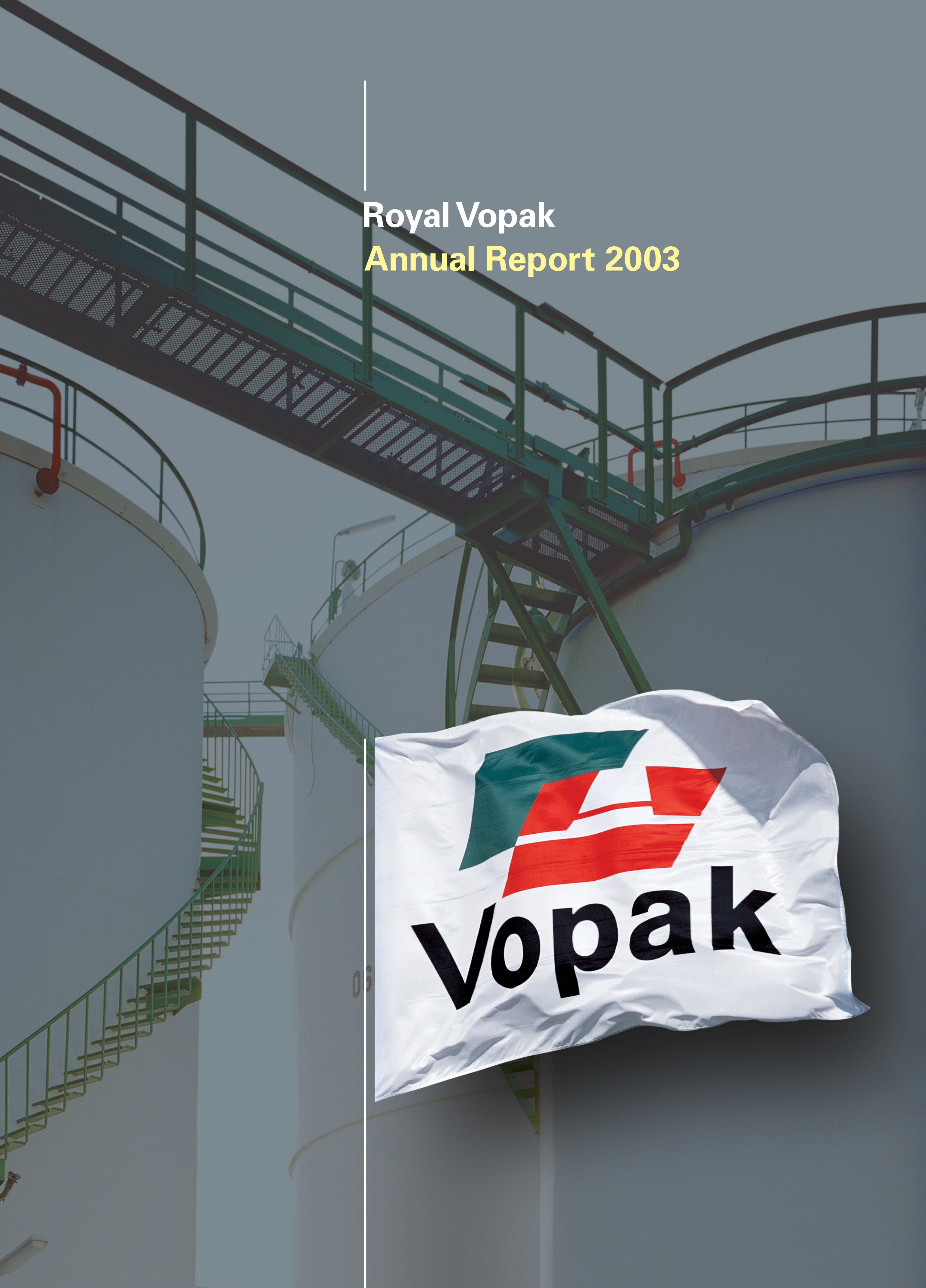
Royal Vopak
Annual Report 2003



Key data

Net turnover	€ 749.6 million
Net profit	€ 104.5 million
Net earnings per ordinary share	€ 1.67
Employees	4,004
Tank terminals	71

Royal Vopak
Annual Report 2003

This annual report, containing the report of the Executive Board, the financial statements and other information, is also available in Dutch. In the event of textual inconsistencies between the English and the Dutch versions, the latter shall prevail.

Copies of the Dutch and English versions of this annual report can be obtained from Royal Vopak, Corporate Communication & Investor Relations:
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The annual report is also available on the internet: www.vopak.com

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

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Profile

Professionals in liquid bulk logistics

Royal Vopak is a global independent tank terminal group, operating some 20 million m^3 capacity for the storage of liquid and gaseous chemical and oil products and providing complementary logistics services to meet market demand. Through strategic alliances with third-party logistics providers, the group also offers integrated logistics solutions. Vopak is organized by market regions and operates more than 70 tank terminals in 29 countries.

Vopak's terminals are strategically sited with respect to users and the main shipping routes. Its customers are active predominantly in the chemical and oil industries. The major terminals in Rotterdam/Antwerp, Houston and Singapore are key hubs in the worldwide logistics industry for oil and chemical products. At these hubs, Vopak offers all terminal functions, such as the transhipment and storage of products being exported to other countries or regions and imported for distribution on the local market. The group's other locations specialize in just one of these functions. In addition, Vopak operates industrial terminals at a number of locations. These terminals support the local logistics and import/export activities of large chemical complexes and refineries, whereby terminal functions are outsourced to Vopak under long-term contracts.

Vopak's strength lies in a combination of factors:

- A strong global infrastructure of tank terminals.
- A strict policy on safety, health and the environment.
- Experienced and well-trained staff.
- Worldwide recognized quality based on the highest industry standards.
- An effective ICT infrastructure to support business processes, effective communication with customers and the internal exchange of information.
- A strong track record in strategic alliances with third parties.

