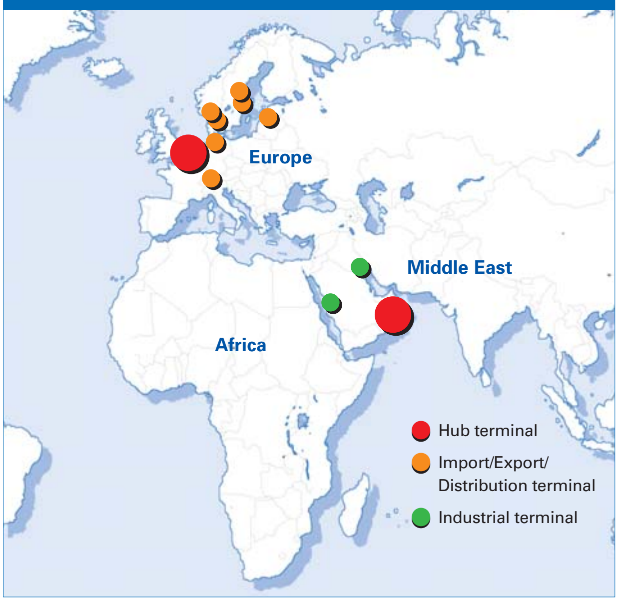
Key figures

In EUR millions	2007	2006
Income from services	**193.4**	165.1
Operating profit before depreciation and amortisation (EBITDA)	**96.4**	77.3
Operating profit (EBIT)	**81.0**	62.7
Average gross capital employed	**470.1**	426.2
Average capital employed	**159.5**	148.5
ROCE	**50.8%**	42.2%
Storage capacity	**9,824,400**	9,504,100
Capacity utilisation	**97%**	94%

Contract position



Map of terminals



Asia

Maintaining growth with continuing good results

Highlights

- Foundation established for further growth
- Learning organisation capitalising on experience
- Major expansion in 2007, more than 470,000 cbm
- Sixth terminal commissioned in China



Another good year

The market in Asia continues to be positive. Demand for oil and gas to fuel economic growth is still rising and that for chemical products is keeping roughly in step with the economic performance in the various countries. 'Vopak is responding to growing demand with more expansion and new construction projects', explains Paul Govaart, president of the Asia division. 'In Singapore, the largest market for bunkers in the world, we are continuing to expand our capacity and continue to be the largest storage company. We are also developing by entering new markets. This demands much of the organisation, but we are up to it. By investing a lot in training and development of our people, we have the know-how in house to develop and carry out these projects. Vopak is an attractive employer: international and with many opportunities for people who want to progress.'

Major expansion in new and existing locations

'Much of the growth in Asia came from bringing new terminals on stream and expansion of existing sites. Despite rising labour costs and raw material prices, we managed to achieve all the expansions on time and on budget. The largest volume increase, 165,000 cbm, was built at the Banyan terminal in Singapore and we are continuing to build there. In Australia, 75,000 cbm became available at the Site B terminal in Sydney for the storage of oil products for the major oil companies, and 10,870 cbm was added in Darwin for the storage of chemicals for the mining industry. In China, there was an additional 30,000 cbm in Lanshan for the storage of chemical products. In Ulsan (Korea), we commissioned 10,000 cbm additional capacity for chemical products and will increase the chemical capacity even further. A major expansion was taken into use in Map Ta Phut (Thailand), for chemical storage (55,600 cbm). In Vietnam, we acquired the remaining interest in the terminal in Ho Chi Minh City and a start was made on an initial expansion in anticipation of the rapidly growing market for chemicals in this area. Construction of an ethylene tank started in Port Quasim in Pakistan. A large amount of capacity for oil was added in Sebarok and Banyan in Singapore. Furthermore, capacity was added in Banyan and Penjuru specifically for chemicals and biofuel storage.In Singapore the total capacity will reach 3.0 million cbm in a few years. In China, we are developing a further expansion of Caojing, the first industrial terminal in this region where we are working with several partners.'

Vopak's first steps in Indonesia

'At the end of 2007, we took a new step in Vopak's strategy when we signed a joint-venture agreement to develop and operate a storage terminal for oil products in the port at Tanjung Priok. Vopak Jakarta Terminal is Vopak's first project in Indonesia. We will offer terminal facilities of an international standard to various participants who wish to make use of increasing deregulation of the sale and distribution of oil products. The state company currently distributes subsidised oil products, but deregulation is moving fast. This makes the oil sector in Indonesia attractive to major international oil companies. The change to an open market will attract a range of market parties that need storage and transport companies for the distribution of their goods. Tanjung Priok is an important place for them. The port is located strategically for the large sales markets in Jakarta and its 14 metre draft allows

large oil tankers to use the terminal. We will develop the total 450,000 cbm capacity of the terminal in two phases. The first phase is for 250,000 cbm storage capacity and two jetties which are expected to come on stream in the second half of 2009.'

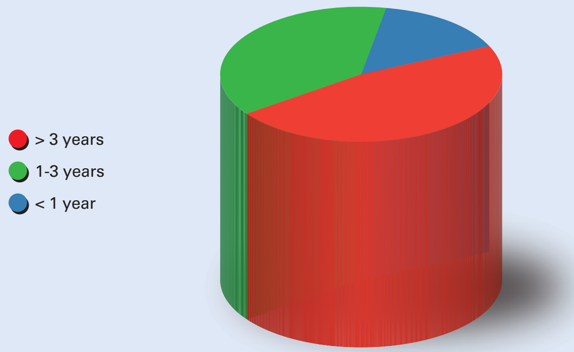
Zhangjiagang terminal: building on success in Asia

'In mid-2007, a new terminal for chemical products was commissioned in Zhangjiagang following a construction period of eleven months. It has an initial storage capacity of 124,600 cbm and is the sixth terminal in China, but the first that is wholly owned. This terminal was developed without the help of partners and built by local contractors. And all within budget, on time and without accidents. The terminal is already being expanded by 85,000 cbm in order to take on a significant hub function for methanol in that area. However, the end of the expansion is not yet in sight. The Zhangjiagang terminal is in an economically strategic position on the Yangtze River, in the heart of the Yangtze delta, one of the key motors of the Chinese economy. As a result, it is the gateway to Eastern China; a region of considerable commercial and industrial importance.'

Key figures

In EUR millions	2007	2006
Income from services	136.8	121.4
Operating profit before depreciation and amortisation (EBITDA)	103.6	96.5
Operating profit (EBIT)	78.8	74.9
Average gross capital employed	658.7	581.7
Average capital employed	439.7	372.3
ROCE	17.9%	20.1%
Storage capacity	4,817,900	4,333,900
Capacity utilisation	97%	98%

Contract position



Map of terminals

North America

Highlights

- Concentration on core activities completed
- Focus on capacity expansion, optimisation and efficiency
- Result significantly improved

Focus on improving results is bearing fruit



Growth from energy-related storage

In 2007, Vopak North America continued developing its optimisation policy using a two-track approach: growth from the existing organisation and focus on efficiency leadership, particularly by further automation and modernisation. The final non-core activities, relating to waste processing in South Carolina and railway wagon cleaning in Texas and Georgia, were sold. These sales completed the strategic reorientation which had the aim of concentrating Vopak's activities in the United States entirely on tank storage. 'The income which disappeared as a result of this is being more than made up by increased income from our core activities', explains Pieter Bakker, president of the North America division. 'This higher income comes mainly from energy-related storage (especially biofuels). There is every indication that the trend will continue in the next few years.'

Political boost to the biofuels market/organic growth

'In North America, we are benefiting from political decisions which put emphasis on bio-energy products such as bio-ethanol and biodiesel. This development started in California and Florida but is now continuing throughout America. The federal government has set minimum biofuel percentages and local governments are supporting the programme. This brings increasing demand for our services: the storage of components and the blending of components with the product and the storage and handling of finished goods.

In the next few years, in addition to energy-related products, growth will be in oil products such as fuel oil, jet fuel and gasoline. Buying new locations and making acquisitions is very expensive in the United States. We still have considerable growth potential at almost all of our existing terminals. We can certainly still achieve capacity growth at our own sites with the modifications to the infrastructure and efficiency improvements we are now making. This will be used almost exclusively for the energy sector.'

Major steps taken in the East coast region

'Our opportunities in energy-related business are mainly on the East coast. In 2007, we expanded capacity in Savannah by 11,100 cbm and ran for a year with terminal utilisation of almost 100%. Biodiesel, bio-ethanol and chemicals are going well and we still have excellent opportunities for expansion at the existing site. We have also implemented a thorough improvement operation in Savannah, with underground pipelines being replaced by overground pipes. This has strongly improved risk and integrity management during maintenance. In Wilmington, we entered into a long-term contract with a biodiesel factory that is renting the remaining storage capacity of the terminal.'

Market demand continues to encourage growth

'In the Gulf coast region, we want to expand further in Houston to respond to increased demand for chemical storage and distribution. We will initially build additional jetty capacity to improve the service level to existing customers and to accommodate the expansion. The licences have been applied for and we expect to start construction next year. In addition, an efficiency project has started in Deer Park (Houston) including automation, and we are building new facilities in Galena Park (Houston). This capacity will be ready next year and used for the storage of biodiesel and energy-related products. The Westwego terminal in Louisiana was sold when its licence expired, resulting in a book gain.

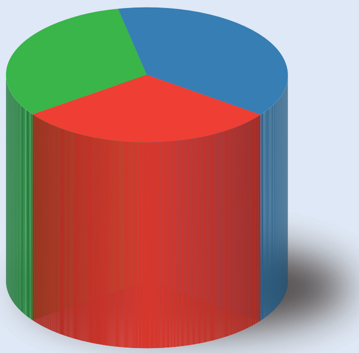
In the West coast region, Vopak plays a significant role in the markets for bunker and low-sulphur fuel oil. There is enormous demand for storage capacity, especially for low-sulphur diesel and biodiesel products. We are looking for expansion opportunities here but this will take a lot of time because of the many procedures. On the other hand, this difficult process also contributes to a level playing field, with everyone having the same problems.

The fourth region, Canada, has reorganised. We have two terminals, in Montreal, mainly for chemicals, and in Hamilton, for oil products.'

Key figures

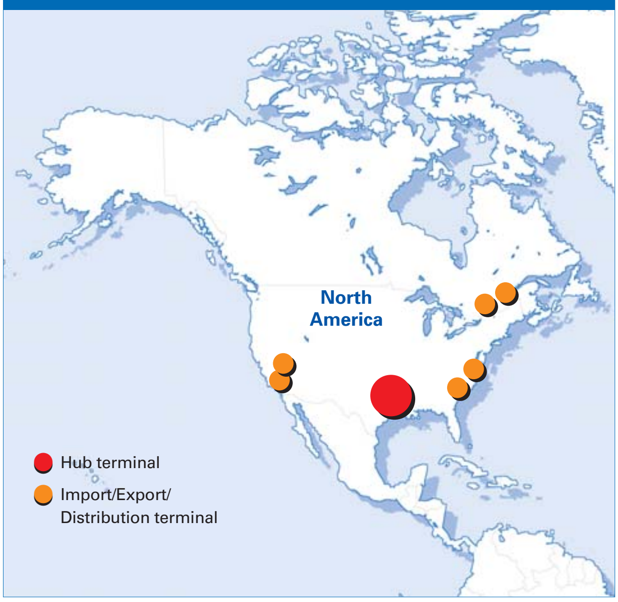
In EUR millionn	2007	2006
Income from services	**130.4**	128.2
Operating profit before depreciation and amortisation (EBITDA)	**48.5**	37.2
Operating profit (EBIT)	**37.0**	24.4
Average gross capital employed	**294.8**	321.4
Average capital employed	**140.9**	159.7
ROCE	**26.3%**	15.3%
Storage capacity	**2,257,800**	2,370,500
Capacity utilisation	**96%**	96%

Contract position



> 3 years
1-3 years
< 1 year

Map of terminals



Latin America

Continuing steady performance

Highlights

- Stable growth in chemicals
- Higher growth in storage of edible products
- Strong organisation builds for future growth




Significant steps again taken along the route to growth

'The network that Vopak has built up in Latin America allows us to fully benefit from the current explosive growth in exports of edible oils from that continent and the gradual growth in chemicals, which is moving in line with the economic performance,' says Eelco Hoekstra, president of the Latin America division. 'There are two reasons for the rapid growth in the volume of edible oils which various Latin American countries produce. One is the increasing demand for biofuel. The other is the continuing trend towards healthy food; consequently, producers of foodstuffs increasingly need vegetable oils to replace transgenic fats which are regarded as unhealthy. There is almost no trading function in chemicals in Latin America, unlike in other continents. As a result, this sector is displaying a stable import pattern that moves in step with gross national product in the different countries. As the economy grows, demand increases at the same rate. The expansion that Vopak is creating is in line with growth in the local market.

For customers in this region, Vopak is an international party which gives a comfortable feeling, as Vopak uses the same strict high standards around the world, including for integrity. Ensuring that customers are offered the same at each Vopak site is, therefore, a very significant point of attention.'

Enhance customer leadership with 'one environment'

'In 2006, we worked mainly on the outside, with the "branding", the same style, and one communication platform. We built on this in 2007 by focusing on standardising processes and procedures. The aim is to offer our customers 'one environment' throughout the network: the same service level, same reliability, same ease, same transparent reporting everywhere. Our wish, the key to our approach, is to work with the customer and we want to prove this.'

Customers feel comfortable with Vopak Values

'A relatively new development for Latin America is the growth of intra-regional flows. These come directly from growth in the large regional producers of edible oils. Argentina is producing increasingly more soya oil and Colombia increasingly more palm oil. These products also go to countries including Brazil and Venezuela via our import terminals. We have a Colombian customer who uses storage facilities in Mexico and Chile. As a result they and we make better use of the Vopak network. The secret of this success is a combination of Latin spirit - a human and completely natural manner of dealing with customers - and Vopak's integrity and reliability. This gives customers a comfortable feeling. We saw this for example, when Hurricane Dean hit Mexico. We implemented a disaster plan and let our customers know what we all should do to avoid or limit damage. This was much appreciated. "We are pleased that we do business with you", emailed one of our customers.'

Growing with the market

'As noted above, production of biofuel in particular is growing explosively in Latin America and we aim to grow at a fast rate. During the year, an expansion of 31,700 cbm in Altamira (Mexico) was prepared and will mainly be commissioned in

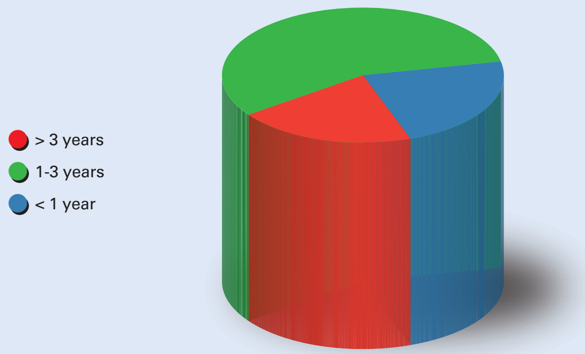
2008. With a view to Venezuela's role as a soya importer, we are expanding capacity for this product in Puerto Cabello by 20,000 cbm. Our chemical capacity in San Antonio (Chile) is being expanded by more than 9,000 cbm. In Alemoa (Brazil) we are constructing further capacity expansion in 2009 with 37,200 cbm.

In recent years, we have built up an excellent position in Latin America. We are clearly different from local players and are well on the way to achieving the growth ambition.

Key figures

In EUR millions	2007	2006
Income from services	63.7	61.8
Operating profit before depreciation and amortisation (EBITDA)	27.7	26.5
Operating profit (EBIT)	21.1	19.9
Average gross capital employed	121.9	116.2
Average capital employed	81.9	82.0
ROCE	25.7%	24.2%
Storage capacity	836,800	837,400
Capacity utilisation	86%	86%

Contract position



Map of terminals

Risks and risk management

Introduction

Vopak continually seeks the right balance between effective and professional entrepreneurship and effective control of the strategic, market, operational and financial risks arising from ordinary business activities. Vopak applies the COSO Enterprise Risk Management Framework 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. Joint ventures are included in this. The identified risks and controls are set out in a 'risk register' that is available to management and the Executive Board. The management teams regularly discuss the risks and measures taken and include them in their quarterly reporting. Risks and progress on new measures to be taken are also covered in quarterly meetings with the Executive Board.

Scenarios which could have a significant adverse impact on our financial results are analysed. Examples of such risks are:

- political upheaval in regions relevant for Vopak, resulting in a country boycott;
- 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 and we can also concentrate on achieving opportunities for growth and implementing efficiency improvements.

Our standards and values were communicated and awareness of them promoted on the introduction of the Vopak Values. Commercial, operational and financial excellence programmes have 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 addition to opportunities for growth associated with the increasing demand for storage services Vopak has identified the following main strategic and market risks:

Competition, concentration and customer satisfaction

Further globalisation of the oil market requires a worldwide Vopak network offering a high degree of added value. In this context, the use of the Vopak brand name - representing safety and recognisable high-quality services - is an important tool for customer relationship management. There is a risk that actions by existing competitors or newcomers to the market adversely affect Vopak's long-term or short-term market and financial positions. Competitive risk is reduced by our attention to an outstanding level of service for our customers and by concluding long-term contracts covering services, service levels and prices. Prices can remain competitive through innovative and effective cost management and projects to review and benchmark the operational efficiency of terminals. Processes and information systems are increasingly being standardised, professionalised and optimised to ensure customer satisfaction into the future. In addition, a global customer satisfaction survey will be carried out in 2008.

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. However responding to favourable local market conditions with short-term contracts can produce a good reward in terms of higher returns on the entrepreneurial activities of Vopak

Capacity and market sensitivity

There is a potential 'opportunity loss' if Vopak is unable to meet customer demand because of insufficient storage capacity. In general terms, the opposite is also possible; during an economic downturn, there is a risk of surplus capacity relative to the demand for tank storage, which would have an adverse effect on results. The geographical distribution of 74 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 product developments, 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 sites and acquisitions. Management consistently and continually reviews these developments to fine-tune the strategy where necessary.

Staff

Recruitment and development of staff and an appropriate remuneration policy are key priorities in terms of achieving our ambitious growth target and also preventing inefficient and ineffective management of the many parallel projects. Consequently, we have specifically incorporated HR information and policies in 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 ensure proper staffing in the short and medium term. These succession and staffing plans are co-ordinated centrally for senior management positions.

Politics, government and changing regulation

Changing governments and a delicate political climate along with stricter and increasing regulation may affect the financial results or lead to the delay of further growth. Vopak closely monitors political developments and changes in legislation and regulations in the countries where it operates. These political, legislative and regulatory changes are recurring agenda items at progress meetings between local and divisional management. The Executive Board regularly updates and evaluates the global risk list using information from both internal and external experts. International Protection Agreements apply between the Netherlands and the majority of the countries where Vopak conducts business. Country risk is always taken into account in the cost of capital when making an investment decision. Any potential impairment risks are assessed regularly.

Operational risks

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

Safety and environment

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

In addition, Vopak has implemented a wide range of specific measures aimed at restricting and managing operational risks. The Operational Excellence section (page 19) discusses in detail the way in which Vopak approaches environmental and safety standards, terminal maintenance and the associated risks. Vopak makes sufficient resources available to mitigate these risks.

Rendering of Services

If Vopak is unable to handle customers' products safely and properly and therefore cannot provide the required service to its customers at the desired level, this could lead to complaints, claims, notices of liability, or loss of income, market share and reputation. This risk is primarily managed 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 regularly by Terminal Health Assessments, internal audits and customers' audits. 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 implement new and often complex projects. Furthermore, experiences are recorded and review sessions are organised to share knowledge gained during projects with other project teams. An investment procedure with supporting tools and clear responsibilities for the different levels of management in the organisation completes the internal governance model.

ICT

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

The rendering of services to customers can be adversely affected by ICT systems with sub-standard availability and quality. Vopak has set up a professional governance model to monitor the entire ICT performance and take remedial action if necessary. The effectiveness of the ICT governance model is regularly tested, for example by having network security scanned externally and by implementing and testing an updated disaster and recovery plan. The ICT environment has been examined with the assistance of an external consultancy bureau. The overall conclusion was that the existing system provides an extremely robust basis for Vopak's further growth strategy. Training requirements have been identified in the PEPI-Lift project and standardisation of processes has been initiated and partly implemented.

ICT is identified as a significant supporting 'enabler' in strategic projects, with 'ICT realignment', 'ICT support tools' and 'business intelligence' receiving additional attention.

Financial risks and financial reporting risks

Vopak's reliable financial reporting is the result of dependable systems, clear procedures, internal controls, analyses and segregation of duties applied by honest and reliable professionals and rounded off by appropriate audit efforts. Follow up of findings from internal and external audits are discussed with terminal and divisional managers each quarter. Vopak devotes considerable attention to all these matters and to continuous improvement through the Maturity Profile 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 a brief report immediately after the end of the month, regular monthly and quarterly reporting and, of course, the year-end closing. As part of this cycle, actual results are compared against agreed plans and budgets. The reports and related discussions are not limited to the financial results, but also encompass Key Performance Indicators on operational, staff and commercial matters. 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 a supervisory capacity paying particular attention to these 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 continuous application and optimisation of the internal control procedures. The relevant employees at all terminals are thoroughly tested on their knowledge of IFRS and where there is room for improvement, the employee concerned is given help and enrolled on supplementary training programmes. This programme will be continued in 2008.

Each year, terminal and divisional managers assess the structure and effectiveness of their risk management and internal control systems. The Control Risk Self-assessment questionnaire used for this is also a key tool for the internal Letter of Representation. The answers in the questionnaires and Letter of Representation are discussed with the Executive Board. Any action plans are followed up in the standard planning and control cycle and examined in internal audits.

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 in acceptable finance costs. Vopak uses derivative financial instruments to manage the risk of foreign currencies and interest-rate fluctuations on cash flows, equity and income. Derivatives are used only for that purpose and no speculative positions are taken. The principal derivative financial instruments employed are forward exchange contracts, interest rate swaps and cross-currency interest-rate swaps. The treasury policy and standards, updated in 2006 in close collaboration between terminals, divisions and Corporate Treasury, have been maintained in full. Pages 69 to 74 of the financial statements gives notes on these risks. Vopak keeps a database of guarantees issued.

Legislative and regulatory risks

Vopak is a decentralised company with a clear network strategy and branches in 30 countries. The company initiates regular local external audits of its compliance with laws and regulations. The Corporate Tax department regularly visits divisional offices and terminals to discuss tax positions, increase awareness and management of these positions and ensure smooth communications between terminals, the division and the Corporate Tax department. Guidelines for dealing with tax issues were updated and implemented in the organisation during the year. Vopak also maintains a compliance database.

Management reporting

The Executive Board is responsible for the development, implementation and 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.

Please see pages 42 to 44 of this report for a description of Vopak's risk management and the key changes to the risk management and control systems discussed by us during the past year with the Audit Committee and the Supervisory Board. Integral components of our risk management policy are the internal Letters of Representation issued by divisional and terminal management, regular self-assessments, quarterly discussions with divisional 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 at least the same level of internal control and reliability of financial reporting in 2008. The financial statements therefore provide a true and fair view of the financial position at 31 December 2007 and of the result of the company's activities for the year then ended, 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. Furthermore, the systems cannot prevent all human errors of judgement and mistakes. It is also inherent that in business cost-benefit assessments must always be made for the acceptance of risks and the implementation of controls.

We continue to further improve and optimise our internal risk management and control procedures. In that context, minimum standards were introduced for all relevant business processes in 2007.

Rotterdam, 6 March 2008

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

Information for shareholders

Information per ordinary share of EUR 1.00

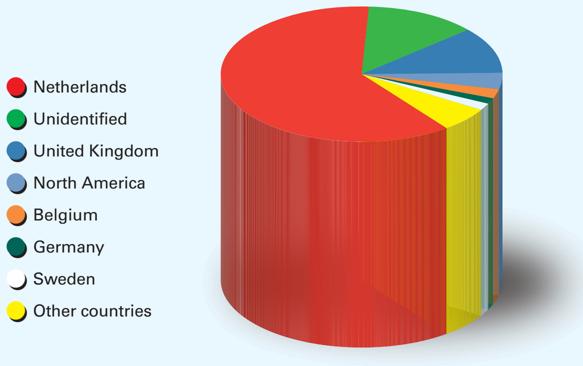
In EUR	2007	2006
Earnings	2.90	2.08
Earnings excluding exceptional items	2.62	1.96
Shareholders' equity*	12.56	9.93
Dividend (proposal 2007)	0.95	0.75
Pay-out ratio	33%	36%

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

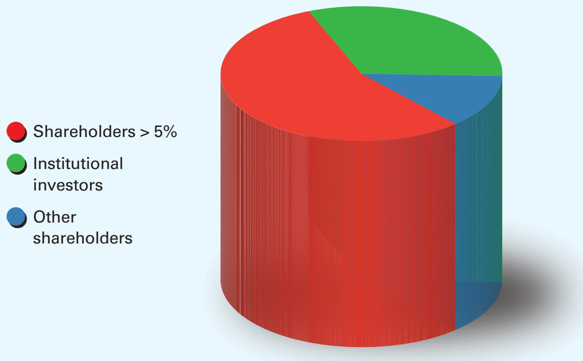
Number of shares outstanding

	2007	2006
Weighted average	62,367,231	62,310,327
Weighted average, diluted	62,403,855	62,383,558
At year-end	62,450,656	62,450,656

Geographical distribution of shares outstanding (%)



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
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 Financieringspreferente Aandelen Vopak			6.19% [4]	01-11-2006

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

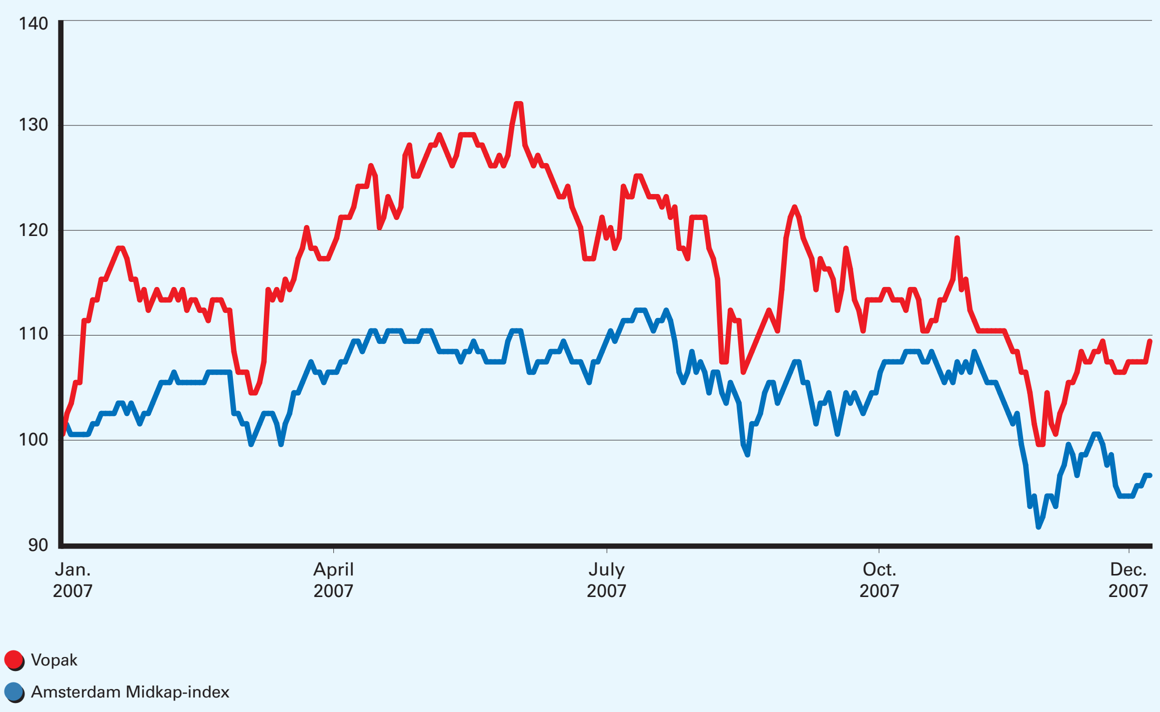
Investor Relations policy

Vopak conducts an open information policy for investors and other parties interested in the status (financial and otherwise) of the company. The purpose is to inform these stakeholders as fully and as promptly as possible about the company's policies and changes within the company. Vopak actively seeks a dialogue with its investors. Members of the Executive Board and Investor Relations department held more than 250 discussions with current or potential investors during 2007. The guidelines followed by Vopak in this 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-year 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-year results. Following the publication of the annual and half-year 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 analysts' meetings on the annual and half-year results in the form of webcasts.
Investors and their advisers can put their questions directly to Mr Rolf Brouwer, Director Corporate Communication & Investor Relations, telephone +31(0)10 400 27 77. E-mail: rolf.brouwer@vopak.com.

Financial calendar

7 March 2008	- Publication of 2007 full-year results
22 April 2008	- Publication of 2008 first-quarter results in the form of a *trading update*
24 April 2008	- Annual General Meeting
28 April 2008	- Ex-dividend quotation
30 April 2008	- Record date
2 May 2008	- Dividend payable
28 August 2008	- Publication of 2008 first half-year results
7 November 2008	- Publication of 2008 third-quarter results in the form of a *trading update*

Share price movement 2007 (%)



Corporate Governance

Introduction

Vopak complies with the majority of the principles and best practices laid down in the Dutch Corporate Governance Code (the 'Code'). The number of exceptions to the best practice provisions in 2007 remained unchanged from 2006. The exceptions are explained below. For our stakeholders and in accordance with prior recommendations of the Monitoring Committee Corporate Governance Code (the 'Monitoring Committee'), we include transparent, specific and concise information on the various risks and the manner in which the organisation manages these risks in our external accountability and reporting on risks and risk management. We have closely monitored the results of the consultative sessions on the preparation and effectiveness of the General Meeting of Shareholders (the 'General Meeting') recently initiated by the Monitoring Committee as well as the dialogue between the company and its shareholders.

Structure and policy

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

The Executive Board is responsible for the management of the company and hence for the 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 company within the meaning of the Large Companies Act, it is exempted from the provisions of that Act. The Supervisory Board has been carefully selected to ensure inclusion of members with a background and experience in the areas relevant to the core business of Vopak, and with experience in the foreign markets on which Vopak operates. Their experience ranges from economic, financial 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 and 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, and significant amendments to the policy are subject to its approval. The General Meeting also sets the remuneration of the members of the Supervisory Board.

The remuneration of the members of the Executive Board is set by the Supervisory Board on the basis of a proposal from the Remuneration Committee, in accordance with the remuneration policy adopted by the 2007 General Meeting. The 2007 General Meeting approved proposals to amend the remuneration policy regarding the short-term variable remuneration of Executive Board members for 2007 and 2008 and the long-term variable remuneration after 2007.
Recent legislative changes to encourage the use of electronic communications in decision-making have not yet led to amendments to Vopak's Articles of Association. Vopak is following developments on this subject. Vopak will continue to facilitate proxy voting. Vopak makes use of the ability provided by its Articles of Association to set a registration date for the exercising of voting and attendance rights.

The Dutch Corporate Governance Code

Vopak has evaluated its corporate governance structure against the Code and concluded that it satisfies the principles and best practice provisions of the Code. The three exceptions below to the best practice provisions of the Code applied in 2007 and will also apply in 2008. At present, there is no reason to assume that further exceptions will apply in the near future.

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

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

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

Two members of the Supervisory Board, Mr van der Vorm and Mr van den Driest, do not currently satisfy all independence criteria of the Code, which is not in accordance with this best-practice provision. The Supervisory Board and the Executive Board are of the opinion that both gentlemen offer considerable added value to the Supervisory Board. Regarding Mr van der Vorm, this added value particularly consists of his capabilities, knowledge and experience in managing and investing in internationally operating companies. For Mr van den Driest, his knowledge of logistic services, tank storage activities, the Port of Rotterdam and familiarity with the company, which he acquired over many years in different capacities, most recently as Chairman of the Executive Board, in particular have considerable added value for the Supervisory Board.

Regulations

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

The regulations are:
- Regulations of the Executive Board
- Regulations for the Supervisory Board
- Regulations of the Audit Committee of the Supervisory Board
- Regulations of the Remuneration Committee of the Supervisory Board
- Regulations of the Selection and Appointment Committee of the Supervisory Board
- Regulations for 2007 in respect of the ownership of and transactions in Vopak shares and certain other financial instruments as amended on the basis of the Act on Financial Supervision. Vopak also maintains the Insider Lists specified by this Act.
- Regulations on suspected irregularities ('whistle-blower regulation')

The following items also appear on the website:
- Information on the members of the Executive Board and Supervisory Board and the membership of the core committees
- Profile of the Supervisory Board
- Retirement schedule for the Supervisory Board members
- Retirement schedule for the Executive Board members
- Code of Conduct
- Remuneration report, containing the main points of the remuneration policy
- Report of Stichting Administratiekantoor Financieringspreferente Aandelen Vopak
- Management 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 100% of the share capital issued at that time to third parties in the form of ordinary and financing preference shares, less one ordinary share.

Vopak and Stichting Vopak further 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 object of Stichting Vopak is to promote the interests of Vopak and of the enterprises undertaken by Vopak and companies affiliated to the Vopak group, in such a way that the interests of Vopak and of those enterprises, and of all stakeholders are safeguarded to the greatest possible extent and, to the best of its ability, to resist influences which, opposing those interests, could impair the independence and/or continuity and/or the identity of Vopak, and those enterprises, and to undertake all actions relating to or conducive to the above objectives. The Board of Stichting Vopak therefore determines whether and when it is necessary to issue the defensive preference shares.

The anti-takeover measures outlined can be taken in, for example, a takeover situation if taking them is in the interests of Vopak to establish its position in respect of the hostile party and its plans, and to create opportunities for seeking alternatives. The anti-takeover measures will not be applied to protect the position of the Executive Board. As necessary, Vopak reviews its anti-takeover measures against implementation acts enacted from time to time pursuant to EU directives.

2007
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Consolidated income statement

In EUR millions	Note		2007		2006
Income from rendering of services		**853.0**		778.1	
Other operating income	2	**30.5**		3.3	
Total operating income			**883.5**		781.4
Personnel expenses	3	**245.0**		239.9	
Depreciation, amortisation and impairment	4	**107.3**		93.3	
Other operating expenses	5	**277.4**		267.6	
Total operating expenses			**629.7**		600.8
Operating profit			**253.8**		180.6
Result of joint ventures and associates					
using the equity method	6		**38.4**		36.0
Group operating profit			**292.2**		216.6
Interest and dividend income	7	**7.0**		6.8	
Finance costs	8	**- 49.9**		- 51.0	
Net finance costs			**- 42.9**		- 44.2
Profit before income tax			**249.3**		172.4
Income tax	9		**- 51.2**		- 25.5
Net profit			**198.1**		146.9
Attributable to:					
- Holders of ordinary shares		**181.1**		129.4	
- Holders of financing preference shares		**1.8**		2.5	
- Minority interests		**15.2**		15.0	
Net profit			**198.1**		146.9
Earnings per ordinary share	11		**2.90**		2.08
Diluted earnings per ordinary share	11		**2.90**		2.07

Consolidated balance sheet at 31 December

In EUR millions	Note		2007		2006
ASSETS					
Intangible assets	12		62.6		40.7
Property, plant and equipment	13		1,385.0		1,090.7
Joint ventures and associates	14	204.6		203.4	
Loans granted	16	15.3		18.9	
Other financial assets	17	0.8		0.8	
Financial assets			220.7		223.1
Deferred taxes	18		16.3		21.0
Derivative financial instruments	31		3.0		2.7
Pensions and other employee benefits	28		75.4		66.3
Other non-current assets	19		17.6		17.0
Total non-current assets			1,780.6		1,461.5
Trade and other receivables	20	189.1		184.9	
Loans granted	16	0.5		21.1	
Prepayments		17.6		20.3	
Derivative financial instruments	31	3.7		3.2	
Cash and cash equivalents	21	136.4		117.9	
Assets held for sale	22	5.1		11.4	
Pensions and other employee benefits	28	0.1		0.3	
Total current assets			352.5		359.1
Total assets			2,133.1		1,820.6

In EUR millions	Note		2007		2006
EQUITY					
Issued capital	23	**81.9**		81.9	
Share premium	23	**165.2**		178.2	
Treasury shares	23	**- 0.9**		- 1.7	
Other reserves	24	**10.9**		- 5.5	
Retained earnings	25	**552.6**		418.1	
Shareholders' equity			**809.7**		671.0
Minority interests	26		**70.2**		64.2
Total equity			**879.9**		735.2
LIABILITIES					
Interest-bearing loans	27	**624.6**		472.6	
Derivative financial instruments	31	**26.5**		36.3	
Pensions and other employee benefits	28	**54.5**		69.5	
Deferred taxes	18	**111.7**		98.1	
Other provisions	29	**28.9**		22.6	
Total non-current liabilities			**846.2**		699.1
Bank overdrafts	21	**26.1**		29.5	
Interest-bearing loans	27	**47.6**		41.5	
Derivative financial instruments	31	**22.0**		44.2	
Trade and other payables	30	**259.4**		227.0	
Taxes payable		**39.0**		28.0	
Pensions and other employee benefits	28	**3.3**		3.7	
Other provisions	29	**9.6**		12.0	
Liabilities related to assets held for sale	22	**–**		0.4	
Total current liabilities			**407.0**		386.3
Total liabilities			**1,253.2**		1,085.4
Total equity and liabilities			**2,133.1**		1,820.6