Vopak's strategy is to expand and optimize its tank terminal network, to offer integrated, customer-specific logistics concepts and to enter into strategic alliances for complementary logistics services.

Policy highlights

Key features:

- High quality, professional services
- Safety, health and the environment as critical success factors
- Focus on tank terminals and complementary logistics services tailored to the customers' wishes
- Decisive organization with attractive career opportunities
- Long-term relationships with customers
- Strategic alliances with other professional service providers
- Equitable balance between the interests of the various stakeholders in the company

Financial objectives:

- Return on average capital employed (ROCE) of 16%
- Net debt : EBITDA maximised at 2.5 : 1

Strategy	Objectives	Steps	Status
– **Expand and optimize the terminal network**	– Expansion at the existing terminals	– New construction	– Additional capacity at Fujairah, United Arab Emirates (300,000 m³) on stream – Additional capacity at Sebarok, Singapore (100,000 m³), on stream – Capacity in Thailand increased by 61,000 m³ in 2003/2004 – Capacity at terminal acquired in Tianjin, China supplemented with ethylene tank
		– Upgrading	– Product specialization at Botlek terminal – Conversion of Europoort terminal to increase fuel oil capacity and construction of new jetty for ocean-going vessels – Construction of stainless steel tanks in Vlaardingen (11,000 m³) – Quality improvement at the terminal acquired in Venezuela
	– Growth in Latin America	– Acquisition	– Acquisition of HCI/Brenntag's terminal interests in Venezuela, Colombia and Ecuador
	– Growth in Asia	– Acquisition	– Acquisition of Shell's terminal interest in Tianjin, China
	– Selective growth in chemical storage North America	– Acquisition	– Acquisition of Dow Chemical terminal in Long Beach, California, USA
– **Focus on industrial terminals**	– Growth in Asia	– Build new terminals	– Terminal in Shanghai, China, under construction
– **Establish alliances**	– Offering integrated logistics concepts	– Strategic alliances	– Broström for ocean-going shipping – Interstream Barging for inland shipping of oil products
– **Improve financial ratios**	– Reduction in net debt to EUR 700 million maximum	– Stringent cash flow management	– Net debt at 31 December 2003 EUR 608.5 million
		– Sell non-strategic activities	– Sale of the Chemgas fleet – Sale of the Asian gas tankers – Sale of the chemical tanker fleet – Sale of the interest in Van Ommeren Clipper Shipholdings – Sale of the interests in Dockwise Transport, Dutch P&I and Dutch Shipping Defence
		– Reduce capital employed in shipping and other related logistics activities	– Announced and realized sales proceeds EUR 210 million
	– Dividend 25-40% of net profit		– Dividend 30% of net profit for ordinary shareholders
	– Reduce the cost base	– Reduce overhead costs	– Rationalization Head office completed in 2003

Key figures

Venezuela

in EUR millions	2003	2002
Results		
Net turnover	749.6	796.2
EBITDA including profit of participating interests	307.2	334.2
EBIT	192.2	213.0
Net profit	104.5	111.3
Net profit for ordinary shareholders	97.6	104.4
Cash flow from operating activities	203.4	122.8
Investments		
Net investments in tangible and financial fixed assets and group companies	46.9	32.6
Average gross capital employed	2,302.6	2,509.3
Average capital employed	1,336.0	1,514.0
Appropriation of profit		
Dividend:		
Cumulative financing preference shares	6.9	6.9
Ordinary shares	30.0*	30.0
Capital and financing		
Shareholders' equity	521.2	496.4
Long-term debt	695.5	824.9
Net debt	608.5	782.7
Ratios		
ROCE	14.4%	14.1%
Current assets : current liabilities	1.4	1.3
Net debt : EBITDA	2.42	2.49
Interest cover (EBITDA : net interest)	5.6	5.5
Key figures per share		
Earnings per share	1.67	1.91
Diluted earnings per share	1.67	1.91
Earnings per share (before exceptional items)	1.28	1.73
Diluted earnings per share (before exceptional items)	1.28	1.73

** optional in cash or in shares*

"In 2003 we added new terminals to the network in Latin America. All the acquisitions were such that Vopak was in a position to generate added value quickly"

Carel van den Driest

Report of the Supervisory Board

Financial statements

We have the pleasure of presenting the 2003 financial statements of Royal Vopak as prepared by the Executive Board. The financial statements were audited by the independent auditors, PricewaterhouseCoopers Accountants N.V., and discussed with them on the basis of their report. The unqualified auditors' report is included on page 72.
We approved the financial statements at our meeting of 5 March 2004 and recommend that you adopt them.
We approve the Executive Board's proposal to add an amount of EUR 67.6 million to other reserves after the distribution of EUR 6.9 million on the cumulative financing preference shares and to distribute the remainder, EUR 30.0 million optional in cash or in shares, to Royal Vopak's ordinary shareholders.

Corporate Governance

On 5 March 2004 we decided, after consultation with the Executive Board, to make certain changes in the company's Corporate Governance structure in conformity with the Dutch Corporate Governance Code published on 9 December 2003 ('the Code'). The main changes are explained elsewhere in this report and will be considered as a separate agenda item at the Annual General Meeting to be held on 13 May 2004.

As far as possible, this report on the Supervisory Board's performance and duties 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. In conformity with the Code, the Supervisory Board has revised its own regulations and the regulations of its three core committees. The same opportunity was taken to redraft the rules in the revised regulations governing decision-making within the Supervisory Board. The Supervisory Board appoints a Chairman and a Vice-Chairman from amongst its members. It is their task to ensure that decision-making within the Supervisory Board is balanced and considers the interests of all concerned (article 10 of the regulations).