Consolidated cash flow statement

In EUR millions	Note		2007		2006
Cash flows from operating activities (gross)	33	**334.5**		285.7	
Interest received		**9.9**		5.1	
Dividend received		**0.4**		0.4	
Finance costs paid		**- 45.0**		- 38.5	
Income tax paid		**- 36.6**		- 27.4	
Cash flows from operating activities (net)			**263.2**		225.3
Investments:					
- Intangible assets	12	**- 4.6**		- 4.4	
- Property, plant and equipment	13	**- 389.9**		- 228.3	
- Joint ventures and associates	14	**- 6.2**		- 11.3	
- Loans granted	16	**- 7.4**		- 16.9	
- Other non-current assets		**- 2.1**		- 0.8	
- Acquisition of subsidiaries including goodwill (see page 77)		**- 35.5**		- 5.9	
Total investments			**- 445.7**		- 267.6
Disposals:					
- Intangible assets		**0.1**		0.6	
- Property, plant and equipment		**0.7**		2.7	
- Joint ventures and associates		**4.8**		0.2	
- Loans granted	16	**29.6**		31.6	
- Subsidiaries		**34.2**		–	
- Assets held for sale		**7.3**		–	
Total disposals			**76.7**		35.1
Cash flows from investing activities			**- 369.0**		- 232.5
Financing activities:					
- Repayment of interest-bearing loans	27	**- 113.9**		- 2.5	
- Proceeds from interest-bearing loans	27	**346.2**		44.8	
- Share premium paid to holders of					
financing preference shares	23	**- 13.0**		- 13.0	
- Dividend paid in cash	25	**- 46.7**		- 37.5	
- Dividend paid on financing preference shares	25	**- 2.5**		- 3.0	
- Options exercised	32	**0.8**		0.5	
- Movements in short-term financing		**- 39.6**		- 46.9	
Cash flows from financing activities			**131.3**		- 57.6
Net cash flows			**25.5**		- 64.8
Exchange differences			**- 2.8**		- 2.6
Net change in cash and cash equivalents due to (de)consolidation			**- 0.8**		0.1
Net change in cash and cash equivalents (including bank overdrafts)			**21.9**		- 67.3
Net cash and cash equivalents (including bank overdrafts) at 1 January			**88.4**		155.7
Net cash and cash equivalents (including bank overdrafts) at 31 December	21		**110.3**		88.4

Consolidated statement of recognised income and expense in equity

In EUR millions		2007		2006
Exchange differences and effective portion of hedges on				
net investments in foreign activities	**- 5.9**		- 18.8	
Use of exchange differences and effective portion of hedges on				
net investments in foreign activities	**1.1**		- 0.5	
Effective portion of changes in fair value of cash flow hedges	**1.2**		0.6	
Use of effective portion of cash flow hedges to income statement	**5.4**		4.6	
Revaluation of assets	**12.8**		–	
Total income and expense recognised directly in equity		**14.6**		- 14.1
Net profit		**198.1**		146.9
Total recognised income and expense		**212.7**		132.8
Attributable to:				
- Holders of ordinary shares	**198.4**		117.6	
- Holders of financing preference shares	**1.8**		2.5	
Total recognised income and expense attributable to shareholders		**200.2**		120.1
- Minority interests		**12.5**		12.7
Total recognised income and expense		**212.7**		132.8

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 2007 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 6 March 2008 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 2007
IFRS 7 (Financial instruments: disclosures) and the amendments to IAS 1 (Presentation of Financial Statements: capital disclosures) became effective as from 1 January 2007. IFRS 7 introduces new reporting requirements to enhance 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. Vopak fully applies these transparency requirements.

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 2007 and 2006 financial years.

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

IFRIC 14 gives general guidance on how to assess the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. If a pension plan is in deficit on a finance basis (i.e. not on an IAS 19 basis), IFRIC 14 provides an explanation of when a supplementary liability should be recognised for this deficit in addition to the IAS 19 liability/asset. This change in accounting policy will become effective as of 1 January 2008. Although the European Union has not yet approved the change, it negatively affected shareholders' equity at 1 January 2008 by EUR 2.6 million (after tax) and will have a negative effect of EUR 0.4 million on net profit for 2008.

The other changes in standards and new interpretations effective as from 1 January 2008 have no significant impact on the Group's basis of consolidation and disclosure requirements.

Basis of preparation

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

Preparing the consolidated financial statements in accordance with IFRS means that the Group must use insights, estimations and assumptions that could affect the reported assets and liabilities and the information provided on contingent assets and liabilities as at the 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 2007 and 2006 by all entities.

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. The 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 125 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. When an interest in a joint venture or associate is sold, the gain on the sale is recognised under Result of joint ventures and associates using the equity method.

For a list of the principal joint ventures and associates, please refer to page 125 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 company'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. The exchange differences taken to the exchange difference reserve are recognised in the income statement on a pro rata basis upon sale or redemption of the hedged net investment.

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

EUR 1.00 is equivalent to	Closing exchange rate		Average exchange rate	
	2007	2006	**2007**	2006
US dollar	**1.46**	1.32	**1.37**	1.26
Singapore dollar	**2.10**	2.02	**2.06**	1.99
Chinese yuan	**10.65**	10.30	**10.42**	10.01
Brazilian real	**2.60**	2.82	**2.66**	2.73

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.

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

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 income benefits are 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 of other financial assets 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, except for impairments, 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 intangible assets also comprise contractual customer relationships and favourable leases ensuing from acquisitions. These are carried at their initial market value at the time of the acquisition, net of straight-line amortisation and impairments. Amortisation is based on a period of five to thirty years, which is the term of the contract or the term of validity.

Other items are mainly 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 of the assets.

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
- Machinery, equipment and fixtures	3 - 10 years

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

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

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

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

Impairment of assets

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

For 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 indications of a change in realisable value. 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 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.

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 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 as finance costs.

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

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

Equity

Share capital

The transaction costs of an equity transaction are 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, plus or 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 at the beginning of the financial year 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 IAS 19 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 obligations will entail a cash outflow. If timing is significant, the size of the provision is based on the expected future cash flows discounted at a pre-tax rate that reflects the current market rate of interest as well as the specific risks associated with the liabilities.

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

A provision for 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. The unavoidable costs reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling the obligations under the contract and any compensation or penalties arising from failure to fulfil it.

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.

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 sheet items into euros, Vopak's reporting currency.

Each quarter, currency risks are identified and the hedging strategy is reviewed and subsequently presented to the Executive Board for approval. The treasury department 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.

Translation risk arising from the conversion of the results into euros

For Vopak, the translation risk of converting the net result of foreign entities into euros mainly concerns the Singapore dollar (SGD) and the US dollar (USD). This translation risk was not hedged in 2007 and 2006. The sensitivity to these currencies is as follows.

A 10 dollar cent change in the EUR/USD exchange rate approximately affects Vopak's figures as follows (based on figures for 2007):

- Income from rendering of services would differ EUR 11.4 million.
- Group operating profit (EBIT) would differ EUR 3.5 million.
- Net profit would differ EUR 2.2 million.

A 10 dollar cent change in the EUR/SGD exchange rate approximately affects Vopak's figures as follows (based on figures for 2007):

- Income from rendering of services would differ EUR 4.8 million.
- Group operating profit (EBIT) would differ EUR 2.2 million.
- Net profit would differ EUR 1.5 million.

Translation risk arising from the conversion of the balance sheet items into euros

Net investments in foreign activities are, in principle, hedged by loans in the same currency, supplemented by cross currency interest rate swaps and forward exchange contracts where necessary, while applying hedge accounting.
The amount of the hedge is determined mainly by the expected net financing position/EBITDA ratio of subsidiaries for the next three years, taking into account the tax effects and hedging costs. In certain situations, such as in the event of new investments, the decision may be made to hedge more than would be possible on the basis of the optimal net financing position/EBITDA ratio. In such situations, the nominal value of the hedge might exceed the carrying amount of the underlying asset. As was the case in 2006, there were no hedges that exceeded the carrying amount of the underlying assets in the 2007 financial year.

As part of the currency risk policy, Vopak has converted fixed-interest loans totalling USD 210 million into fixed-interest loans for the amount of EUR 183.6 million by means of cross currency interest rate swaps (CCIRS). The fair value changes relating to the currency part of the principal of the CCIRS are recognised directly in the income statement, as are the exchange differences on the hedged loans. Furthermore, forward exchange contracts with a value of USD 160 million were concluded to mitigate the USD-translation risk.

Prospective and retrospective hedge effectiveness tests are performed for hedge accounting purposes at each reporting date. The results of these effectiveness tests should satisfy the effectiveness criterion (between 80% and 125%) as defined in IAS 39. All hedges were effective in 2007 and 2006.

Sensitivity of exchange rate changes on balance sheet items (IFRS 7)

The sensitivity analysis shows how changes in exchange rates affect net profit and shareholders' equity. The sensitivity analysis for currency risks is based on the following assumptions.

- The difference between the highest and lowest exchange rates on the reporting dates for the financial years was calculated to determine the reasonably possible change in exchange rates.
- Scenario analyses were performed in the treasury management system to determine the fair value change of derivative financial instruments.
- The currency risk on intercompany receivables is taken into account in the analysis.
- The effect on net profit is measured for a one-year period.
- Showing the sensitivity for exchange differences on net net investments is not required under IFRS 7 but is included for completeness.

The US dollar (USD), the Singapore dollar (SGD), the Chinese yuan (CNY) and the Brazilian real (BRL) were the main currencies for which Vopak ran translation risks. The sensitivity to these currencies for the balance sheet positions at 31 December 2006 and 31 December 2007 can be broken down as follows.

Sensitivity of balance sheet items at 31 December 2006

		USD		SGD		CNY		BRL
Closing exchange rate 2006	1.32	1.32	2.02	2.02	10.30	10.30	2.82	2.82
Reasonably possible change [1]	10%	- 10%	5%	- 5%	8%	- 8%	15%	- 15%
Effect on net profit	**0.1**	**- 0.1**	**0.2**	**- 0.2**	**–**	**–**	**–**	**–**
Exchange differences on net investments	- 16.6	20.4	- 5.2	5.8	- 6.0	7.1	- 4.0	5.4
Effective part of hedges of net investments	9.9	- 12.2	4.2	- 4.6	1.7	- 2.0	–	–
Effect on revaluation reserve derivatives	- 0.6	0.8	–	–	–	–	–	–
Total effect on shareholders' equity	**- 7.3**	**9.0**	**- 1.0**	**1.2**	**- 4.3**	**5.1**	**- 4.0**	**5.4**

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

Sensitivity of balance sheet items at 31 December 2007

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

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

Interest rate risk and interest rate risk management

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

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

At 31 December 2007, taking account of interest rate swaps, 81% (2006: 76%) of the total interest-bearing loans of EUR 672.2 million (2006: EUR 514.1 million) was financed at a fixed interest rate with remaining terms of up to fifteen years.

Hedging fixed interest rates to floating interest rates

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

The hedge effectiveness is measured both prospectively and retrospectively. As a minimum, the tests are performed as at the reporting date. The results of these effectiveness tests should satisfy the effectiveness criterion (between 80% and 125%) as defined in IAS 39. All hedges were effective in 2007 and 2006.

Hedging fixed USD interest rates to fixed EUR interest rates

As part of the interest rate risk policy, Vopak has converted fixed-interest loans totalling USD 210 million into fixed-interest loans for the amount of EUR 183.6 million by means of cross currency interest rate swaps (CCIRS). The objective of these hedges is to restrict fluctuations in interest rates as a result of a volatile USD. Cash flow hedge accounting is applied to the changes in the market value of the fixed-interest flows.

The hedge effectiveness is measured both prospectively and retrospectively. As a minimum, the tests are performed as at the reporting date. The results of these effectiveness tests should satisfy the effectiveness criterion (between 80% and 125%) as defined in IAS 39. All hedges were effective in 2007 and 2006.

Hedging floating interest rates to fixed interest rates

Vopak converted SGD 80 million of a floating rate bank loan of SGD 116 million into a fixed rate loan. Cash flow hedge accounting is applied to this hedge.

The hedge effectiveness is measured both prospectively and retrospectively. As a minimum, the tests are performed as at the reporting date. The results of these effectiveness tests should satisfy the effectiveness criterion (between 80% and 125%) as defined in IAS 39. All hedges were effective in 2007 and 2006.

Sensitivity of changes in market rates (IFRS 7)
The sensitivity analysis shows how changes in market rates affect net profit and shareholders' equity, for which the analysis for interest rate risks is based on the following assumptions:

- The difference in market rates at 1 January and 31 December of the financial years was calculated to determine the reasonably possible change in market rates.
- Scenario analyses were performed in the treasury management system to determine the fair value change of derivative financial instruments.
- With non-derivative fixed-rate financial instruments, changes in market rates only affect profit if they are carried at fair value. As such, none of the fixed-interest financial instruments recognised at amortised cost is subject to interest rate risks as defined in IFRS 7.
- The analysis also considers the effect of changes in market rates on floating rate non-derivative financial instruments.
- The effect of changes in market rates on financial instruments allocated as hedges of a net investment in a foreign entity is recognised in the income statement under Finance costs and taken into account when performing the sensitivity analysis on the assumption that the amount of the hedge remains unchanged.
- The effect of changes in market rates on financial instruments allocated as cash flow hedge is recognised in the derivative financial instrument revaluation reserve component of shareholders' equity and taken into account when performing the shareholders' equity sensitivity analysis.
- In the event of a fair value hedge whereby a fixed interest rate is converted into a floating rate through an interest rate swap, the hedging instrument is carried at fair value and the changes in fair value are taken to the income statement. The hedged risk portion of the hedged positions is likewise recognised at fair value and the changes in value are taken directly to the income statement. Since the hedge relationship is virtually 100% effective, the effect of the movement in fair value of the hedging instrument is virtually completely compensated by the movement in fair value of the hedged position.
- Changes in the fair value of derivative financial instruments not forming part of a hedge relationship as referred to in IAS 39 are accounted for under Finance costs and are taken into account when performing sensitivity analyses.
- The effect on net profit is measured for a one-year period.

The euro (EUR) and US dollar (USD) are the main currencies for which Vopak runs interest rate risks. The interest rate risk of Singapore dollar (SGD) has no material effects. Vopak's sensitivity to changes in market rates can be broken down as follows for the 2006 and 2007 financial years.

Sensitivity of changes in market rates for 2006

		EUR		USD
Closing level 3-month interest rate 2006	3.75%	3.75%	5.38%	5.38%
Reasonably possible change	32%	- 32%	14%	- 14%
Effect on net profit	**- 3.1**	**3.1**	**0.7**	**- 0.7**
Effect on revaluation reserve derivatives shareholders' equity	**4.0**	**- 4.0**	**- 1.4**	**1.4**

Sensitivity of changes in market rates for 2007

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

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

At 31 December 2007, financial instruments whose value depends on indices and market prices totalled EUR 0.3 million (2006: EUR 0.4 million).

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 2007 there were no major credit risk concentrations, while the average weighted credit rating of counterparties was AA–.

Vopak has granted loans amounting to EUR 7.0 million to a number of shipping companies and obtained security of EUR 5.8 million in the form of second mortgages on the vessels. No security was obtained for the remaining vessel loans. At 31 December 2007, 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. The bank loans of Vopak Terminal Singapore Pte. Ltd. (SGD 116 million) and Pakterminal AS (USD 23 million) are exceptions. 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 4.5 years at year-end 2007. The facility may be drawn in various currencies and with different terms, up to an amount of EUR 1.0 billion. The facility includes an option to extend the amount to EUR 1.2 billion. At year-end 2007, the facility was not called on. 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.

Liquidity risk at 31 December 2007 (IFRS 7)

In EUR millions	Note	2008	2009	2010
Available funds and credit facilities at 1 January		**1,168.6**	**743.0**	**621.5**
Bank overdrafts	21	- 26.1	–	–
Redemption of interest-bearing loans	27	- 47.6	- 51.4	- 26.7
Interest payments		- 50.0	- 70.0	- 85.0
Trade creditors	30	- 44.2	–	–
Derivative financial instruments	31	- 18.3	- 0.1	- 4.9
Investment commitments undertaken	35	- 239.4	–	–
Available funds and credit facilities at 31 December		**743.0**	**621.5**	**504.9**

The funds and credit facilities available at 1 January 2008 comprise unused credit facilities, unused bank loans (note 15) and the freely available cash and cash equivalents (note 21).

The table above is based on the assumption that the project financing of Gate terminal will be completed in 2008, so that Vopak will not be held liable for the contingent liability of EUR 280 million (see note 36). Neither has the option to increase the credit facility by EUR 200 million been included.

At present, management is of the opinion that – barring unforeseen circumstances – the funds and credit facilities available, without taking into account the funds that will become available from future operating cash flows, are sufficient to cover the current forecast three-year financing requirements as reflected in the above table.

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	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006
Chemicals Europe, Middle East & Africa	**324.2**	296.6	**- 35.2**	- 34.9	**2.9**	2.0	**93.6**	60.7
Oil Europe, Middle East & Africa	**193.4**	165.1	**- 15.4**	- 14.6	**7.1**	10.8	**81.0**	62.7
Total Europe, Middle East & Africa	**517.6**	461.7	**- 50.6**	- 49.5	**10.0**	12.8	**174.6**	123.4
Of which Benelux	***373.6***	*332.0*	***- 36.7***	*- 35.8*	***2.8***	*1.7*	***132.0***	*87.2*
Of which the rest of Europe	***135.6***	*120.8*	***- 13.1***	*- 12.8*	***3.6***	*6.8*	***37.6***	*30.1*
Asia	**136.8**	121.4	**- 24.8**	- 21.6	**24.9**	23.7	**78.8**	74.9
Of which Singapore	***98.8***	*96.0*	***- 17.9***	*- 17.2*	**–**	–	***46.5***	*47.5*
North America	**130.4**	128.2	**- 11.5**	- 12.8	**–**	–	**37.0**	24.4
Latin America	**63.7**	61.8	**- 6.6**	- 6.6	**0.6**	0.7	**21.1**	19.9
Non-core activities	**–**	1.0	**- 0.3**	–	**–**	–	**4.5**	0.6
Of which Benelux	**–**	*1.0*	**–**	–	**–**	–	***- 0.5***	*0.6*
Non-allocated	**4.5**	4.0	**- 2.8**	- 2.7	**2.9**	- 1.2	**- 23.8**	- 26.6
Total	**853.0**	778.1	**- 96.6**	- 93.2	**38.4**	36.0	**292.2**	216.6

Reconciliation with the consolidated net profit	2007	2006
Group operating profit	**292.2**	216.6
Net finance costs	**- 42.9**	- 44.2
Profit before income tax	**249.3**	172.4
Income tax	**- 51.2**	- 25.5
Net profit	**198.1**	146.9

In addition to amortisation and depreciation, impairments totalling EUR 10.7 million were recognised in 2007.

The impairments in the Chemicals Europe, Middle East & Africa division of EUR 9.2 million in total is due to the relocation of the Waltershof terminal to another Vopak location in Hamburg (EUR 8.3 million) and the sale of tank terminal Hemiksen in Antwerp (EUR 0.9 million). This sale will be realised after the new Left Bank terminal in Antwerp has become operational (in mid-2008). In addition, the non-core activities show an impairment of the warehouse operations in Australia (EUR 1.5 million).

Impairments of EUR 0.1 million on balance were recognised in 2006.

Balance sheet	Assets of subsidiaries 2007	2006	Joint ventures and associates 2007	2006	Total assets 2007	2006	Total liabilities 2007	2006
Chemicals Europe, Middle East & Africa	**569.1**	478.8	**18.1**	16.7	**587.2**	495.5	**- 138.2**	- 133.8
Oil Europe, Middle East & Africa	**403.3**	260.7	**17.8**	30.4	**421.1**	291.1	**- 123.3**	- 82.8
Total Europe, Middle East & Africa	**972.4**	739.5	**35.9**	47.1	**1,008.3**	786.6	**- 261.5**	- 216.6
Of which Benelux	***696.4***	*533.6*	***5.0***	*3.2*	***701.4***	*536.8*	***- 152.7***	*- 142.9*
Of which the rest of Europe	***263.4***	*190.1*	***16.0***	*24.5*	***279.4***	*214.6*	***- 105.1***	*- 68.7*
Asia	**483.4**	424.4	**147.6**	138.7	**631.0**	563.1	**- 131.2**	- 122.9
Of which Singapore	***296.0***	*265.6*	**–**	–	***296.0***	*265.6*	***- 117.1***	*- 113.1*
North America	**179.4**	178.9	**–**	–	**179.4**	178.9	**- 56.7**	- 61.4
Latin America	**112.9**	105.8	**4.1**	3.2	**117.0**	109.0	**- 17.1**	- 15.7
Non-core activities	**3.1**	5.6	**–**	–	**3.1**	5.6	**- 3.5**	- 5.1
Of which Benelux	***1.2***	*3.0*	**–**	–	***1.2***	*3.0*	***- 3.2***	*- 4.7*
Non-allocated	**177.3**	163.0	**17.0**	14.4	**194.3**	177.4	**- 783.2**	- 663.7
Total	**1,928.5**	1,617.2	**204.6**	203.4	**2,133.1**	1,820.6	**- 1,253.2**	- 1,085.4

Investments*	Intangible assets 2007	2006	Property, plant and equipment 2007	2006	Other non-current assets 2007	2006	Joint ventures and associates 2007	2006	Total 2007	2006
Chemicals Europe, Middle East & Africa	**1.4**	0.5	**133.8**	56.7	**–**	–	**–**	0.2	**135.2**	57.4
Oil Europe, Middle East & Africa	**1.0**	0.7	**86.3**	55.5	**–**	–	**–**	–	**87.3**	56.2
Total Europe, Middle East & Africa	**2.4**	1.2	**220.1**	112.2	**–**	–	**–**	0.2	**222.5**	113.6
Of which Benelux	***1.9***	*0.7*	***189.5***	*92.4*	**–**	–	**–**	*0.2*	***191.4***	*93.3*
Of which the rest of Europe	***0.5***	*0.5*	***29.8***	*19.1*	**–**	–	**–**	–	***30.3***	*19.6*
Asia	**0.5**	0.2	**126.2**	92.7	**2.0**	0.5	**–**	–	**128.7**	93.4
Of which Singapore	***0.2***	*0.2*	***81.8***	*44.7*	**–**	*0.5*	**–**	–	***82.0***	*45.4*
North America	**–**	0.4	**25.9**	12.7	**–**	–	**–**	–	**25.9**	13.1
Latin America	**0.2**	0.5	**15.8**	8.5	**0.1**	0.3	**–**	–	**16.1**	9.3
Non-core activities	**–**	–	**0.1**	–	**–**	–	**–**	–	**0.1**	–
Non-allocated	**1.5**	2.1	**1.8**	2.2	**–**	–	**4.3**	11.1	**7.6**	15.4
Total	**4.6**	4.4	**389.9**	228.3	**2.1**	0.8	**4.3**	11.3	**400.9**	244.8

*) *Excluding loans granted and acquisition of subsidiaries*

Secondary segmentation

	Note	Tank storage 2007	2006	Other activities 2007	2006	Non-core activities 2007	2006	Non-allocated 2007	2006	Total 2007	2006
Income from rendering of services		**786.2**	704.2	**62.2**	68.7	**0.1**	1.2	**4.5**	4.0	**853.0**	778.1
Total assets		**1,867.0**	1,535.9	**68.6**	101.9	**3.2**	5.4	**194.3**	177.4	**2,133.1**	1,820.6
Investments		**392.2**	227.2	**1.2**	2.2	**–**	–	**7.5**	15.4	**400.9**	244.8
Impairments	4	**- 9.2**	–	**–**	- 1.1	**- 1.5**	–	**–**	–	**- 10.7**	- 1.1
Reversal of impairments	4	**–**	–	**–**	0.2	**–**	0.8	**–**	–	**–**	1.0

The non-allocated total assets item amounts to EUR 194.3 million at 31 December 2007 and consists mainly of joint ventures and associates, derivative financial instruments, deferred tax assets, pension and other employee benefits and cash and cash equivalents.

Acquisition and sale of subsidiaries

Subsidiaries

The consequences of the acquisition and sale of subsidiaries for Vopak's financial position are as follows.

In EUR millions	2007		2006	
	Acquisition	Sale	Acquisition	Sale
Intangible assets other than goodwill	**12.7**	**1.2**	–	–
Property, plant and equipment	**49.0**	**17.1**	1.2	–
Other non-current assets	**–**	**–**	0.6	–
Total non-current assets	**61.7**	**18.3**	1.8	–
Cash and cash equivalents	**2.3**	**3.1**	0.1	–
Other current assets	**3.4**	**4.5**	0.3	–
Total current assets	**5.7**	**7.6**	0.4	–
Total assets	**67.4**	**25.9**	2.2	–
Interest-bearing loans	**12.3**	**–**	–	–
Deferred taxes	**7.2**	**–**	–	–
Total non-current liabilities	**19.5**	**–**	–	–
Other current liabilities	**8.4**	**5.3**	0.2	–
Total current liabilities	**8.4**	**5.3**	0.2	–
Total liabilities	**27.9**	**5.3**	0.2	–
Net identifiable assets and liabilities at fair value respectively carrying value	**39.5**	**20.6**	2.0	–
Revaluations attributable to the Group	**- 12.8**	**–**	–	–
Decrease in investments in joint ventures	**- 6.9**	**–**	–	–
Minority interests	**–**	**–**	- 0.4	–
Use of exchange differences on net investments in foreign entities (to income statement)	**–**	**1.1**	–	–
Goodwill on acquisitions	**14.6**	**–**	2.6	–
Gains on sale of subsidiaries	**–**	**12.5**	–	–
Cash and cash equivalents paid and received	**- 34.4**	**34.2**	- 4.2	–
Cash and cash equivalents of subsidiaries acquired and sold	**2.3**	**- 3.1**	0.1	–
Net cash flows	**- 32.1**	**31.1**	- 4.1	–

Acquisition

At 28 December 2007, the Group acquired full ownership of Pakterminal (Estonia) by taking over the remaining 50% interest from its former partner. As a consequence of this step-up acquisition, the non-current assets were revalued for a total of EUR 32.9 million in comparison to the carrying amount of the company in question (EUR 13.8 million for the 100%-interest). The revaluation, which totals EUR 25.6 million after deduction of deferred taxes, has been accounted for under Other reserves where our share is concerned (see note 24). The attribution of the acquisition amount to the net identifiable assets and liabilities is not yet completed. The goodwill is, in particular, attributable to synergy benefits and future customer relationships.

Vopak has also reached an agreement with the owners of another terminal in Estonia (E.O.S.) to look into the possibility of a collaboration between Pakterminal and E.O.S. in Tallinn. The possible collaboration depends on approval by the Estonian Competition Board, among other factors.

Sale

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

Minority interests

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

Notes to the consolidated income statement

All amounts are in EUR millions, unless stated otherwise.

1. Exceptional items

	Note		2007		2006
Gains on sale of subsidiaries	2	12.5		–	
Gains on sale of assets held for sale	2	6.6		–	
Losses on sale of assets held for sale	5	- 1.8		–	
Gains on sale of joint ventures	6	4.4		–	
Impairments	4	- 10.7		- 1.1	
Use of grant to compensate impairments	2	8.3		–	
Costs of unrealised merger of North American tank terminal activities	5	–		- 3.2	
Group operating profit			**19.3**		- 4.3
Tax on above-mentioned items		- 2.3		1.1	
Exceptional movements in prior-year taxes	9	–		10.4	
Taxes			**- 2.3**		11.5
Total effect on net profit			**17.0**		7.2

2. Other operating income

	Note	2007	2006
Gains on sale of subsidiaries		12.5	–
Gains on sale of assets held for sale		6.6	–
Gains on sale of property, plant and equipment		0.6	0.4
Use of grant to compensate impairments	13	8.3	–
Other		2.5	2.9
Total		**30.5**	3.3

Gains on sale of subsidiaries relate to gains on the sale of the cleaning stations in Sweden, the sale of the Westwego terminal (US), the sale of the Standic terminal (the Netherlands) and the sale of some waste disposal and railcar cleaning activities in the United States.

Gains on sale of assets held for sale relate to gains on the sale of our interest in VOTG Tanktainer GmbH.

3. Personnel expenses

	Note	2007	2006
Wages and salaries		178.7	171.4
Social security charges		23.5	22.1
Contribution to pension schemes (defined contribution)	28	7.7	29.8
Pension charges (defined benefit plans)	28	6.7	- 8.8
Costs related to options granted	32	–	0.1
Other long-term pension and other employee benefits		0.7	1.0
Early retirement		2.2	2.3
Other personnel costs		25.5	22.0
Total		**245.0**	239.9

Average number of employees (in FTEs)
During the year under review, the Group employed an average of 3,764 employees and temporary staff (2006: 3,688).

Movements in the number of employees (in FTEs)

	2007	2006
Number at 1 January	**3,442**	3,433
Movements due to acquisitions	84	21
Movements due to disposals	- 88	–
Entered service/left service	126	- 12
Number at 31 December	**3,564**	3,442

4. Depreciation, amortisation and impairment

	Note	2007	2006
Intangible assets	12	8.0	7.7
Property, plant and equipment	13	88.6	85.5
Impairments	12, 13, 22	10.7	1.1
Reversal of impairments	22	–	- 1.0
Total		**107.3**	93.3

5. Other operating expenses

	Note	2007	2006
Maintenance		47.5	45.8
Operating lease		30.7	27.4
Fuel		47.2	47.7
Environmental, safety and cleaning		26.9	30.7
Insurance		20.4	20.3
Advisory fees		17.7	14.7
Vessel charter expenses		8.0	7.2
Vessel voyage expenses		2.6	3.7
Losses on sale of assets held for sale		1.8	–
Losses on sale of intangible assets and property, plant and equipment		1.4	1.0
Provisions for onerous contracts due to activities disposed of in the past		0.6	–
Costs of unrealised merger of North American tank terminal activities		–	3.2
Other		72.6	65.9
Total		**277.4**	267.6

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. Vopak received a grant of EUR 27 million in 2007 (2006: nil) of which EUR 5.3 million was awarded to compensate for costs incurred on account of the relocation of a terminal in Germany (see note 13).

The losses on the sale of assets held for sale relate to results of prior-year sales.

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

	2007	2006
Result of joint ventures and associates	33.8	36.0
Result on sale of joint ventures	4.4	–
Result on sale of associates	0.2	–
Total	**38.4**	36.0

The result on sale of joint ventures relates to the result following the entry of partners in the LNG project.
Due to those partners' entry, our share decreased from 50% to 42,5%.

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

	2007	2006
Income from rendering of services	**103.1**	104.8
Group operating profit	**46.3**	49.4
Net profit of tank storage activities	32.7	35.6
Net profit of other activities	5.7	0.4
Total	**38.4**	36.0

Balance sheet

	Note	2007	2006
Total non-current assets		**281.8**	280.2
Total current assets		**35.4**	40.6
Total assets		**317.2**	320.8
Total non-current liabilities		**86.3**	87.1
Total current liabilities		**48.2**	48.3
Total liabilities		**134.5**	135.4
Joint ventures in tank storage activities		**182.7**	185.4
Joint ventures and associates in other activities		**21.9**	18.0
Joint ventures and associates	14	**204.6**	203.4

The effects of the proportionate consolidation method on the balance sheet and income statement of the Group are shown on page 23.

7. Interest and dividend income

	2007	2006
Interest income	**6.6**	6.4
Dividends on other financial assets	**0.4**	0.4
Total	**7.0**	6.8

8. Finance costs

	Note		2007		2006
Interest expense			**- 43.0**		- 38.6
Capitalised interest			**4.7**		2.2
Interest component of finance lease			**- 0.1**		- 0.1
Interest component of provisions	28, 29		**- 1.0**		- 1.0
Exchange differences:					
- Use of exchange difference reserve (hedged item)	24	**–**		0.9	
- Use of exchange difference reserve (hedged instruments)	24	**–**		- 0.2	
- Other		**18.8**		18.9	
			18.8		19.6
Derivative financial instruments:					
- Interest component derivative financial instruments					
(net investment hedge)		**1.6**		- 3.3	
- Fair value adjustments to derivative financial instruments					
(no hedge accounting)		**- 19.7**		- 20.1	
- Fair value adjustments to interest rate swaps (fair value hedge)		**- 2.4**		- 0.3	
- Fair value adjustments to loans (fair value hedge)		**2.3**		0.3	
- Use of revaluation reserve derivatives (cash flow hedge)	24	**- 7.2**		- 6.6	
			- 25.4		- 30.0
Commitment fee			**- 0.7**		- 0.6
Impairments			**–**		- 0.2
Other			**- 3.2**		- 2.3
Total			**- 49.9**		- 51.0

Capitalised interest during construction was subject to an average interest rate of 4.3% (2006: 5.4%).

9. Income tax

9.1 Recognised in the income statement

			2007		2006
Current taxes					
	Current financial year	42.0		28.4	
	Adjustments for prior years	- 0.3		- 1.6	
	Exceptional movements in prior-year taxes	–		- 5.1	
			41.7		21.7
Deferred taxes					
	Origin and reversal of temporary differences	13.4		4.4	
	Tax losses utilised	3.7		3.6	
	Changes in tax rates	- 5.1		2.4	
	Recognition of tax losses	- 1.7		- 1.7	
	Other	- 0.8		0.4	
	Exceptional movements in prior-year taxes	–		- 5.3	
			9.5		3.8
Tax on profit			51.2		25.5

9.2 Reconciliation of effective tax rate

		Note		2007		2006
	Profit before income tax			249.3		172.4
	Tax on profit			51.2		25.5
Effective tax rate				20.5%		14.8%
	Composition:			%		%
	- Weighted average statutory tax rates		72.1	28.9	49.9	28.9
	- Participation exemption		- 12.7	- 5.1	- 10.5	- 6.1
	- Non-deductible expenses		2.6	1.0	2.6	1.5
	- Changes in tax rates		- 5.1	- 2.0	2.4	1.4
	- Tax losses recognised		- 1.7	- 0.7	- 1.7	- 1.0
	- Tax facilities		- 3.5	- 1.4	- 3.5	- 2.0
	- Other effects		- 0.5	- 0.2	- 3.3	- 1.9
Effective tax rate before exceptional items			51.2	20.5	35.9	20.8
	Exceptional movements in prior-year taxes	1	–	–	- 10.4	- 6.0
Effective tax rate			51.2	20.5	25.5	14.8

The higher effective tax rate in 2007 compared with the preceding year is mainly caused by exceptional movements in prior-year taxes due to the settlement of two large tax positions in 2006. Furthermore the effective tax rate reduced slightly because of lower deferred tax provisions due to lower tax rates in some countries.

9.3 Deferred taxes recognised directly in equity

		Note	2007	2006
	On exchange differences and hedges	24	7.5	6.7
	On use of exchange differences and hedges	24	–	- 0.2
	On changes in the value of cash flow hedges	24	0.6	1.6
	On use of cash flow hedges	24	1.9	2.0
	On revaluation of assets	24	3.6	–
Total			13.6	10.1

10. Exchange differences

	Note		2007		2006
Income from rendering of services			- 0.2		0.2
Other operating expenses			–		- 0.3
Exchange differences	8	18.8		19.6	
Fair value adjustments to derivative financial instruments	8	- 19.7		- 20.1	
Uses of revaluation reserve derivatives	8	- 7.2		- 6.6	
Finance costs			- 8.1		- 7.1
Total			**- 8.3**		**- 7.2**

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 62,367,231 in 2007 (2006: 62,310,327).

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 2007, the exercise price of all outstanding options (60,000) was lower than the share price (EUR 38.80), the dilutive effect of the share option schemes is 36,624 shares.
As at 31 December 2006, the exercise price of 120,000 options was lower than the share price (EUR 35.59), the dilutive effect at the time being 73,231 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	2007	2006
Issued ordinary shares at 1 January	23	62,331	62,291
Sales from treasury stock	23	36	19
Weighted average number of ordinary shares at 31 December		**62,367**	**62,310**
Dilutive effect of share option schemes	32	37	73
Diluted weighted average number of ordinary shares at 31 December		**62,404**	**62,383**

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		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 1 January 2006		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**
Movements:					
- Acquisitions		15.5	–	12.7	**28.2**
- Additions		–	4.4	0.2	**4.6**
- Disposals		- 0.1	–	- 0.1	**- 0.2**
- Reclassification to assets held for sale		- 1.2	–	–	**- 1.2**
- Reclassification from assets held for sale		1.4	–	–	**1.4**
- Amortisation	4	–	- 7.1	- 0.9	**- 8.0**
- Impairment	4	- 1.5	–	–	**- 1.5**
- Exchange differences		- 0.4	- 0.7	- 0.3	**- 1.4**
Carrying amount at 31 December 2007		22.7	23.8	16.1	**62.6**
Purchase price of operating assets		26.4	52.0	20.1	**98.5**
Accumulated amortisation and impairment		- 3.7	- 31.4	- 4.0	**- 39.1**
Carrying amount in use		22.7	20.6	16.1	**59.4**
Purchase price under construction		–	3.2	–	**3.2**
Carrying amount at 31 December 2007		22.7	23.8	16.1	**62.6**

During 2007, an impairment of goodwill of the warehouse activities in Australia was recognised. The impairment recognised in 2006 related to the impairment of goodwill of a discontinued sub-activity of logistics services in North America.