In our opinion the Supervisory Board's composition satisfies the independence criteria set in the Code's Best Practice provisions. Only Mr M. van der Vorm does not satisfy all the Code's independence criteria. Mr van der Vorm is also Chairman of the Executive Board of HAL Holding N.V., which company has a 35.75% interest in Royal Vopak.

The information on each Supervisory Director required by the Code is presented on page 75 of this annual report.

Supervision

The Supervisory Board met on seven occasions during the year, six times in accordance with a prearranged timetable and once to consider the future composition of the Executive Board, which led, amongst other things, to the proposal to appoint Mr J.P. Broeders at the forthcoming Annual General Meeting.

During the scheduled meetings we considered the company's realization of its goals and discussed the strategy, budget and internal quarterly, half-year and annual financial statements.
The external auditor was present during the consideration of the annual results; the management letter issued by the external auditor was also discussed at this meeting.
The minutes of the Audit Committee's meetings were always discussed at the Supervisory Board's next meeting.

With the authority of the Annual General Meeting and on the recommendation of the Executive Board and the Audit Committee, the Supervisory Board approved the appointment of PricewaterhouseCoopers Accountants N.V. as external auditor.

The Supervisory Board further considered the sale of, amongst other things, various shipping interests following the strategy review. In addition, several investment proposals were considered, including the acquisition of HCI/Brenntag's terminals in Latin America and several tank terminal projects in Asia and Australia.

During the year, members of the Supervisory Board visited various facilities to be informed of safety, health and environmental issues. In addition to Management Development and Succession Planning, we discussed the risks facing the company and the design and operation of its internal risk management and control systems, in part in response to two incidents at terminals in the Netherlands and an investigation of the chemical barging operations by the European Commission.

Finally, at a meeting not attended by the Executive Board, the Supervisory Board evaluated its own performance and that of the Executive Board and the individual members of both bodies. The profile was adopted again and included as an annex to the Supervisory Board's new regulations.

Core committees

During the 2003 financial year, the Supervisory Board had an Audit Committee and a Remuneration Committee. The Audit Committee met on five occasions in 2003. The issues discussed included the 2002 financial statements, the 2003 quarterly and half-year figures, the external auditors' management letters on the 2002 financial year and the first half of 2003, the progress report regarding the recommendations made in the external auditors' previous management letters, the selection procedure for a new external auditor, currency risk management, investments, International Financial Reporting Standards (IFRS), ICT and Enterprise Risk Management including the operation of the internal risk management and control system. The Audit Committee consists of Messrs M. van der Vorm (Chairman), J.D. Bax and R.M.F. van Loon. The Audit Committee's regulations have been revised in accordance with the Code and published on the website. They will enter into force on 13 May 2004.

The Remuneration Committee, which also acted as a Selection and Appointment Committee in 2003, met on several occasions. It provided advice on the proposal to appoint new Supervisory Board and Executive Board members and on the development of a remuneration proposal for the new Executive Board member. It also advised the Supervisory Board on the remuneration policy for the members of the Executive Board in anticipation of the policy's submission to the Annual General Meeting for approval.

On 13 May 2004, the Remuneration Committee will be split into a Remuneration Committee consisting of Messrs J.M. Hessels (Chairman) and J.D. Bax and a Selection and Appointment Committee consisting of Messrs J.D. Bax (Chairman) and J.M. Hessels. The regulations of these two committees have already been published on the company's website.

Main points of the remuneration report

The Remuneration Committee prepared a report on the period 1 January 2003 to 5 March 2004 and had it placed on the company's website. The main points of the future remuneration policy set out in the report, to be submitted for approval to the General Meeting of Shareholders on 13 May 2004, are given below.

Each year, the Remuneration Committee will evaluate the overall remuneration package against the remuneration levels at comparable multinationals listed on the AEX and AMX and will ensure that Vopak's remuneration package is at least equivalent to the median of these companies' packages.

The package contains fixed, variable and pension components.
The amount of the fixed component will be set so that it always represents sufficient remuneration for the efforts and responsibilities of the executive director in question, according to the grades used in the Hay Group system.

The short-term variable component, not exceeding 50% of fixed salary, is payable if agreed predefined objective and measurable targets are achieved. The financial targets account for 70% of this variable component and the personal ones for 30%. For business and competitive reasons, we will not disclose these targets.

The long-term variable component will always be linked to Vopak's share price development and has two different forms. Concerning employment contracts concluded in the past, share options were granted to two members of the Executive Board.
No performance criteria were attached to the grants, but they cannot be exercised until three years from the date of grant. Next year, we will define performance criteria for future grants of share options.

The second form concerns the bonus to the Chairman of the Executive Board. According to its terms, he has the right in July 2005 to an amount equal to 0.5% of the increase in market capitalisation since 1 July 2002, the date he joined the Board, with a minimum of EUR 200,000 and a maximum of EUR 1 million.

The pension component relates to a defined contribution scheme with a retirement age between 60 and 62.
The contributions to be remitted vary from 20% to 36% of pensionable salary.

Members

Mr P.R.M. Govaart will stand down from the Executive Board at his own request at the forthcoming Annual General Meeting. On the same date, he will become President of the Asia Division, thus fulfilling his wish of continuing there the career that he began in 1970. We are grateful to Mr Govaart for his commitment and dedication as a member of the Executive Board to the development of the company. We are pleased that he will continue to apply his know-how and experience for the many projects Vopak is undertaking in Asia.

Finally, we would like to thank the Executive Board and all members of staff for their dedication on behalf of the company during the past year.

Rotterdam, 5 March 2004
On behalf of the Supervisory Board

J.D. Bax
Chairman

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

From left to right: Paul Govaart, Jack de Kreij and Carel van den Driest

2003 was an animated year for Vopak. Results were below expectations but the company closed the year in a significantly stronger position.