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.

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		28.2	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 under construction		2.0	0.4	88.8	0.3	1.9	**93.4**
Carrying amount at 1 January 2006		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 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**
Movements:							
- Acquisitions		–	–	43.2	–	5.8	**49.0**
- Additions		2.5	13.3	356.4	0.3	17.4	**389.9**
- Reclassification to assets held for sale		- 1.8	- 4.0	- 13.7	–	- 1.9	**- 21.4**
- Reclassification from assets held for sale		–	–	1.7	–	0.2	**1.9**
- Disposals		–	–	- 1.2	–	- 0.2	**- 1.4**
- Depreciation	4	–	- 4.1	- 73.4	- 2.5	- 8.6	**- 88.6**
- Impairment	4	–	- 1.2	- 7.9	–	- 0.1	**- 9.2**
- Exchange differences		- 1.5	- 2.7	- 19.4	–	- 2.3	**- 25.9**
Carrying amount at 31 December 2007		27.6	76.1	1,196.1	20.5	64.7	**1,385.0**
Purchase price of operating assets		23.4	144.2	1,989.8	40.5	138.8	**2,336.7**
Accumulated depreciation and impairment		–	- 73.2	- 1,082.1	- 20.8	- 84.2	**- 1,260.3**
Carrying amount in use		23.4	71.0	907.7	19.7	54.6	**1,076.4**
Purchase price under construction		4.2	5.1	288.4	0.8	10.1	**308.6**
Carrying amount at 31 December 2007		27.6	76.1	1,196.1	20.5	64.7	**1,385.0**

A terminal in Mexico is encumbered by collateral of EUR 6.8 million.

The resulting lease obligations per year-end 2006 (EUR 0.4 million) have been repaid during 2007. No equipment was leased under finance lease as at 31 December 2007. The carrying amount of the equipment as at 31 December 2006 was EUR 0.9 million.

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

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.

The grant was used as follows.

		Note	2007
Grant received			**27.0**
	Used for:		
	- Investments		**- 2.4**
	- Impairment of property, plant and equipment	1	**- 8.3**
	- Costs attributable to relocation	5	**- 5.3**
Carrying value at 31 December			**11.0**
	Non-current liabilities		**–**
	Current liabilities	29, 30	**11.0**
Carrying value at 31 December			**11.0**

No Investment grants were received in 2006.

In addition to the impairment of the terminal on the Waltershof site, impairments were recognised for the Hemiksem terminal in Belgium as well.

In 2007, Vopak acquired the interest of the partner in Pakterminal (Estonia) and sold a number of activities. The 2006 acquisition concerned the takeover of the terminal in Vietnam (see page 77).

A number of major projects which were still underway at 31 December 2006 were commissioned in 2007 (EUR 164.4 million). For instance, new capacity for oil products (240,000 cbm) was commissioned at the Europoort oil terminal in the Netherlands in December, as well as a jetty. Furthermore, 75,000 cbm of new capacity for oil products was commissioned in Sydney, Australia, in the first quarter of 2007, while the capacity at the Banyan terminal (Singapore) was increased by 165,000 cbm (biodiesel and chemical products) in December. The first 124,600 cbm of storage capacity for chemical products was commissioned at the new Zhangjiagang terminal in China in the second quarter of 2007. Throughout the world, subsidiaries added a further total of some 100,000 cbm in additional capacity thanks to small-scale expansions.

At 31 December 2007, the purchase price of the assets under construction totalled EUR 308.6 million, over EUR 190 million of which is attributable to large-scale projects. The capacity expansions at the Banyan terminal in Singapore relate to gasoline storage of 320,000 cbm (to be commissioned 2008), 390,000 cbm for storage of oil and chemical products (commissioning 2009). Expansions are also underway in Singapore, where 216,000 cbm for fuel oil will be added at the Sebarok terminal (to be commissioned in 2008) and 87,000 cbm for chemical products at the Penjuru terminal (commissioning in 2008 and 2009). The new Zhangjiagang terminal in China is being expanded by 85,000 cbm (commissioning in 2008).
Expansions are also underway in other regions. Examples are the new terminal in Antwerp, Belgium, for the storage of 100,000 cbm chemical products, which is expected to become operational by mid-2008, the 156,000 cbm expansion of ethanol storage capacity at the Botlek terminal (the Netherlands) (commissioning in 2009) and the expansion of the jet fuel capacity at the Europoort terminal (the Netherlands) by 200,000 cbm (commissioning in 2008).

14. Joint ventures and associates

Movements in joint ventures and associates were as follows:

	Joint ventures		Associates		Total	
	2007	2006	**2007**	2006	**2007**	2006
Carrying amount at 1 January	**202.0**	205.9	**1.4**	6.7	**203.4**	212.6
Movements:						
- Share in profit	**33.5**	35.9	**0.3**	0.1	**33.8**	36.0
- Dividends received	**- 28.4**	- 30.4	**–**	- 5.3	**- 28.4**	- 35.7
- Investments	**4.3**	11.1	**–**	0.2	**4.3**	11.3
- Acquisitions	**1.9**	–	**–**	–	**1.9**	–
- Disposals	**0.4**	–	**- 0.6**	- 0.2	**- 0.2**	- 0.2
- Movements due to consolidation	**- 6.9**	–	**–**	–	**- 6.9**	–
- Reclassification to assets held for sale	**- 0.4**	- 7.7	**- 0.4**	–	**- 0.8**	- 7.7
- Reclassification from assets held for sale	**7.6**	–	**–**	–	**7.6**	–
- Fair value changes of derivative financial instruments	**- 0.2**	- 0.5	**–**	–	**- 0.2**	- 0.5
- Exchange differences	**- 9.9**	- 12.3	**–**	- 0.1	**- 9.9**	- 12.4
Carrying amount at 31 December	**203.9**	202.0	**0.7**	1.4	**204.6**	203.4

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

At the end of 2007, the final investment decision was made to build the first Dutch LNG terminal which will have an annual throughput capacity of 9 billion cubic metres. The annual capacity can be increased to 16 billion cubic metres in the future. The first customers to have signed long-term throughput contracts with Gate terminal are DONG Energy from Denmark, EconGas from Austria and Essent from the Netherlands. These customers have each committed to an annual throughput of 3 billion cubic metres of liquefied natural gas. As part of the agreement, DONG Energy, Essent and OMV GAS INTERNATIONAL (as major shareholder of EconGas) each acquired a 5% interest in Gate terminal. N.V. Nederlandse Gasunie (Gasunie) and Vopak, the strategic partners, each hold 42.5% in Gate terminal.

The total project cost is estimated at around EUR 800 million, for which investment commitments were made of EUR 570 million as at 31 December 2007. A substantial part of this investment (80% to 85%) will be financed externally by means of a project financing arrangement based on the credit profile of Gate terminal. The financing is expected to be completed in the first half of 2008.

Until the financing of the project is complete, Vopak and Gasunie will each be liable for some EUR 280 million to meet the investment commitments under guarantees issued.

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

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

Negotiations regarding the sale of the 40% interest in Xiamen Paktank Company Ltd. were discontinued in 2007. The interest was reclassified from assets held for sale to joint ventures and associates.

Joint ventures are an important part of the Group. For a representative insight into the economic scope, the effects are shown on page 23 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.

The carrying amount of associates at 31 December 2006 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 2007 and year-end 2006.

	Note	Carrying amount		Fair value	
		2007	2006	**2007**	2006
Loans and receivables (carried at amortised cost)					
Loans to joint ventures and associates	16	**11.6**	5.4	**11.8**	5.6
Transferred receivable with continuing involvement	16	**–**	29.6	**–**	29.6
Other loans (excluding transferred receivable with continuing involvement)	16	**4.2**	5.0	**4.5**	5.4
Trade receivables	20	**93.7**	81.4	**93.7**	81.4
Other receivables	20	**95.4**	103.5	**95.4**	103.5
Cash and cash equivalents	21	**136.4**	117.9	**136.4**	117.9
		341.3	342.8	**341.8**	343.4
Derivative financial instruments (carried at fair value)	31				
Cross currency interest rate swaps:					
- Assets		**2.3**	–	**2.3**	–
- Liabilities		**- 42.3**	- 74.2	**- 42.3**	- 74.2
Interest rate swaps:					
- Assets		**0.7**	2.7	**0.7**	2.7
- Liabilities		**- 1.1**	- 4.5	**- 1.1**	- 4.5
Forward exchange contracts:					
- Assets		**3.7**	3.2	**3.7**	3.2
- Liabilities		**- 5.1**	- 1.8	**- 5.1**	- 1.8
		- 41.8	- 74.6	**- 41.8**	- 74.6
Other financial liabilities (carried at amortised cost)					
Bank overdrafts	21	**- 26.1**	- 29.5	**- 26.1**	- 29.5
US Private placements	27	**- 580.6**	- 359.9	**- 645.2**	- 403.3
Bank loans and other private placements	27	**- 91.6**	- 94.2	**- 93.8**	- 97.9
Credit facilities	27	**–**	- 30.0	**–**	- 39.7
Guarantee provided for a transferred receivable	27	**–**	- 29.6	**–**	- 29.6
Finance lease	27	**–**	- 0.4	**–**	- 0.4
Trade creditors	30	**- 44.2**	- 43.8	**- 44.2**	- 43.8
Prepaid grants	30	**- 10.5**	–	**- 10.5**	–
		- 753.0	- 587.4	**- 819.8**	- 644.2
Total		**- 453.5**	- 319.2	**- 519.8**	- 375.4
Unrecognised financial instruments					
Stand by credit facility	27			**1,000.0**	470.0
Stand by bank loans	27			**40.1**	1.6
Total				**1,040.1**	471.6

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 changes in interest rate.

16. Loans granted

Movements in loans granted were as follows:

	Loans to joint ventures and associates		Other loans		Total	
	2007	2006	**2007**	2006	**2007**	2006
Carrying amount at 1 January	**5.4**	10.3	**34.6**	58.5	**40.0**	68.8
Movements:						
- Loans granted	**6.8**	5.4	**0.6**	11.5	**7.4**	16.9
- Repayments	**- 0.6**	- 10.3	**- 2.3**	- 21.3	**- 2.9**	- 31.6
- Continuing involvement in transferred receivable	**–**	–	**–**	–	**–**	–
- Reduction of continuing involvement in transferred receivable	**–**	–	**- 26.7**	- 9.8	**- 26.7**	- 9.8
- Recognition due to effective interest method	**–**	–	**0.8**	0.3	**0.8**	0.3
- Impairments	**–**	–	**–**	- 0.2	**–**	- 0.2
- Reversal of impairments	**–**	–	**–**	–	**–**	–
- Exchange differences	**–**	–	**- 2.8**	- 4.4	**- 2.8**	- 4.4
Carrying amount at 31 December	**11.6**	5.4	**4.2**	34.6	**15.8**	40.0
Non-current receivables	**11.3**	5.1	**4.0**	13.8	**15.3**	18.9
Current receivables	**0.3**	0.3	**0.2**	20.8	**0.5**	21.1
Carrying amount at 31 December	**11.6**	5.4	**4.2**	34.6	**15.8**	40.0

Loans granted include subordinated loans totalling EUR 2.9 million (2006: EUR 8.6 million). The loans with remaining terms exceeding 5 years total EUR 6.8 million (2006: EUR 7.4 million).

Loans granted include an amount of EUR 7.0 million (2006: EUR 7.4 million) in loans to shipping companies, the repayment of which depends on the cash flow. Security totalling EUR 5.8 million (2006: 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.

At 31 December 2006, the item Other loans included a transferred receivable with continuing involvement, the balance of which amounted to EUR 29.6 million at that date (see note 27). The credit risk was reduced and partly bought off in 2007 to cease the continuing involvement. Both the receivable and the corresponding guarantee were written off.

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 1-1-2006		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**

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

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

Carry-forward losses for which deferred tax assets have not fully been recognised amount to EUR 16.0 million at 31 December 2007 (2006: EUR 14.3 million). The maturity schedule is as follows:

2012	1.1
Offsettable for an unlimited period	14.9
Total	**16.0**

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 prepaid land use rights are allocated to the period to which they relate. The remaining period as at 31 December 2007 varies between 37 to 47 years.

20. Trade and other receivables

		2007	2006
	Trade debtors	**93.7**	81,4
	Other receivables	**95.4**	103.5
Total		**189.1**	184.9

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.

A debtor ageing statement is provided below.

	Net book value	Of which not past due at the balance sheet date and not impaired (in days)	Of which past due at the balance sheet date but not impaired (in days)				
			< 31	31-60	61-90	91-180	>181
Trade receivables 31 December 2006	81.4	39.6	25.7	9.0	2.1	2.7	2.3
Trade receivables 31 December 2007	93.7	50.3	28.9	8.1	2.1	2.0	2.3

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 2007, impairments of EUR 0.4 million (2006: EUR 0.2 million) were recognised under Other operating expenses and EUR 0.4 million (2006: EUR 0.5 million) was used.

21. Cash and cash equivalents

		2007	2006
	Cash and bank	**75.1**	54.5
	Short-term deposits	**61.3**	63.4
Total		**136.4**	117.9

The effective interest on short-term deposits was 3.4% (2006: 3.2%); these deposits have an average term of 23 days (2006: 46 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:

		2007	2006
	Cash and cash equivalents	**136.4**	117.9
	Bank overdrafts	**- 26.1**	- 29.5
Total		**110.3**	88.4

Of the cash and cash equivalents as at 31 December 2007, EUR 7.9 million is not at the free disposal of the Group, being cash and cash equivalents with insurance pools (31 December 2006: EUR 7.9 million).

22. Assets held for sale

Movements in the assets held for sale were as follows:

		Asset	Liability
Balance at 1 January 2007		**11.4**	**0.4**
	Reclassifications to assets held for sale	31.0	5.3
	Reclassifications from assets held for sale	- 11.1	- 0.2
	Disposals	- 26.3	- 5.5
	Exchange differences	0.1	–
Balance at 31 December 2007		**5.1**	**–**

The assets held for sale at 31 December 2007 relate mainly to the Hemiksem terminal (Belgium). A sales contract was concluded on 30 May 2007 which stipulates that the terminal will be transferred after commissioning of the new Left Bank Antwerp terminal (Belgium) by mid-2008. The carrying amount equals the fair value less selling expenses.

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 2006	**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**
Capital reduction	–	–	–	–	–	- 13.0	–
Issued to option holders	–	–	–	60,000	–	–	0.8
Balance at 31 December 2007	**62,450,656**	**19,451,000**	**81,901,656**	**- 60,000**	**81.9**	**165.2**	**- 0.9**

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

The issued share capital consists of 62,450,656 ordinary shares with a nominal value of EUR 1.00 each and 19,451,000 financing preference shares with a nominal value of EUR 1.00 each. Of the issued ordinary shares, 60,000 are held in the treasury stock in connection with existing commitments under share option schemes. During the year, options were exercised on 60,000 ordinary shares.

From 1 January 2005, the dividend percentage on the outstanding financing preference shares (nominal value plus share premium) has been 4.73%, which is equivalent to a dividend of EUR 1.8 million for 2007 (2006: EUR 2.5 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 12 December 2007, 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 2008, like the previous year. The outstanding share capital consequently fell from EUR 39 million to EUR 26 million and the annual dividend potentially distributable to the holders of financing preference shares decreased to EUR 1.2 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 6,5 million as at 31 December 2007.

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 2006	15.9	- 12.3	3.0	**6.6**
Movements:				
- Exchange differences on net investments	- 39.1	–	–	**- 39.1**
- Effective part of hedges of net investments	29.4	–	–	**29.4**
- Tax effect on exchange differences and hedges	- 6.7	–	–	**- 6.7**
- Use of exchange differences on net investments				
(to income statement)	- 0.9	–	–	**- 0.9**
- Use of effective part of hedges of net investments				
(to income statement)	0.2	–	–	**0.2**
- Tax effect on use of exchange differences and hedges	0.2	–	–	**0.2**
- Movements in effective part of cash flow hedges	–	2.2	–	**2.2**
- Tax effect on movements 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**
Movements:				
- Exchange differences on net investments	- 22.7	–	–	**- 22.7**
- Effective part of hedges of net investments	26.8	–	–	**26.8**
- Tax effect on exchange differences and hedges	- 7.5	–	–	**- 7.5**
- Use of exchange differences on net investments				
(to income statement)	1.1	–	–	**1.1**
- Movements in effective part of cash flow hedges	–	2.0	–	**2.0**
- Tax effect on movements in cash flow hedges	–	- 0.6	–	**- 0.6**
- Use of effective part of cash flow hedges (to income statement)	–	7.2	–	**7.2**
- Tax effect on use of cash flow hedges (to income statement)	–	- 1.9	–	**- 1.9**
- Revaluation of assets	–	–	16.4	**16.4**
- Tax effect on revaluation of assets	–	–	- 3.6	**- 3.6**
- Depreciation on revaluation of assets	–	–	- 1.4	**- 1.4**
- Tax effect on depreciation on revaluation of assets	–	–	0.6	**0.6**
Balance at 31 December 2007	- 3.3	- 0.4	14.6	**10.9**

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	- 0.2	- 0.1	- 0.1	–	–	–	**- 0.4**

25. Retained earnings

Movements in retained earnings were as follows:

	2007	2006
Balance at 1 January	**418.1**	326.1
Dividend paid in cash	**- 49.2**	- 40.5
Measurement of share option schemes	**–**	0.1
Release of revaluation reserve	**0.8**	0.4
Unclaimed dividend	**–**	0.2
Options exercised	**–**	- 0.1
Net profit attributable to shareholders	**182.9**	131.9
Balance at 31 December	**552.6**	418.1

Of the retained earnings, EUR 482.5 million can be distributed freely (see page 112).

26. Minority interests

Statement of changes in minority interests:

	2007	2006
Balance at 1 January	**64.2**	55.1
Profit for financial year	**15.2**	15.0
Dividend	**- 6.2**	- 3.1
Investments/disposals	**- 0.5**	- 0.4
Exchange differences	**- 2.5**	- 2.4
Balance at 31 December	**70.2**	64.2

The profit for the 2007 financial year includes a negative exceptional item of EUR 0.6 million.

27. Interest-bearing loans

The conditions of the US Private Placement financing programme entered into in 2001 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, 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 increased by 200 basis points.

In May 2007, Royal Vopak issued a new USD 375 million private placement in the US Private Placement market (USD 275 million available in June and USD 100 million available in December). Twenty-six institutional investors are participating in this new private placement. The new US Private Placement of USD 375 million was issued in different tranches with terms of 8, 10, 12 and 15 years, all redeemable at the end of the term. The 8-year tranche (USD 75 million) has a floating interest rate. The other three tranches of USD 100 million each have a fixed interest rate, with an average interest rate of approximately 6%.

On 1 August 2007, Vopak agreed a EUR 1 billion revolving credit facility with a syndicate of twelve international banks. Amounts in the most standard currencies can be drawn and repaid at any time. This new Revolving Credit Facility has an initial term of five years with two renewal options of one year each. There is also an option to increase the facility to EUR 1.2 billion. This new facility replaces a EUR 500 million credit facility concluded in July 2005 and never drawn on.

The existing bank loans of SGD 116 million for Vopak Terminals Singapore Pte. Ltd. were combined into a single bank loan, which was also increased to a total of SGD 200 million.

Due to the acquisition of Pakterminal AS in Estonia (see page 77), the local bank loans of USD 23.0 million fall under the Group's interest-bearing loans.

The new loans will be utilised to finance Vopak's growth strategy.

This note provides information on the contractual provisions of the interest-bearing loans. For further details on possible currency and interest rate risks, please refer to note 31.

A break-down is set out below:

	Note		2007		2006
Non-current interest-bearing loans					
US Private Placements	27.1	**536.5**		356.6	
Bank loans and other private placements	27.2	**88.1**		76.0	
Credit facilities	27.3	**–**		30.0	
Guarantee provided for a transferred receivable	16	**–**		9.9	
Finance lease	13	**–**		0.1	
Total			**624.6**		472.6
Current interest-bearing loans					
US Private Placements	27.1	**44.1**		3.3	
Bank loans and other private placements	27.2	**3.5**		18.2	
Guarantee provided for a transferred receivable	16	**–**		19.7	
Finance lease	13	**–**		0.3	
Total			**47.6**		41.5
Total interest-bearing loans			**672.2**		514.1

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

	2007	2006
Balance at 1 January	**514.1**	567.4
- US Private Placements drawn	**269.6**	–
- Bank loans and other private placements drawn	**1.6**	14.8
- Credit facilities drawn	**75.0**	30.0
- Repayments US Private Placements	**- 3.2**	- 3.3
- Repayments bank loans and other private placements	**- 18.2**	- 41.5
- Repayments credit facilities	**- 105.0**	–
- Reduction of guarantee provided for a transferred receivable	**- 17.8**	- 9.9
- Surrender of guarantee provided for a transferred receivable	**- 8.9**	–
- Repayments finance lease	**- 0.4**	- 1.6
- Early repayments	**–**	- 2.5
- Effective part of fair value changes interest rate swaps (fixed to floating)	**2.4**	0.3
- Effects of effective interest method	**0.8**	0.2
- Acquisitions	**15.8**	–
- Exchange differences	**- 53.6**	- 39.8
Balance at 31 December	**672.2**	514.1
Non-current liabilities	**624.6**	472.6
Current liabilities	**47.6**	41.5
Balance at 31 December	**672.2**	514.1

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

2009	**51.4**
2010	**26.7**
2011	**187.5**
2012	**15.6**
2013	**80.4**
After 2013	**263.0**
Total non-current liabilities at 31 December 2007	**624.6**

Breakdown of loans by currency:

	Local currency		Euro	
	2007	2006	**2007**	2006
Euro (EUR)	**28.4**	76.6	**28.4**	76.6
US Dollar (USD)	**794.4**	440.3	**540.8**	329.9
Pound sterling (GBP)	**35.0**	35.0	**47.6**	51.9
Singapore Dollar (SGD)	**116.0**	112.7	**55.4**	55.7
Total			**672.2**	514.1

27.1 US Private Placements

US private placements (US PP) drawn by Royal Vopak amount to EUR 580.6 million, with an average remaining term of 6.9 years. The maximum remaining nominal term is 15 years and in most cases repayment is effected as at the end of the term, with a repayment peak of EUR 187.5 million in 2011. A regular repayment of EUR 44.1 million will be effected in 2008.

The following main conditions apply to the US PP programme:

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

27.2 Bank loans and other private placements

The bank loans and other private placements consist of three components at 31 December 2007.

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

2. Bank loans drawn by Vopak Terminals Singapore Pte. Ltd. (VTS) for an amount of SGD 116.0 million (EUR 55.4 million). At year-end 2007, VTS can draw SGD 84.0 million (EUR 40.1 million). The remaining term of these loans is over five years and the loans will be repaid at the end of the term. The bank loan for VTS of SGD 200 million was granted on the basis of VTS's credit standing and is subject to the following financial ratios:
   - The Debt/Equity ratio may not exceed 1.5 : 1.
   - The ratio between EBITDA and the net finance costs should be at least 4 : 1.
   - Shareholders' equity must be at least SGD 150.0 million.

3. Bank loans drawn by Pakterminal AS for an amount of USD 23.0 million (EUR 15.8 million). The remaining term of these loans is over five years, with repayment by equal amounts. The bank loan was granted on the basis of Pakterminal AS's credit standing and is subject to the following financial ratios:
   - The Net Debt/EBITDA ratio may not exceed 3.0.
   - The Equity ratio may not drop below 45%.

27.3 Credit facilities

Royal Vopak and Vopak THI B.V. refinanced a committed syndicated credit facility on 1 August 2007, obtaining a new credit facility of EUR 1.0 billion with an option to increase the facility to EUR 1.2 billion. This facility was not drawn on at year-end 2007 (year-end 2006: EUR 30 million).

The following financial ratios apply:

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

27.4 Financial ratios

At 31 December 2007, Royal Vopak comfortably met the applicable financial ratios referred to in paragraphs 27.1, 27.2 and 27.3. Based on the consolidated figures, the ratios as at 31 December 2007 were as follows:

- At 31 December 2007, the Net Debt/EBITDA ratio was 1.71 (31 December 2006: 1.61). For a breakdown of the calculation of the Net Debt, please refer to page 25 of this report.
- No subordinated loans were drawn at 31 December 2007.
- The ICR at 31 December 2007 was 8.5 (31 December 2006: 7.1).
- The minimum required shareholders' equity at year-end 2007, in accordance with the calculation method outlined in paragraph 27.1, is EUR 530.1 million (year-end 2006: EUR 464.0 million). At 31 December 2007, the shareholders' equity for ratio calculation was EUR 815.6 million (31 December 2006: EUR 671.0 million).

Vopak Terminals Singapore Pte. Ltd. and Pakterminal AS also complied with the financial ratios referred to in paragraph 27.2 at 31 December 2007.

28. Pensions and other employee benefits

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

	2007	2006
Balance at 1 January	**6.6**	70.5
Movements:		
- Disposals	**- 0.3**	–
- Net periodic pension charges	**14.4**	21.0
- Interest accrual employer's contribution provision for years of past service	**0.9**	0.9
- Employer's contribution	**- 38.1**	- 82.7
- Benefits paid directly by the employer	**–**	- 1.6
- Exchange differences	**- 1.8**	- 0.5
- Other	**0.6**	- 1.0
Balance at 31 December	**- 17.7**	6.6
Current assets	**- 0.1**	- 0.3
Non-current assets	**- 75.4**	- 66.3
Current liabilities	**3.3**	3.7
Non-current liabilities	**54.5**	69.5
Balance at 31 December	**- 17.7**	6.6

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. In the Netherlands, these plans mainly concern average pay pension schemes, while the other countries mostly have final pay pension schemes. 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 about 12 years, equal to the average future term of service.

The fair values of the plan assets for two defined benefit plans in the Netherlands and Switzerland are higher than the pension obligations. The asset ceiling test was performed for these assets in accordance with IAS 19.58, which showed that the plan assets can fully accrue to the company through premium discounts and/or premium returns.

The German pension plans are not funded; the defined benefit obligations for these plans total EUR 14.9 million (2006: EUR 16.1 million). As at 31 December 2007, approximately 54% of the plan assets were bonds (year-end 2006: 58%), 42% shares (year-end 2006: 39%) and 4% real-estate (year-end 2006: 3%). The pension funds have not direct 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 as per 1 January 2006. These employees were offered defined contribution schemes and a contribution to the life-course scheme instead. A provision was formed in 2006 for future contributions that correspond to the years of past service. The employer contribution to these defined contribution schemes amounted to EUR 5.0 million in 2007 (2006: EUR 4.8 million), EUR 3.5 million (2006: EUR 3.1 million) of which is compensated for by the release from the provision for defined contribution schemes for years of past service.

To improve the financial position, an additional amount of EUR 7.7 million was allocated to the UK pension fund.

Vopak expects a total employer contribution to defined benefit plans of EUR 4.8 million in 2008.

	Note	The Netherlands		Foreign		Total	
		2007	2006	**2007**	2006	**2007**	2006
Movements in pension obligations							
Obligations at 1 January		**671.1**	696.1	**146.6**	152.3	**817.7**	848.4
Movements:							
- Disposals/curtailments		**–**	- 22.9	**- 0.3**	–	**- 0.3**	- 22.9
- Costs of rights accrued in the financial year		**8.5**	9.5	**3.5**	4.2	**12.0**	13.7
- Interest expenses		**29.5**	26.3	**7.0**	6.8	**36.5**	33.1
- Actuarial gains (-) and losses		**- 90.3**	- 7.4	**- 12.5**	- 8.4	**- 102.8**	- 15.8
- Benefits paid from the pension fund		**- 33.5**	- 30.5	**- 3.4**	- 3.4	**- 36.9**	- 33.9
- Benefits paid directly by the employer		**–**	–	**- 1.6**	- 1.6	**- 1.6**	- 1.6
- Exchange differences		**–**	–	**- 8.6**	- 3.3	**- 8.6**	- 3.3
Obligations at 31 December		**585.3**	671.1	**130.7**	146.6	**716.0**	817.7
Movements in plan assets							
Fair value of plan assets at 1 January		**661.8**	604.4	**99.8**	90.5	**761.6**	694.9
Movements:							
- Expected return on assets		**35.9**	32.0	**6.7**	5.6	**42.6**	37.6
- Actuarial gains and losses (-)		**- 19.8**	- 10.6	**- 0.4**	3.1	**- 20.2**	- 7.5
- Employer's contributions		**12.5**	66.6	**14.4**	6.1	**26.9**	72.7
- Employees' contributions		**0.1**	0.1	**0.4**	0.5	**0.5**	0.6
- Benefits paid		**- 33.6**	- 30.7	**- 5.3**	- 3.7	**- 38.9**	- 34.4
- Exchange differences		**–**	–	**- 7.6**	- 2.3	**- 7.6**	- 2.3
Fair value of plan assets at 31 December		**656.9**	661.8	**108.0**	99.8	**764.9**	761.6
Obligations less fair value of plan assets at 31 December		**- 71.6**	9.3	**22.7**	46.8	**- 48.9**	56.1
Net actuarial gains and losses not yet recognised		**9.8**	- 61.2	**1.8**	- 10.6	**11.6**	- 71.8
Net pension assets (-) and obligations under defined benefit plans recognised at 31 December		**- 61.8**	- 51.9	**24.5**	36.2	**- 37.3**	- 15.7
Net pension obligations under defined contribution schemes		**19.5**	22.2	**0.1**	0.1	**19.6**	22.3
Net pension obligations recognised at 31 December		**- 42.3**	- 29.7	**24.6**	36.3	**- 17.7**	6.6
Assumptions based on weighted average at 31 December							
Discount rate		**5.50%**	4.50%	**5.64%**	4.86%	**5.54%**	4.58%
Expected return on plan assets		**5.75%**	5.50%	**6.85%**	6.60%	**5.88%**	5.67%
Expected general salary increase		**3.00%**	2.25%	**3.15%**	3.29%	**3.09%**	2.43%
Expected price index increase		**2.00%**	2.00%	**2.71%**	2.63%	**2.09%**	2.12%
Components of net periodic pension charges							
Current service costs		**8.5**	9.5	**3.5**	4.2	**12.0**	13.7
Release due to curtailments		**–**	- 19.4	**–**	–	**–**	- 19.4
Interest expense		**29.5**	26.3	**7.0**	6.8	**36.5**	33.1
Expected return on plan assets		**- 35.9**	- 32.0	**- 6.7**	- 5.6	**- 42.6**	- 37.6
Amortisation of actuarial gains and losses		**0.5**	0.3	**0.3**	1.1	**0.8**	1.4
Pension charges defined benefit plans	3	**2.6**	- 15.3	**4.1**	6.5	**6.7**	- 8.8
Employer's contribution to defined contribution schemes		**8.1**	7.0	**3.1**	3.0	**11.2**	10.0
Provision for employer's contribution corresponding to years of past service		**–**	22.9	**–**	–	**–**	22.9
Release of provision for employer's contribution corresponding to years of past service		**- 3.5**	- 3.1	**–**	–	**- 3.5**	- 3.1
Pension charges defined contribution schemes	3	**4.6**	26.8	**3.1**	3.0	**7.7**	29.8
Net periodic pension charges		**7.2**	11.5	**7.2**	9.5	**14.4**	21.0

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

		The Netherlands		Foreign	
		2007	2006	**2007**	2006
Age 45					
	Men	**38.3**	35.4	**38.5**	38.8
	Women	**38.9**	40.7	**41.8**	42.0
Age 65					
	Men	**18.5**	17.3	**20.0**	20.1
	Women	**20.1**	21.8	**23.0**	23.1

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

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:

	2007	2006	2005	2004	2003
Obligations	**716.0**	817.7	848.4	780.1	681.4
Fair value of plan assets	**764.9**	761.6	694.9	629.5	600.2
Obligations minus fair value at 31 December	**- 48.9**	56.1	153.5	150.6	81.2
Actuarial gains (-) and losses pension obligations	**- 102.8**	- 15.8	48.3	86.0	- 36.4
Actuarial gains and losses (-) plan assets	**- 20.2**	- 7.5	39.2	12.0	- 2.1

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%	
	2007	2006	**2007**	2006
Discount rate	**- 1.5**	–	**1.3**	6.0
Expected return on plan assets	**- 6.5**	- 6.5	**6.5**	6.5
Expected price index increase	**5.6**	10.7	**- 5.0**	- 4.5

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 liabilities	Reorgani-sation	Other	Total
Non-current liabilities	8.5	0.8	13.3	**22.6**
Current liabilities	4.3	2.5	5.2	**12.0**
Balance at 1 January 2007	12.8	3.3	18.5	**34.6**
Movements:				
- Additions	3.0	0.2	12.0	**15.2**
- Withdrawals	- 2.6	- 1.2	- 4.4	**- 8.2**
- Releases	–	- 0.9	- 2.3	**- 3.2**
- Interest accrual	–	–	0.1	**0.1**
- Exchange differences	- 0.2	–	0.2	**–**
Balance at 31 December 2007	13.0	1.4	24.1	**38.5**
Non-current liabilities	9.6	0.3	19.0	**28.9**
Current liabilities	3.4	1.1	5.1	**9.6**
Balance at 31 December 2007	13.0	1.4	24.1	**38.5**
Expected withdrawals				
< 1 year	3.4	1.1	5.1	**9.6**
1 - 2 years	2.8	0.3	6.5	**9.6**
2 - 3 years	2.3	–	8.0	**10.3**
3 - 4 years	1.7	–	0.8	**2.5**
4 - 5 years	1.6	–	1.2	**2.8**
> 5 years	1.2	–	2.5	**3.7**
Total	13.0	1.4	24.1	**38.5**

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 2007, this has led to an increase in the provision for environmental risks of EUR 3.0 million. This increase was recognised in the income statement under Other operating expenses.

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 10.9 million relating to claims and damages incurred but not yet reported relating to the insurance activities. In 2007, EUR 3.1 million was added for expected claims, EUR 1.2 million was used and EUR 1.3 million was released. Other provisions also include an amount of EUR 5.8 million relating to the relocation of the terminal on the Waltershof site in Germany, of which EUR 0.5 million current (see also note 13).

30. Trade and other payables

	Note	2007	2006
Trade payables		**44.2**	43.8
Wage tax and social security charges		**5.1**	5.3
Prepaid grants	13	**10.5**	–
Other creditors, accruals and deferred income		**199.6**	177.9
Total		**259.4**	227.0

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 2006 and 31 December 2007 is shown below in order of maturity date:

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 swaps:									
- 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 swaps:									
- 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**

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

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

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 and 2007 were effective.

As part of the currency risk policy, the Group has converted fixed-interest USD loans (US PPs) totalling USD 210 million into fixed-interest loans for the amount of EUR 183.6 million by means of cross currency interest rate swaps (CCIRS). The terms of the CCIRS were as follows: USD 40 million until 19 June 2008, USD 10 million until 19 December 2008, USD 110 million until 19 June 2010 and USD 50 million until 19 June 2011.

The fair value changes relating to the currency part of the principal of the CCIRS are 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 2007, a loss of EUR 0.4 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 2007 resulted in a loss of EUR 0.2 million on the interest rate swaps, and a gain of EUR 0.3 million on the loans. On balance, the ineffective part of the fair value change results in a gain of EUR 0.1 million.

Vopak Terminal Singapore Pte Ltd. 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 2006 and 31 December 2007 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 31-12-2006

	Note	Effective interest	Total	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years
Cash and cash equivalents and bank overdrafts	21	**3.0%**	**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		0.0%	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%	- 67.5	- 23.3	- 11.5	- 3.3	- 1.3	–	- 28.1
- USD fixed interest with interest rate swaps		8.2%	- 262.4	–	- 46.4	- 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 swaps 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 swaps 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*

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

	Note	Effective interest	Total	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years
Cash and cash equivalents and bank overdrafts	21	**3.0%**	**110.3**	**110.3**	**–**	**–**	**–**	**–**	**–**
Loans granted:									
- EUR floating interest		6.0%	8.7	–	8.7	–	–	–	–
- EUR fixed interest		6.0%	7.1	0.6	0.6	0.6	0.7	0.6	4.0
Total loans granted	16		**15.8**	**0.6**	**9.3**	**0.6**	**0.7**	**0.6**	**4.0**
Loans drawn:									
- EUR fixed interest		6.3%	- 28.4	–	- 20.4	–	–	–	- 8.0
- GBP fixed interest		7.9%	- 47.6	–	–	–	- 47.6	–	–
- SGD floating interest		2.8%	- 55.3	–	–	–	–	- 55.3	–
- USD fixed interest		5.7%	- 261.1	- 2.1	- 2.0	- 2.1	- 102.2	- 14.6	- 138.1
- USD fixed interest with interest rate swaps		5.7%	- 212.5	- 41.1	- 25.4	- 21.2	- 34.3	–	- 90.5
- USD floating interest		5.6%	- 67.3	- 3.5	- 3.5	- 3.5	- 3.5	- 1.9	- 51.4
Total loans drawn	27		**- 672.2**	**- 46.7**	**- 51.3**	**- 26.8**	**- 187.6**	**- 71.8**	**- 288.0**
Derivative financial instruments (currency component fair value):									
- Effect of interest rate swaps USD from fixed to floating interest:									
Fixed		7.8%	68.5	21.9	25.4	21.2	–	–	–
Floating		8.4%	- 68.5	- 21.9	- 25.4	- 21.2	–	–	–
- Effect of interest rate swaps from USD fixed to EUR fixed (CCIRS):									
EUR fixed interest		7.0%	- 183.7	- 50.5	–	- 82.7	- 50.5	–	–
USD fixed interest		7.1%	144.0	34.3	–	75.4	34.3	–	–
- Effect of interest rate swaps SGD from floating to fixed interest:									
SGD floating interest		2.9%	38.2	–	–	–	–	38.2	–
SGD fixed interest		3.5%	- 38.2	–	–	–	–	- 38.2	–
Total derivative financial instruments			**- 39.7**	**- 16.2**	**–**	**- 7.3**	**- 16.2**	**–**	**–**
Total			**- 585.8**	**48.0**	**- 42.0**	**- 33.5**	**- 203.1**	**- 71.2**	**- 284.0**

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. 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 (2006: EUR 0.2 million).