Results

Vopak's turnover for 2003 amounted to EUR 749.6 million (2002: EUR 796.2 million). This decline is mainly caused by a negative currency effect of EUR 37.6 million.
The consolidated net profit was EUR 116.9 million (2002: EUR 125.8 million).
The net profit came to EUR 104.5 million (2002: EUR 111.3 million). The negative effects of currency fluctuations have partly been mitigated through the use of Average Rate Options.
In Asia and Latin America, Vopak turned in good results in local currency but the depreciation of the US dollar (USD) and the Singapore dollar (SGD) against the euro had a significant impact on the result in euros. The weaker storage markets in Europe and North America and the absence of global economic recovery also exerted pressure on the result. The recovery in profitability during the second half of 2003 was mainly due to the improved results in Asia and Latin America and of the Oil Europe, Middle East & Africa division.

Improved financial ratios

We continued our successful disposal programme with the sale of several non-core businesses which in 2003 and 2004 together will generate EUR 210 million in cash. These transactions considerably strengthened the balance sheet and further improved our financial ratios. We comfortably remain within the covenants as agreed upon in the debt agreements. Also our objective of reducing net debt to EUR 700 million has been achieved and thus our ability to invest in attractive projects has been enhanced.

Focus

Our tank terminal strategy centres on the 'TankTerminal-Plus' concept. The 'Plus' stands for additional logistics services that are rendered at the customer's request and that support the terminals' economic position. They are often rendered in alliance with strategic partners.

Vopak is working on improving its profitability. In practice, we are concentrating on rate improvements, cost management and selective growth. Thanks in part to the successful disposal programme, Vopak is becoming a sharply focused business. All attention can now be devoted to managing and extending our global tank terminal network. The focus will enable us to improve quality even further, amongst others in the fields of safety, health and environment.

Selective growth

Asia and Latin America offer the best organic growth opportunities for the terminal network. We foresee particularly strong growth in demand for storage of oil and chemical products in China. With ten years experience and four terminals already in operation in the country, Vopak is in a good position to benefit from the opportunities. In 2003 we added new terminals to the network in China, Latin America and on the west coast of the United States.
All the acquisitions were such that Vopak was in a position to generate added value quickly.
We also increased the capacity of our terminals in Singapore and Fujairah in order to meet the sustained demand for the storage of oil products.
Industrial terminals are a special factor in Vopak's growth. Results in this segment were again excellent. We also made significant progress with the

project in Shanghai. The terminal Vopak is building there will come on stream in stages as from year-end 2004.

Safety, health and environment

Safety, health and environment are cornerstones of Vopak's policy. Continuous good performance underpins Vopak's business excellence and creates a competitive edge, particularly over local operators. Vopak's statistics in this area improved again in 2003. Nevertheless, we were confronted with several incidents at the beginning of the year. They have all been analysed thoroughly and serve as a reminder of the enormous importance of the human factor. Training in this area and close involvement, especially from the top of the organization, must help prevent the reoccurrence of such incidents in the future.

Prospects

The process of strategic reorientation was nearing completion at the end of 2003. The company has become more compact and more decisive and is now in an excellent position with a solid financial basis for further prudent and sustainable growth.

Apart from Asia, the chemical industry is in a depression from which it is unlikely to recover before the second half of 2004. Consequently, Vopak expects little growth in terminal activities.
The demand for oil product storage is being driven by a growing geographical imbalance between the supply and demand for oil products. Occasionally, this trend is slowed down by price patterns if future prices are below current ones (a phenomenon known as backwardation).
The strong market position of Vopak's terminals and the additional fuel oil capacity in Rotterdam mean that the company views the prospects in this market segment as favourable.

The level of activities in the first two months of the current year is comparable to that of the last quarter of 2003.
However, political developments and exchange rate fluctuations can still have a considerable impact on results.

Taking everything into consideration, and barring unforeseen circumstances, Vopak expects its operating profit for 2004 from its core activities, excluding exceptional items, to at least match that for 2003 (EUR 150.2 million).

Based on presently known projects approximately EUR 130 million will be invested in 2004.

The six terminals, of which two are participating interests, acquired in 2003 will contribute to the 2004 results for the full year. At the same time the disposal of non-core activities will lead to a reduction in the number of Vopak employees. Per year-end 2003 750 employees were active in the non-core activities.

I would like to take this opportunity to pay tribute to the staff for their hard work during what was indeed an animated year and also our shareholders, customers and suppliers for their support and confidence.

Rotterdam, 5 March 2004

Carel van den Driest
Chairman of the Executive Board
Royal Vopak

Report of the Executive Board

Report

Financial performance

Accounting policies

2003

For a true comparison with the results for 2003, the 2002 results have been restated in accordance with the policies applicable with effect from 2003 regarding the recognition of exceptional income and expenses as part of operating profit rather than as separate extraordinary result after tax.

As from 2004

Listed companies in the European Union must prepare their financial statements in accordance with International Financial Reporting Standards (IFRS) as from 1 January 2005. Generally accepted accounting principles in the Netherlands differ in certain respects from the IFRS. Vopak intends to disclose the consequences of preparing its financial statements in accordance with IFRS in its annual report for 2004.

Turnover and result

Financial performance in 2003 was marked by several positive factors but overwhelmingly by negative ones: weaknesses in Vopak's West European and North American markets, the depreciation of the US and Singapore dollars against the euro, incidents in Rotterdam in the first quarter and the severe winter at the participating interest in Estonia. On the plus side, the economy recovered strongly in Asia following the SARS epidemic at the beginning of the year and the largely completed disposal programme realizes approximately EUR 210 million. These funds are applied to improve financial ratios and to expand the company in line with the long-term strategy.