The table below shows the amounts received by each member individually in 2007.

In EUR thousands	Gross remuneration	Audit committee	Appointment committee	Remuneration committee	Total 2007	Total 2006
J.D. Bax	45	–	4	4	**53**	42
F.J.G.M. Cremers	33	8	–	4	**45**	37
C.J. van den Driest [1]	33	–	2	–	**35**	19
R.M.F. van Loon	33	5	1	6	**45**	40
A. van Rossum [2]	8	–	–	–	**8**	–
M. van der Vorm	33	5	2	–	**40**	35
Total current Supervisory Board members	185	18	9	14	**226**	173
R. den Dunnen [3]	–	–	–	–	**–**	16
Total former Supervisory Board members	–	–	–	–	**–**	16
Total	185	18	9	14	**226**	189

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

[2] Remuneration for 2007 relates to the period since 27 September 2007, the date of appointment

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

Mr Van den Driest, a former Executive Board member, held 2,668 shares at year-end 2007 (2006: 2.668 shares). The other Supervisory Board members did not hold any shares in Royal Vopak at year-end 2007 and 2006. 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 Executive Board members. In accordance with IFRS, the long-term variable remuneration and options granted consist of compensations to be allocated for work performed during the financial year, irrespective of the actual payment. Total remuneration amounted to EUR 2.8 million (2006: EUR 2.6 million).

The breakdown for Executive Board members is as follows:

In EUR thousands	Salary		Short-term variable remuneration		Long-term variable remuneration		Pension		Value of options		Total	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006
J.P.H. Broeders	**440**	390	**275**	227	**176**	156	**95**	84	**6**	14	**992**	871
F.D. de Koning	**376**	362	**235**	206	**150**	145	**139**	133	**–**	–	**900**	846
J.P. de Kreij	**405**	390	**253**	227	**162**	156	**101**	97	**21**	42	**942**	912
Total Executive Board members	**1,221**	1,142	**763**	660	**488**	457	**335**	314	**27**	56	**2,834**	2,629

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 and is subject to a maximum of 62.5% of the fixed salary for year 2007 (2006: 60%). The financial targets are based on:

- An increase in the earnings per share of at least 8% to 12% or more, compared with the previous year. In that case, the variable remuneration component will increase proportionally by 0% to 20% of the fixed salary.
- If a ROCE of 14% (2006: 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 22.5% of the fixed salary for a ROCE of 18% or higher (2006: a maximum of 20% for a ROCE above 16%).

For 2007 and 2006, the two financial targets resulted in a short-term variable component of 42.5% and 40% of the fixed salary, respectively.

Up until 31 December 2007, the long-term variable remuneration was linked to the increase in earnings per share over a three-year period (starting 1 January 2005). If the increase in earnings per ordinary share is at least 25%, the Executive Board members receive remuneration in cash in the fourth year. The remuneration may increase to a maximum of 120% of the average salary for the three-year period if the earnings per ordinary share increase by 35% or more over the three-year period. The increase for the period was 113%, so that the maximum remuneration will apply. The remuneration in cash for Mr Broeders, Mr De Koning and Mr De Kreij will be EUR 452,000, EUR 378,106 and EUR 474,000, respectively. The amounts attributable to the financial year are shown in the table above.

At the Annual General Meeting held on 26 April 2007, the resolution was passed to introduce a new long-term incentive plan as from 1 January 2008. Under this new plan, the remuneration is linked to the profit growth of the company with also the objective of further increasing the Executive Board members' loyalty to the company. The long-term incentive plan (LTIP) has two components:

- The Performance Share Plan: under this plan, shares are conditionally granted at the start of each three-year period. The number of conditional shares is determined by:
  (i) the Executive Board member's gross annual salary at the time of grant;
  (ii) the policy-induced value of the Executive Board member's annual salary in % (chairman 45% and members 40%);
  (iii) the average closing share price in the quarter prior to the grant.
  The actual number of shares granted to members of the Executive Board at the end of this period depends entirely on whether the pre-determined performance criteria were met. These criteria are (both 50%):
  (i) the average ROCE over the three-year performance period, whereby the final grant may increase to 75% of the conditionally granted shares;
  (ii) the growth of EBITDA, whereby the EBITDA of the third year of the performance period is compared with that of the year prior to the performance period. The final grant for this part may likewise increase to 75% of the conditionally granted shares.
  The shares granted are held in a stock deposit where they will be blocked for a five-year period. If the treasury stock exceeds the target value of one gross annual salary, the shares above this maximum will be at the free disposal of the Executive Board member.
- The Matching Share Plan: under this plan, the Executive Board members build and retain a portfolio of Vopak shares. The shares are held in a stock deposit for a five-year period and may qualify for a performance-related share match at the end of the period (granting of Matching Shares). Performance is measured on the basis of the increase in earnings per share. In addition to the performance shares, the Executive Board member may decide to place shares he purchased himself in the stock deposit. The Executive Board members must build and retain a portfolio of Vopak shares in the stock deposit whose value equals that of one year's gross salary. Only those shares held in the stock deposit that meet the minimum and maximum build-up per year and which do not exceed the target level of a year's gross salary qualify for matching. In 2007, Mr Broeders, Mr De Koning and Mr De Kreij placed 3,672 shares, 3,138 shares and 3,380 shares, respectively, in the stock deposit for their own account and at their own risk.

The long-term incentive plan qualifies as a share-based remuneration scheme. The fair value of the shares is recognised in the income statement as an expense, with a corresponding increase of shareholders' equity. The fair value is determined on the date the shares are conditionally granted and linked to the long-term incentive plan upon acceptance of the conditions. The costs are spread between the starting date of the performance period and the date the Executive Board members are entitled to the shares unconditionally. The shares are provided through a repurchase of company shares.

Of the Executive Board members including the shares held in the treasury stock under the Matching Share Plan, Mr De Kreij held 153,380 shares (2006: 24,008 shares), Mr Broeders 10,000 shares (2006: nil) and Mr De Koning 3,138 shares (2006: nil) at year-end 2007. Mr De Kreij did not have any written put options on shares at year-end 2007 (year-end 2006: 1,000 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 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:

		Term	Year of issue	Issued options	Exercise price in euros	Outstanding options at 31 December 2007	2006
	J.P.H. Broeders	up to 13 May 2009	2004	20,000	13.75	**10,000**	20,000
	J.P. de Kreij	up to 31 December 2007	2003	50,000	12.40	**–**	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 Executive Board members				120,000		**60,000**	120,000

During the year under review, no new options were granted, while 60,000 options were exercised at an average exercise price of EUR 45.25 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.

	Recognised costs of share option schemes (in thousands)	2007	2006
	Options 2004	**6**	35
	Options 2005	**21**	21
Total costs		**27**	56
Carrying amount of options at 31 December		**–**	27

33. Cash flows from operating activities (gross)

	Note	2007	2006
Net profit		**198.1**	146.9
Adjustments for:			
- Depreciation, amortisation and impairment	4	**107.3**	93.3
- Net finance costs	7, 8	**42.9**	44.2
- Income tax	9	**51.2**	25.5
- Movements in other non-current assets		**- 8.4**	- 62.7
- Movements in provisions excluding deferred taxes		**- 9.3**	1.6
- Movements in minority interests		**- 6.2**	- 3.1
- Dividend received from joint ventures and associates	14	**28.4**	35.7
- Result joint ventures and associates	6	**- 33.8**	- 36.0
- Result on sale of intangible assets		**0.1**	0.2
- Result on sale of property, plant and equipment		**0.7**	0.4
- Result on sale of assets held for sale		**- 4.8**	–
- Result on sale of subsidiaries		**- 12.5**	–
- Result on sale joint ventures and associates		**- 4.6**	–
Realised value adjustments of derivative financial instruments		**- 38.1**	1.1
Movements in other current assets (excl. cash and cash equivalents)		**- 0.6**	7.4
Movements in other current liabilities (excluding bank overdrafts and dividends)		**30.2**	31.0
Effect of changes in exchange rates on other current assets and liabilities		**- 6.1**	0.2
Cash flows from operating activities (gross)		**334.5**	285.7

34. Operating lease

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

	2007	2006
Less than one year	**35.9**	29.6
Between 1 and 5 years	**118.3**	106.6
More than 5 years	**287.4**	246.5
Total	**441.6**	382.7

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

In 2007, EUR 38.0 million was recognised as expenses in the income statement relating to operating leases (2006: EUR 34.1 million).

35. Investment commitments undertaken

The investment commitments undertaken amount to EUR 239.4 million as at 31 December 2007 (2006: EUR 197.8 million).

36. Contingent assets and contingent liabilities

The sales contract with respect to the Standic terminal provides for the adjustment of the selling price, if needed, depending on the future operating income of the terminal. The compensation may increase to EUR 2.2 million through the 2011 financial year.

Guarantees and security provided for joint ventures, associates and third parties amounted to EUR 98.5 million (2006: EUR 73.9 million). The project financing of Gate terminal is expected to be completed in the first half of 2008. Until then, Vopak will temporarily be liable for approximately EUR 280 million in respect of the fulfilment of the investment obligation assumed.

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 2007, 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 125).

Company financial statements

Company income statement

In EUR millions	2007	2006
Profit of participating interests after tax	258.9	132.4
Other results after tax	- 76.0	- 0.5
Net profit	**182.9**	**131.9**

Company balance sheet at 31 December before profit appropriation

In EUR millions	Note		2007		2006
Participating interests in group companies	2	1,024.4		969.7	
Loans granted	3	394.5		192.1	
Pensions and other employee benefits		50.0		56.4	
Derivative financial instruments	6	3.0		2.0	
Total non-current assets			1,471.9		1,220.2
Trade and other receivables		7.6		8.4	
Prepayments and accrued income		1.6		2.0	
Derivative financial instruments	6	3.3		3.1	
Cash and cash equivalents		36.4		0.9	
Total current assets			48.9		14.4
Bank overdrafts		15.1		27.7	
Current portion of interest-bearing loans	5	44.1		21.5	
Creditors and other liabilities		47.0		26.9	
Derivative financial instruments	6	21.5		43.9	
Total current liabilities			127.7		120.0
Current assets less current liabilities			- 78.8		- 105.6
Total assets less current liabilities			1,393.1		1,114.6
Interest-bearing loans	5	557.0		407.0	
Derivative financial instruments	6	26.3		36.3	
Non-current liabilities			583.3		443.3
Provisions	7		0.1		0.3
Share capital		81.9		81.9	
Share premium		165.2		178.2	
Share capital and share premium			247.1		260.1
Statutory reserve for participating interests		65.5		70.3	
Exchange differences reserve		- 3.3		- 1.0	
Revaluation reserve derivatives		- 0.4		- 7.1	
Revaluation reserve assets		14.6		2.6	
Other reserves		303.3		214.2	
Unappropriated profit		182.9		131.9	
Other shareholders' equity components			562.6		410.9
Shareholders' equity	4		809.7		671.0
Total			1,393.1		1,114.6

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

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

		2007	2006
Carrying amount at 1 January		**969.7**	883.3
	Movements:		
	- Investments	**1.1**	2.6
	- Dividend	**- 185.6**	- 6.1
	- Exchange differences	**- 20.9**	- 34.5
	- Hedging	**- 11.6**	- 8.0
	- Revaluation of assets	**12.8**	–
	- Profit	**258.9**	132.4
Carrying amount at 31 December		**1,024.4**	969.7

3. Loans granted

	Loans to subsidiaries	Loans to participating interests	Other loans	Total
Carrying amount at 1 January 2006	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**
Movements:				
- Loans granted	199.2	6.2	–	**205.4**
- Exchange differences	- 3.0	–	–	**- 3.0**
Carrying amount at 31 December 2007	385.8	8.7	–	**394.5**

At 31 December 2007, loans granted did not include any subordinated loans (2006: nil).

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.

Movements in the remaining components of shareholders' equity for 2006 and 2007 are shown hereafter.

The exchange differences reserve includes all exchange differences resulting from the translation of the financial statements of foreign entities and exchange differences resulting from the translation of liabilities and the effective part of the fair value changes in derivative financial instruments, net of tax, that hedge the net investment of the company in foreign entities.

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

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

After adjustment for the negative exchange differences reserve (EUR 3.3 million) and negative revaluation reserve derivatives (EUR 0.4 million) is at 31 December 2007, a total of EUR 482.5 million (2006: EUR 338.0 million) distributable out of other reserves and unappropriated profit for 2007.

	Statutory reserve participating interests	Exchange differences reserve	Revaluation reserve derivatives	Revaluation reserve assets	Other reserves	Unappropriated profit	**Total**
Balance at 1 January 2006	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	–	- 39.1	–	–	–	–	**- 39.1**
- Effective part of hedges of net investments	–	29.4	–	–	–	–	**29.4**
- Tax effect on exchange differences and hedges	–	- 6.7	–	–	–	–	**- 6.7**
- Use of exchange differences on net investments							
(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 assets	–	–	–	- 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**
Movements:							
- Profit appropriation	–	–	–	–	82.7	- 82.7	**–**
- Dividend in cash	–	–	–	–	–	- 49.2	**- 49.2**
- Exchange differences on net investments	–	- 22.8	–	–	–	–	**- 22.8**
- Effective part of hedges of net investments	–	26.9	–	–	–	–	**26.9**
- Tax effect on exchange differences and hedges	–	- 7.5	–	–	–	–	**- 7.5**
- Use of exchange differences on net investments							
(to income statement)	–	1.1	–	–	–	–	**1.1**
- Changes in value of effective part of cash flow hedges	–	–	2.0	–	–	–	**2.0**
- Tax effect of changes in value of cash flow hedges	–	–	- 0.7	–	–	–	**- 0.7**
- Use of effective part of cash flow hedges (to income statement)	–	–	7.2	–	–	–	**7.2**
- Tax effect of use of cash flow hedges (to income statement)	–	–	- 1.8	–	–	–	**- 1.8**
- Revaluation non-current assets	–	–	–	12.8	–	–	**12.8**
- Depreciation on revaluation reserve assets	–	–	–	- 0.8	0.8	–	**–**
- Issued to option holders	–	–	–	–	0.8	–	**0.8**
- Transferred from statutory reserves to other reserves	- 4.8	–	–	–	4.8	–	**–**
- Profit for the year	–	–	–	–	–	182.9	**182.9**
Balance at 31 December 2007	65.5	- 3.3	- 0.4	14.6	303.3	182.9	**562.6**

5. Interest-bearing loans

	Nominal value		More than 5 years		Average term in years		Average interest in %	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006
Current portion of interest-bearing loans	**44.1**	21.5						
Non-current portion of interest-bearing loans	**557.0**	407.0						
Total	**601.1**	428.5	**288.0**	49.5	**6.5**	3.9	**6.6**	7.8

6. Derivative financial instruments

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**

Market value of derivative financial instruments as at 31 December 2007 in order of maturity date:

		< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total	Assets	Liabilities
Currency risks										
	Forward exchange contracts	- 1.3	–	–	–	–	–	- 1.3	3.3	4.6
	Cross currency interest rate swaps	- 16.7	–	- 5.0	- 18.3	–	–	- 40.0	2.3	42.3
Interest rate risks										
	Interest rate swaps	- 0.2	- 0.1	0.1	–	–	–	- 0.2	0.7	0.9
Total		**- 18.2**	**- 0.1**	**- 4.9**	**- 18.3**	**–**	**–**	**- 41.5**	**6.3**	**47.8**
	Current	- 18.2	–	–	–	–	–	- 18.2	3.3	21.5
	Non-current	–	- 0.1	- 4.9	- 18.3	–	–	- 23.3	3.0	26.3
Total		**- 18.2**	**- 0.1**	**- 4.9**	**- 18.3**	**–**	**–**	**- 41.5**	**6.3**	**47.8**

7. Provisions

Movements in provisions were as follows:

	Pensions and other employee benefits	Reorganisa-tion	Deferred taxes	Total
Balance at 1 January 2006	–	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**
Movements in 2007:				
- Additions	0.1	–	–	**0.1**
- Withdrawals	- 0.1	- 0.2	–	**- 0.3**
Balance at 31 December 2007	–	0.3	–	**0.3**
Non-current liabilities	–	0.1	–	**0.1**
Current liabilities	–	0.2	–	**0.2**
Balance at 31 December 2007	–	0.3	–	**0.3**

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 96.1 million (2006: EUR 71.8 million). The project-financing of Gate terminal is expected to be completed in the first half of 2008. Until then, Vopak will temporarily be liable for approximately EUR 280 million in respect of the fulfilment of the investment obligation assumed. Guarantees and security provided on behalf of group companies amounted to EUR 69.4 million (2006: EUR 69.2 million).

Joint and several liability undertakings for an amount of EUR 108.1 million (2006: EUR 108.1 million) were issued for bank credits granted to Royal Vopak. Furthermore joint and several liability undertakings for an amount of EUR 6.6 million (2006: EUR 6.0 million) were issued for bank credits granted to subsidiaries.

The company has filed joint and several liability undertakings for a number of its Dutch group companies at the office of the Company Registry in whose area of jurisdiction the group company concerned has its registered office. The list of interests filed at the office of the Company Registry for inspection states for which group companies Royal Vopak has issued joint and several liability undertakings.

Rotterdam, 6 March 2008

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
A. van Rossum

Other information

Auditors' report

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

Report on the financial statements
We have audited the financial statements 2007 of Koninklijke Vopak N.V., Rotterdam as set out on pages 53 to 115 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 2007, 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, 2007, the company income statement for the year then ended and the notes.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 2007, and of its result and its cash flow for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Opinion with respect to the company financial statements
In our opinion, the company financial statements give a true and fair view of the financial position of Koninklijke Vopak N.V. as at 31 December 2007, 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 requirements
Pursuant to the legal requirement under 2:393 sub 5 part e 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 2:391 sub 4 of the Netherlands Civil Code.