At EUR 749.6 million, net turnover for 2003 was 5.9% lower than in the previous year (2002: EUR 796.2 million). The decline was due largely to adverse exchange differences of

EUR 37.6 million on activities that are not reported in euros. The net effect of the acquisition of terminals in North and Latin America on the one hand and the sale of activities in 2002 and the disposal of non-core activities in 2003 on the other, is an increase in turnover of EUR 0.7 million. For comparative purposes, the financial data of the discontinued non-core activities are presented separately.
The group Others consists mainly of headquarter costs.
The disposal programme had the greatest impact on the Chemicals Europe, Middle East & Africa division. Gas shipping, the chemical tanker fleet and the warehousing activities had previously all been part of this division. Turnover on core activities was slightly lower, down EUR 2.2 million at EUR 244.9 million (2002: EUR 247.1 million). Due to the difficult market conditions, rates could not entirely keep pace with the higher costs, and the incident at the TTR installation in Rotterdam led to the loss of 25,000 m^3 storage capacity for the full year. The new marketing strategy introduced in Rotterdam for specific product/market combinations was well received. Good results were again realized on the tank terminals in Antwerp and an active commercial policy at the Vlissingen gas terminal prompted a recovery in turnover and results. Currency effects in this division were limited to movements in the pound sterling and the South African rand against the euro.
On balance, they had a negative effect of EUR 2.8 million on turnover.
Turnover on inland shipping was roughly the same in 2003 as in 2002. Firmer rates and high capacity utilization compensated for the lower volumes per sailing due to the low level of the river Rhine during much of the year.
The Oil Europe, Middle East & Africa division got off to a weak start but improved as the year progressed. In the first quarter, the volume of activity had been significantly reduced by the threat of war in Iraq, an incident at the Europoort terminal and the freezing of the Baltic Sea. On balance, turnover for 2003 at EUR 117.7 million was EUR 7.2 million (5.8%) lower than in 2002 (EUR 124.9 million).
The major Europoort terminal puts the Oil Europe, Middle East & Africa division in a commanding position in the storage market for oil products that are shipped across the world to even out imbalances in supply and demand. In 2003, large volumes of Russian fuel oil were again used in the Rotterdam bunker market and consolidated in Rotterdam for transport on ocean-going vessels to Asia.
Vopak is implementing a substantial investment programme at the Europoort terminal to further improve the service for these activities.
Turnover from non-tank terminal activities, agencies and the brokerage of oil products for inland shipping was virtually equal to that for 2002. These activities made a healthy contribution to the result.
The Asia division's turnover relates to the activities in Singapore and Australia only. All other Asian activities are conducted through participating interests. The Singapore dollar's 12.8% fall against the euro in 2003 puts the reduction in turnover by 9.9% to EUR 93.8 million (2002: EUR 104.1 million) in a wrong perspective. The market developments in Singapore in particular remained favourable and the 100,000 m^3 oil storage capacity that came on stream at the end of August was a welcome addition to meet the sustained market demand.

Net turnover

in EUR millions	2003	2002
Chemicals Europe, Middle East & Africa	244.9	247.1
Oil Europe, Middle East & Africa	117.7	124.9
Asia	93.8	104.1
North America	104.8	118.0
Latin America	40.1	38.1
Discontinuation of operating activities	147.5	156.4
Others	0.8	7.6
Total	749.6	796.2

Expressed in US dollars, the North America division's turnover increased by 3.9% to USD 115.3 million (2002: USD 111.0 million). This increase was realised on the tank terminal activities: a combination of organic growth chiefly at the terminals on the west coast and the contribution of the terminal acquired in Long Beach, California, as of 1 July 2003.

The volume of railcar cleaning activities was slightly lower but logistics turnover showed modest growth. In total, these two activities accounted for 20% of the division's turnover but made a smaller contribution to operating profit.

After translation into euros, turnover for 2003 was 11.2% lower at EUR 104.8 million (2002: EUR 118.0 million), a marked decline compared with 2002.

The Latin America division's turnover rose by 5.2% to EUR 40.1 million in 2003 (2002: EUR 38.1 million) despite the adverse exchange rate differences.

This improvement was attributable to the acquisition of three terminals in Venezuela and Colombia and an interest in a terminal in Ecuador plus modest growth at the existing terminals. The terminals acquired increased this division's total storage capacity by 20%.

Operating profit before depreciation and amortization including profit of participating interests (EBITDA)

in EUR millions	2003	2002
Chemicals Europe, Middle East & Africa	69.7	74.3
Oil Europe, Middle East & Africa	57.0	69.0
Asia	73.0	83.5
North America	33.5	39.4
Latin America	18.1	19.4
Discontinuation of operating activities	72.9	59.2
Others	- 17.0	- 10.6
Total	307.2	334.2

Profit of participating interests

The profit of non-consolidated participating interests fell by 45.0% to EUR 42.5 million (2002: EUR 77.3 million). Apart from the absence of the non-recurring income of EUR 30 million realized in 2002 on the sale of participating interests, the fall was due chiefly to exchange rate differences. In the Oil Europe, Middle East & Africa division, the turnover and thus results of the participating interests in Estonia and Fujairah are reported in US dollars, while the results of the Asian participating interests are reported chiefly in local currency. Most of the Asian currencies relevant to Vopak are linked to the US dollar.

The results of the participating interest in Tallinn were lower than in 2002 because the very severe winter prevented ships from reaching the port. In autumn 2003, additional capacity came on stream at Fujairah (300,000 m^3), while a smaller capacity increase was realized at the participating interest in Thailand. With effect from July 2003, Vopak also acquired an interest in a terminal in Tianjin, China.
To provide a good view of the results of the participating interests in tank terminals, the table on this page shows their most important key figures on a 100% basis.

Information participating interests in tank terminals (on a 100% basis)

in EUR millions	2003	2002
Profit of participating interests (on a 100% basis)		
Net turnover	**225.9**	294.3
EBITDA	**136.3**	179.6
EBIT	**99.2**	140.9
Net profit	**67.0**	100.6
Vopak's share in net profit of participating interests		
Tank terminals	**28.6**	43.3
Other results of participating interests	**8.6**	4.0
Result on sale of participating interests	**5.3**	30.0
Total profit of participating interests in Vopak's results	**42.5**	77.3
Abbreviated balance sheet of participating interests in tank terminals (on a 100% basis)		
Total assets	**611.3**	680.7
Liabilities	**- 39.3**	- 47.2
Capital employed	**572.0**	633.5
Vopak's share in net equity of participating interests		
Tank terminals	**145.4**	157.8
Net equity of other participating interests	**14.9**	36.3
Total net equity of participating interests	**160.3**	194.1
Financial ratios of participating interests in tank terminals (on a 100% basis)		
Interest cover	**16.7**	11.8
Net debt : EBITDA	**1.3**	1.2

Disposals

As part of the Tank Terminal-Plus strategy, the following non-core activities have been sold:

- the gas shipping activities
- the minority interests in Dockwise Transport and Van Ommeren Clipper Shipholdings
- the interests in Dutch P&I and Dutch Shipping Defence

Agreement has also been reached on the disposal with completion in 2004 of:

- the chemical tanker fleet
- the warehousing activities

The sale of these activities to specialised players that will conduct them as core business has improved their prospects. In the course of the year a number of barges for the transport of oil products and vegetable oils were also transferred to their captains.

On balance, the net proceeds on the sale of gas shipping and the above-mentioned (minority) interests amounted to EUR 81.6 million. The disposal of the gas shipping activities reduced the number of employees by 238.

Exceptional items

Operating profit for 2003 includes EUR 25.5 million net exceptional items (2002: EUR 5.0 million). The main elements were a release from a EUR 33.2 million deferred tax liability guarantee given to Univar during the split-off in 2002 and a EUR 12.5 million loss (including impairments and disposals still to be completed) on the disposal of non-core activities.

Cash flow from operating activities

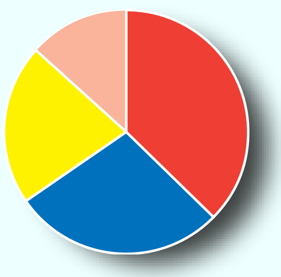
Operating profit before depreciation and amortization (EBITDA) decreased by 8.1% to EUR 307.2 million in 2003 (2002: EUR 334.2 million).

A EUR 53.0 million fall in operating expenses, chiefly on account of exchange differences, was unable to make up for the fall in net turnover. On balance the cash flow from operating activities increased by EUR 80.6 million to EUR 203.4 million.

Operating profit and return on average capital employed

Operating profit including exceptional items amounted to EUR 192.2 million (2002: EUR 213.0 million) and average capital employed to EUR 1,336.0 million (2002: EUR 1,514.0 million). This resulted in a ROCE for 2003 of 14.4% (2002: 14.1%).

EBIT in 2003 by currency



- EUR 38%
- USD 28%
- SGD 21%
- Other 13%

Group operating profit and ROCE

in EUR millions	EBIT	Average capital employed	ROCE
Chemicals Europe, Middle East & Africa	36.7	390.3	9.4%
Oil Europe, Middle East & Africa	44.7	123.2	36.3%
Asia	56.2	283.0	19.8%
North America	21.6	178.4	12.1%
Latin America	14.1	89.5	15.8%
Discontinuation of operating activities	38.2	245.7	15.6%*
Others	- 19.3	25.9	negative
Total including exceptional items	192.2	1,336.0	14.4%
Exceptional items	25.5		
EBIT excluding exceptional items	166.7		
EBIT discontinuation of operating activities excluding exceptional items	16.5		
EBIT core activities	150.2		

* *including exceptional items; excluding exceptional items the ROCE amounts to 6.7%*

Net interest expense

Net interest expense for 2003 amounted to EUR 47.9 million (2002: EUR 57.1 million). Vopak's long-term debt has an average rate of 7.5% and an average remaining term of 5.6 years. Total long-term debt at year-end 2003 amounted to EUR 695.5 million (2002: EUR 824.9 million) and net debt to EUR 608.5 million (2002: EUR 782.7 million).
The EUR 174.2 million decline in net debt had only a limited effect on net interest expense because the interest earned on cash funds is relatively low and a considerable proportion of the decline occurred in the second half of the year.

Taxation

The tax burden on the profit on ordinary activities before taxation was 19.0% (2002: 19.3%). Excluding tax-exempt income from participating interests, the effective tax burden was 26.0% (2002: 35.0%).

Dividend

It will be proposed to the Annual General Meeting that a dividend be declared of EUR 0.50 per ordinary share optional in cash or in shares (30% of the net profit for ordinary shareholders).

Goodwill

Vopak's balance sheet includes only a limited amount of goodwill (EUR 6.6 million). This intangible asset relates to acquisitions made since 2001 and is being amortized over a maximum period of 20 years.
Goodwill to an amount of EUR 0.2 million was added to the balance sheet in 2003 and goodwill amortization of EUR 0.3 million was written off to the profit and loss account.

Cash flow and investments

Proceeds from disposals of EUR 98.8 million and cash flow from operating activities of EUR 203.4 million were considerably higher than capital expenditure, which amounted to EUR 145.7 million (2002: EUR 160.9 million). In consequence, net debt was lower. The main investment projects in 2003 were the expansion of oil storage capacity in Singapore, the capital contributions for the 50% interest in the industrial terminal in Shanghai, China, the acquisition of terminals in Long Beach, California, and in Latin America and the interest in a terminal in Tianjin, China. 'Maintenance Capex', investments to maintain existing terminals, including environmental expenditure, amounted to EUR 41.8 million (2002: EUR 41.4 million).