Rotterdam, 6 March 2008

PricewaterhouseCoopers Accountants N.V.

J.A.M. Stael

Events after balance sheet date

Share repurchase plan

In February 2008, Vopak repurchased 85,000 shares to cover commitments to the Executive Board and senior management under the Long-term Incentive Plan. The shares will be granted if specific financial performance criteria are met.

Vopak Terminal Bahamas

Vopak has reached agreement in principle with First Reserve Corporation to form a strategic joint venture company for the Borco oil terminal on Grand Bahama (Bahamas). Vopak and First Reserve have agreed that the terminal will be operated by Vopak according to Vopak's operating standards and practices. Vopak will also acquire a 20% interest in this terminal, which will be operated as an integral part of the Vopak global network and be named Vopak Terminal Bahamas. The oil terminal in Freeport is the largest oil storage facility in the Caribbean with seventy-three oil tanks of different sizes with a total capacity of more than 3 million cubic meters and can be expanded to 5 million cubic meters.
According to the timetable for the transfer to First Reserve, probably in the second quarter of 2008, Vopak and First Reserve will conclude a Share Purchase Agreement and an Operating Agreement, subject to proper completion of the 'due diligence' processes.

Interstream Barging

Vopak has reached agreement in principle with Interstream Barging and Van der Sluijs Groep on the contribution of its entire subsidiary, Vopak Barging Europe, to Interstream Barging, an existing joint venture of Vopak and Van der Sluijs Groep. At the same time, it has been agreed that Van der Sluijs Tankrederij, a subsidiary of Van der Sluijs Groep, will also be contributed to Interstream Barging. All activities will then take place under the name Interstream Barging. In this way, Interstream Barging, which is established in Dordrecht (Netherlands) and Düsseldorf (Germany), will extend its existing area of operations of transporting mineral oils into the shipment of chemical products. The merger of Interstream Barging and Vopak Barging Europe will be in the form of an acquisition of all of Vopak Barging Europe's shares by Interstream Barging and has no consequences for the employees of either organisation. After the integration, Interstream Barging will have a fleet of 95 inland vessels available and will, therefore, be one of the largest tanker transporters in north-western Europe. This increase in scale will allow Interstream Barging to further strengthen its position and offer customers more flexibility, which will provide increased transport certainty. The final agreement is expected to be signed during the summer, subject to the approval of the relevant employee representatives and the German and Dutch competition authorities.

Articles of Association provisions governing profit appropriation

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

The relevant paragraphs of these articles are as follows:

19.2. At the meeting:

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

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

Proposed profit appropriation

The proposal to the Annual General Meeting will be to distribute a dividend on the financing preference shares of EUR 1.8 million (2006: EUR 2.5 million) and a dividend in cash of EUR 0.95 per ordinary share, with a nominal value of EUR 1.00 each (2006: EUR 0.75 in cash). Provided that the Annual General Meeting adopts the income statement, balance sheet and dividend proposal, the dividend for the 2007 financial year will be made payable on 2 May 2008.

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.P. Timmermans resigned from the Board of the Foundation during the meeting held on 17 October 2007 and Mr A. Schaberg was appointed chairman of the Foundation on the same date. The current members of the Board of Stichting Vopak are:

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

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

Protective preference shares will be issued if Stichting Vopak exercises its option right. On 18 October 1999, the Annual General Meeting decided to grant the right to Stichting Vopak to acquire protective preference shares to a maximum amount of the full nominal value of the share capital issued to third parties in the form of ordinary and financing preference shares, less the nominal value of one ordinary share. Royal Vopak and Stichting Vopak have specified their mutual relationship with regard to the option in an option agreement dated 1 November 1999, which was amended on 5 May 2004 such that the original put option granted to Royal Vopak was cancelled.

The Board of Stichting Vopak decides independently whether and when there is a need to issue protective preference shares to Stichting Vopak.

Rotterdam, 6 March 2008

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, 6 March 2008

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

Stichting Administratiekantoor Financieringspreferente Aandelen Vopak ('the Foundation')

As at 31 December 2007, 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 26 April 2007. At that meeting, the Foundation agreed to all proposals made to the General Meeting.

Furthermore, the Board of the Foundation passed a resolution – outside of meetings – on 10 September 2007 on the manner in which the Foundation would cast its vote during the Extraordinary General Meeting of Shareholders held on 27 September 2007. At that meeting, the Foundation agreed to the sole proposal made to the meeting of shareholders.

The holders of depositary receipts did not request any proxies or give the Foundation any voting instructions for the purpose of the aforementioned meetings.

During the year under review, the Board of the Foundation was composed of two Officers A, Mr J.H. Ubas and Mr H.J. Baeten, appointed by the meeting of depositary receipt holders, and an Officer B, Mr L.P.E.M. van den Boom, appointed by the Board, who is also the Chairman.
Prior to taking up their duties, the Officers of the Foundation held senior management positions at various financial institutions.
All Officers satisfy the independence conditions as stipulated by article 6.6 of the by-laws of the Foundation. They receive annual compensation of EUR 6,353 each.

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

Rotterdam, 6 March 2008

Stichting Administratiekantoor Financieringspreferente Aandelen Vopak

Information on the Executive Board members

Personal details regarding Mr J.P.H. Broeders

Nationality	: Dutch
Year of birth	: 1964
Previous important position held	: President of Vopak Asia
Supervisory board memberships	: none
Number of Vopak shares held	: 10,000 [1)]
Date of appointment	: 1 June 2004

Personal details regarding Mr J.P. de Kreij

Nationality	: Dutch
Year of birth	: 1959
Previous important positions held	: Senior Partner PricewaterhouseCoopers N.V. Managing Partner Transaction Services
Supervisory board memberships	: Evides N.V.
Number of Vopak shares held	: 153,380 [1)]
Date of appointment	: 1 January 2003

Personal details regarding Mr F.D. de Koning

Nationality	: Dutch
Year of birth	: 1949
Previous important positions held	: Director Shell Moerdijk, Shell Pernis and Shell Nederland Senior Vice President, Unconventional Resources Shell Exploration & Production Company Houston (USA)
Supervisory board memberships	: none
Number of Vopak shares held	: 3,138 [1)]
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	: 72 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	: 49 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

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

Age	: 56 years (7-2-1952)
Nationality	: Dutch
Previous important position held	: Member of the Executive Board and CFO of VNU N.V.
Other positions/ Supervisory board memberships	: N.V. Nederlandse Spoorwegen Fugro N.V., Vice-Chairman N.V. Luchthaven Schiphol Unibail-Rodamco S.A. Parcom Ventures B.V. Commissie Kapitaalmarkt AFM Lodewijk Stichting Stichting Preferente Aandelen Philips
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	: 60 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 Group N.V., Chairman 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

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

Age	: 66 years (6-3-1942)
Nationality	: Dutch
Previous important position held	: Vice-President Shell Chemicals Ltd.
Other positions/ Supervisory board memberships	: Synbra Holding BV, Chairman Koninklijke Boskalis Westminster N.V., Chairman
Number of Vopak shares held	: none
Date of first appointment	: 23 April 2003
Current term	: 2007 – 2011

Chairman of the Remuneration Committee
Member of the Audit Committee

Personal details regarding Mr A. van Rossum (member)

Age	: 62 jaar (12-5-1945)
Nationality	: Dutch
Previous important position held	: Voorzitter Uitvoerend Comité Fortis Senior Partner McKinsey & Company
Other positions/ Supervisory board memberships	: Credit Suisse Solvay S.A. Rodamco Europe N.V. Erasmus Universiteit Rotterdam, Supervisory Board Chairman Trustee of the Conference Board New York
Number of Vopak shares held	: none
Date of first appointment	: 27 September 2007
Current term	: 2007 – 2011

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

Paul Cox	Vlaardingen, Netherlands
Juergen Franke	Germany
Rob Kasteel	Inland Shipping
Mark Noordhoek-Hegt	South Africa
Richard Smith	Finland
Luc Soly	Belgium
Pascal van Zaal	Shared Services, Netherlands

Joint ventures

Jose Callejas Sanches	Terquimsa, Spain

Oil Europa, Middle East & Africa

Division Management

Frank Erkelens	Division President
Hari Dattatreya	Sales & Marketing
Boudewijn Siemons	Operational Excellence & Business Development
Harald van der Wardt	Finance & Control
Edwin Taal	Human Resources

Business Units

Dick Bos	Pakterminal, Estonia
Ian Cochrane	Middle East, Dubai
Piet Hoogerwaard	Agencies
Igor Lepetukhin	Moscow, Representative office
Severin Pluess	Switzerland
Dick Richelle	Oil Rotterdam, Netherlands
Michiel van Ravenstein	Amsterdam
Jarmo Stoopman	Sweden

Joint ventures

Jos van Altvorst	Interstream Barging
Peter den Breejen	Cross-Ocean, Netherlands
Walter Moone	Vopak Horizon Fujairah, UAE
Paul Nix	SabTank, Saudi Arabia

Asia

Division Management

Paul Govaart	Division President
Len Daly	Business Development
Ard Huisman	Finance & Control
Lee Marn Seng	Human Resources

China

Jan Bert Schutrops	China Region President
Teo Seow Ling	Zhangjiagang

Business Units

Ron Dickinson	Australia
Jason Tan	Vietnam

Joint ventures

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

North America

Division Management

Pieter Bakker	Division President
John J. Baker	Key Account Management
Jim Dubose	Operations & Support
Richard Guerrerio	Finance & Control
Maggie Muzikowski	Human Resources
Jim Miller	Business Development
Lawrence Waldron	Gulf Coast
Mike Lacavera	West Coast
Joey Anslum	East Coast
Mark de Hueck	Canada

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

Ignacio Gonzalez	Chile
Ian ter Haar	Peru
Thijs-Jan Huizer (*)	Mexico
Eduardo Sarria	Venezuela
Frank Wisbrun (*)	Brazil

Joint ventures

Christian Pérez	Ecuador

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
Paul Runderkamp	Legal
Koos Schaberg	Program Office
Dirk van Slooten	LNG project
Dion Veldhuyzen	Internal Audit
Niek Verbree	Operational Excellence
Cees Vletter	Treasury
Tjeerd Wassenaar	Legal & Corporate Secretary

(*) *Also member of the Division Management*

Consolidated subsidiaries, joint ventures and associates

A. Principal consolidated subsidiaries

Europe, Middle East & Africa

Belgium
Vopak Agencies Antwerpen NV
Vopak Chemicals Logistics Belgium NV
Vopak Chemical Terminals Belgium NV

Germany
Vopak DUPEG Terminal Hamburg GmbH

Estonia
Pakterminal AS

Finland
Vopak Chemicals Logistics Finland Oy

France
Vopak Agencies France Sarl

The Netherlands
Vopak Nederland B.V.
Vopak Terminal Vlissingen B.V.
Vopak Terminal Amsterdam B.V.
Vopak Agencies Amsterdam B.V.
Vopak Agencies Rotterdam B.V.
Vopak Agencies Terneuzen B.V.
Vopak Barging Europe B.V.
Vopak Chemicals EMEA B.V.
Vopak Chemicals Logistics Netherlands B.V.
Vopak LNG Holding B.V.
Vopak Logistic Services OSV B.V.
Vopak 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.

North America

Canada
Vopak Terminals of Canada Inc.

United States
Vopak North America Inc.
Vopak Terminals North America Inc.
Vopak Terminal Deer Park Inc.
Vopak Terminal Galena Park Inc.
Vopak Terminal Savannah Inc.
Vopak Terminal Wilmington Inc.
Vopak Terminal Los Angeles Inc.
Vopak Terminal Long Beach Inc.

Latin America

Argentina
Vopak Argentina S.R.L.

Brazil
Vopak Brasil S.A.

Chile
Vopak Chile Limitada

Colombia
Vopak Colombia S.A.

Mexico
Vopak Mexico SA de CV

Peru
Vopak Peru S.A.

Venezuela
Vopak Venezuela S.A.

[1] Vopak Terminal Penjuru Pte. Ltd. 60% ownership in Vopak Terminals Shandong Lanshan
[2] Vopak Holding Singapore Pte. Ltd. 69.5% ownership in Vopak Terminals Singapore Pte. Ltd.
[3] Vopak Terminals Singapore Pte. Ltd. 100% ownership in Vopak Terminal Penjuru Pte. Ltd.

B. Joint ventures and associates

Europe, Middle East & Africa

Germany
Interstream Barging GmbH (50%)

The Netherlands
Cross-Ocean B.V. (50%)
Cosco Container Lines B.V. (50%)
Gate terminal B.V. (42.5%)
Gate terminal Management B.V. (50%)
Interstream Barging B.V. (50%)
Maasvlakte Olie Terminal N.V. (16.67%)
MultiCore CV (25%)

Spain
Terminals Quimicos SA (Terquimsa) (50%)

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

Asia

China
Xiamen Paktank Company Ltd. (40%)
Vopak Terminal Ningbo Co. Ltd. (37.5%)
Vopak Shanghai Logistics Company Ltd. (50%)
Vopak Nanjiang Petrochemicals Terminal Tianjin Company Ltd. (50%)
Vopak Ethylene Terminal Tianjin Co. Ltd. (50%)

Indonesia
PT Tank Terminal Jakarta (49%)

Japan
Nippon Vopak Co. Ltd. (39.77%)

Korea
Vopak Terminals Korea Ltd. (51%)

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

Pakistan
Engro Vopak Terminal Ltd. (50%)

Thailand
Thai Tank Terminal Ltd. (49%)

Latin America

Brazil
Uniao-Vopak Armazens Gerais Limitada (50%)

Chili
Terminal Maritimo Vopak-Oxiquim Mejillones S.A. (50%)

Ecuador
Vopak Ecuador S.A. (50%)

[4] Vopak Terminal Penjuru Pte. Ltd. 30% ownership in Kertih Terminals Sdn. Bhd.

Five-year consolidated summary

In EUR millions				IFRS	Dutch GAAP
	2007	2006	2005	2004	2003
Consolidated abridged income statement					
Income from rendering of services	**853**	778	683	648	750
Other operating income	**31**	3	4	12	3
Total operating income	**884**	781	687	660	753
Operating expenses	**- 523**	- 508	- 470	- 455	- 488
Depreciation, amortisation and impairment	**- 107**	- 93	- 86	- 87	- 115
Total operating expenses	**- 630**	- 601	- 556	- 542	- 603
Result of joint ventures and associates					
using the equity method	**38**	36	39	29	42
Group operating profit	**292**	216	170	147	192
Net finance costs	**- 43**	- 44	- 39	- 46	- 48
Profit before income tax	**249**	172	131	101	144
Income tax	**- 51**	- 25	- 25	- 1	- 27
Net profit	**198**	147	106	100	117
Attributable to:					
- Holders of ordinary shares	**181**	129	90	81	98
- Holders of financing preference shares	**2**	3	3	7	7
- Minority interests	**15**	15	13	12	12
Net profit	**198**	147	106	100	117
Income from rendering of services excluding disposed					
non-core activities	**853**	778	677	615	599
Group operating profit excluding disposed non-core activities	**292**	216	177	149	157
Consolidated abridged balance sheet					
Intangible assets	**63**	41	43	37	7
Property, plant and equipment	**1,385**	1,091	982	850	995
Financial assets	**221**	223	271	321	333
Deferred tax	**16**	21	45	24	5
Other	**96**	86	26	10	–
Total non-current assets	**1,781**	1,462	1,367	1,242	1,340
Total current assets	**352**	359	398	340	408
Total assets	**2,133**	1,821	1,765	1,582	1,748
Total equity	**880**	735	659	552	579
Total non-current liabilities	**846**	699	774	761	867
Total current liabilities	**407**	387	332	269	302
Total liabilities	**1,253**	1,086	1,106	1,030	1,169
Total equity and liabilities	**2,133**	1,821	1,765	1,582	1,748

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
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
EBIT	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
Greenfield	Building a new terminal on undeveloped land
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
LNG	Liquefied Natural Gas
Lost Time Injury Rate (LTIR)	Number of accidents entailing absence from work per million hours worked
Note Holders' Programme	A long-term financing arrangement with a consortium of private investors
OEMEA	Vopak division Oil Europe, Middle East & Africa
PEPI	Packaged Enabled Process Improvement, integrated software system
Put option contract	Right to sell, with the buyer 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 seller 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
SHEQ	Safety, Health, Environment and Quality
Throughput	Volume of a product handled by a terminal in a given period, calculated as (in + out)/2

Colophon

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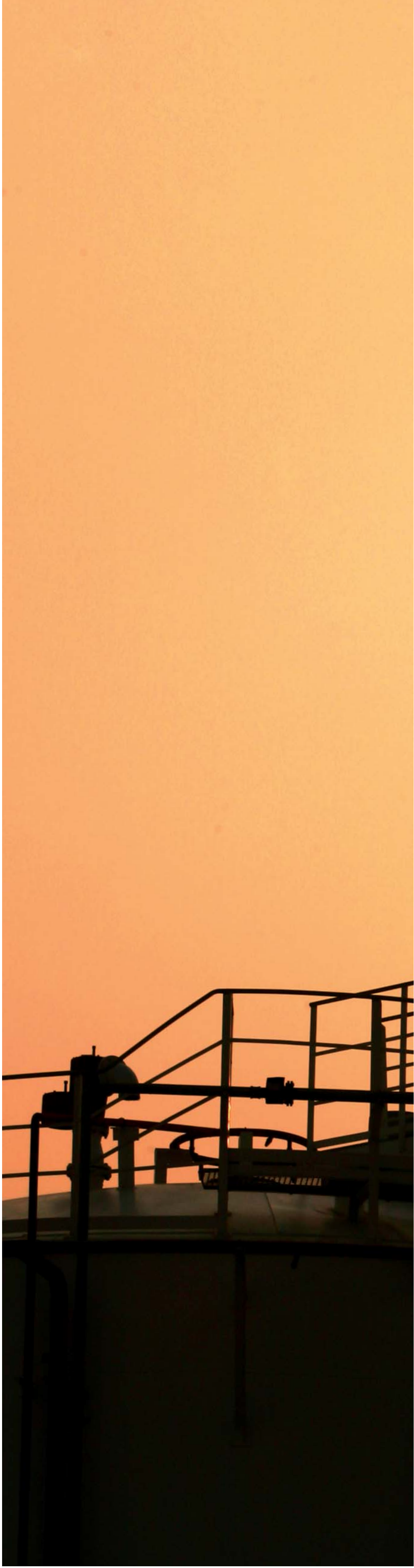

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