Net investment by division

in EUR millions	2003	2002
Chemicals Europe, Middle East & Africa	33.1	29.5
Oil Europe, Middle East & Africa	15.2	9.6
Asia	30.0	19.3
North America	18.8	8.3
Latin America	16.9	5.1
Discontinuation of operating activities	- 71.3	- 85.0
Others	4.2	45.8
Net investments	46.9	32.6

Investments

in EUR millions	2003	2002
Investments		
Tangible fixed assets	106.5	97.0
Financial fixed assets	22.5	45.4
Group companies	16.7	18.5
Subtotal	145.7	160.9
Disposals		
Tangible fixed assets	26.2	16.4
Financial fixed assets	39.8	95.8
Group companies	32.8	16.1
Subtotal	98.8	128.3
Net investments	46.9	32.6

Abbreviated cash flow statement

in EUR millions	2003	2002
Gross cash flow from operating activities	154.4	199.7
Movements in working capital and effect of changes in exchange rates	49.0	- 76.9
Cash flow from operating activities	203.4	122.8
Investments	- 145.7	-160.9
Disposals	98.8	128.3
Net investments	- 46.9	-32.6
Cash flow from financing activities	- 149.2	- 181.5
Net cash flow	7.3	- 91.3

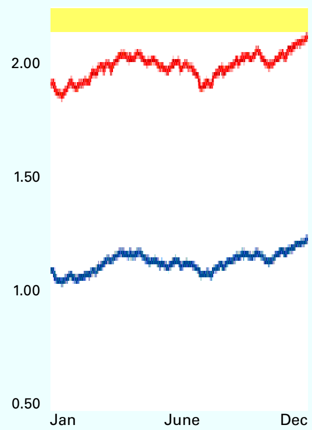
Funding and financing ratios

The balance of cash flow from operating activities and net investments considerably improved the net debt position, which fell to EUR 608.5 million (year-end 2002: EUR 782.7 million). Part of the improvement in net debt in euros was due to a EUR 50.5 million decrease in the value of long-term loans denominated in foreign currency. The ratio of net debt (including guarantees replacing credits and cash at bank and in hand not readily available) to EBITDA as defined in the loan agreements, and the interest cover (defined as EBITDA/net interest) are the most important ratios for long-term funding in the form of private loans. Vopak remained comfortably within the margins set for both ratios in the loan agreements.

Exchange rates 2003 (2002)

per EUR 1.00	USD 2003 (2002)	SGD 2003 (2002)
Average exchange rate	**1.13** (0.94)	**1.97** (1.69)
Average exchange rate after hedging (translation rate for profit and loss account)	**1.10** (0.94)	**1.94** (1.69)
Year-end exchange rate (translation rate for balance sheet)	**1.26** (1.04)	**2.14** (1.81)

Exchange rates 2003



Funding

in EUR millions	2003	2002
Cash at bank and in hand	**152.4**	153.0
Long-term liabilities	**- 695.5**	- 824.9
Current portion of long-term liabilities	**- 28.4**	- 71.1
Amounts owed to banks	**- 37.0**	- 39.7
Total net debt excluding guarantees replacing credits	**- 608.5**	- 782.7
Guarantees replacing credits	**- 26.3**	- 21.3
Total net debt including guarantees replacing credits	**- 634.8**	- 804.0
Cash at bank and in hand not readily available	**15.9**	19.2
Net debt for ratio calculation	**- 618.9**	- 784.8
Total leverage	**2.42**	2.49
Interest cover	**5.6**	5.5

The quality of the organization

In all its activities, Vopak pursues the highest quality standards, standards that are comparable with those applied by the market leaders in the oil and chemical industries. The Vopak name and logo guarantee the same quality all over the world. In the many alliances, too, the same quality standards are applied from the outset.

Critical success factors for attaining the required standards are Safety, Health & Environment (SHE), Human Resources (particularly management development, training and education) and Information and Communications Technology (the global use of a single, uniform ERP system for business processes and a standard internal communication network for the exchange of information). The pursuit of quality in these areas is actively encouraged at corporate level, both in word and in deed.
Considerable progress was made in all areas of quality thinking and implementation in the past year.

Safety, health and environment

SHE policy has enjoyed high priority at all levels within Vopak for many years and is an integrated part of the worldwide operations. Due to their nature, Vopak's activities will always entail certain safety and health risks and risk management is therefore of great importance. The Vopak Fundamentals on Safety (a programme of minimum requirements for all locations) were introduced at the end of 2003. The main goals of SHE policy are to avoid all incidents and environmental damage. In summary, everyone who works at a Vopak location must be able to go home at the end of the working day without having suffered or caused any form of harm whatsoever.

From top to bottom

SHE policy is initiated and monitored at central level within the organization: the Executive Board is closely involved in the policy and has an exemplary function. Vopak wants to be an industry leader in SHE. There are several reasons for this: the moral obligation to treat people and the environment with respect, the growing and demanding body of legislation in virtually all countries in which Vopak is active and the commercial importance of having as few incidents and near-incidents as possible. This creates a competitive edge for Vopak over many of the local operators. In 2003 Vopak allocated 13% of its total investments to SHE activities (2002: 17%).

Safety awareness

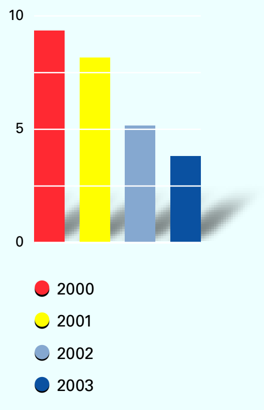
The safety facilities at the terminals satisfy all technical standards in full. Prevention has the highest priority. SHE policy is therefore increasingly focusing on human behaviour as a risk factor. Safety awareness programmes are ongoing for management and staff at all locations. Senior management underwent an intensive Leadership on Safety training programme and all management levels receive training in safety audits and in incident investigation.
The courses are an important means to increase the line managers' awareness of their responsibility for the results of SHE policy. Every Vopak employee must be aware every day that safety, health and environment are inextricable parts of the operations.
In this respect, near incidents are also reported and analysed so that the findings can prevent future damage.

Audits

Another important aspect of the SHE programme is the periodical audit of all

LTIR performance

LTIR per 1 million hours worked



* LTIR = lost time injury rate

locations to ensure that the safety facilities agree with Vopak policy and local legislation. Vopak supports the use of standard audits such as the CDI-T concept adopted by the chemical industry. Customers, especially chemical tank storage customers, frequently carry out their own audits before deciding to enter into or continue commercial agreements.

Accidents

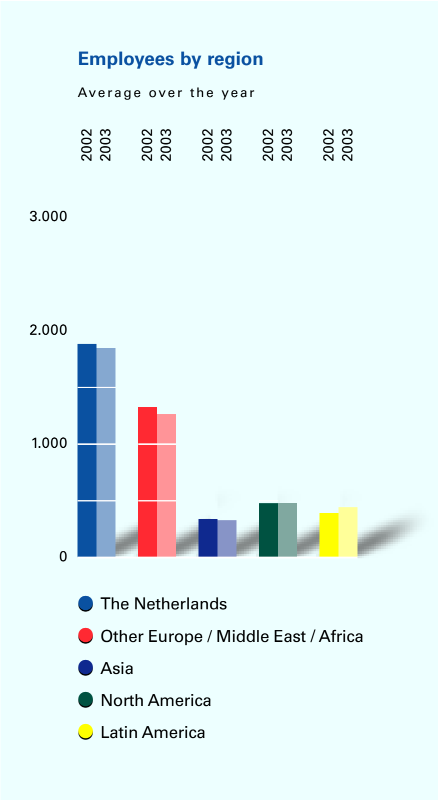
Despite the extensive efforts taken throughout the entire organization, two fatal accidents occurred in 2003 at the Vopak locations in Hamburg (an employee of the joint venture) and Fujairah (a subcontractor).
Two significant incidents also occurred in Rotterdam. The first involved the leakage of a large quantity of orthocresol from a ruptured tank at the Botlek TTR terminal. This led to prolonged odour nuisance for neighbouring companies and residents. The second incident was a fire at the Europoort terminal that disabled a pump station. Vopak investigated both incidents thoroughly and systematically using the TRIPOD method, a method used at all locations worldwide to investigate and report on serious incidents. The greatest openness was sought with all interested parties (customers, residents, public authorities, staff) and the findings of the investigation were distributed widely within the organization.

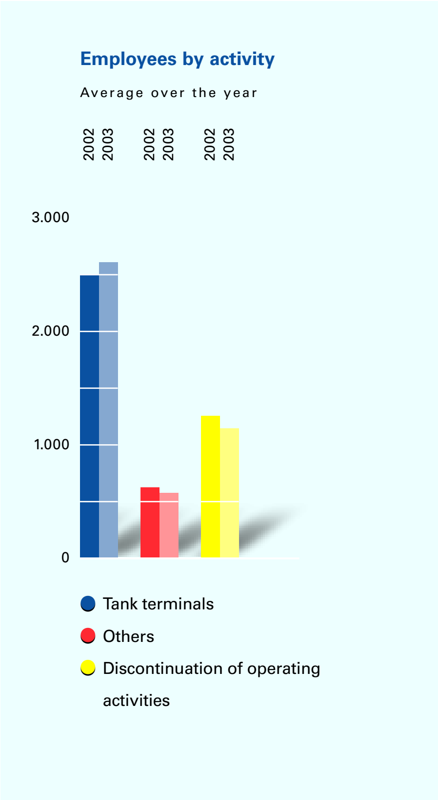
Organization and employees

Vopak is aware that the specific and international nature of its services makes high demands on the employees. The Human Resources policy provides opportunities for all members of staff, irrespective of their nationality, sex, age, faith or orientation.

Structure

The company restructuring that followed the split-off of the chemical distribution activities in 2002 was completed in 2003. The company has a clear organizational structure and the responsibilities and powers of many management positions have been re-evaluated and re-formulated. In addition, the head office reorganization was completed during the year.
Vopak now operates as a strategic control holding company, with its activities organized into five regional autonomous divisions with clearly





formulated tasks and powers. The unambiguous choice for the Tank Terminal-Plus concept has clarified which direction the organization will grow in and which competences and skills are needed now and in the future. Vopak wishes to bind high quality staff to the organization and offer them the prospect of attractive career opportunities. This requires clarity about the required competencies, necessary leadership qualities and desired conduct. The new structure will pay a great deal of attention to this and to the transfer of know-how from older to younger employees.

At the beginning of the year, Vopak had a global workforce of 4,075; at the end of 2003 it had 4,004 employees. The difference is due to disposals on the one hand and the acquisition of tank terminals in Latin America and North America on the other.
The disposal of non-core activities in 2004, principally in the Netherlands, will further reduce the number of employees.

Management development programmes
In consultation with the divisions and in cooperation with the Rotterdam School of Management, Vopak has devised a management development (MD) programme aimed at three different layers in the organisation. The first programme for young executives and middle management was held in 2003. This MD programme will be rolled out further in the years ahead. Recruitment and selection activities were revitalized in 2003. Vopak gave presentations and met with interested students at various universities and other education centres during the year.

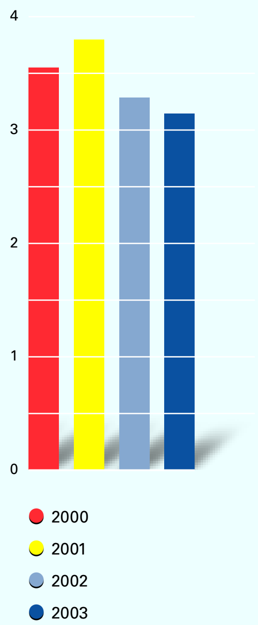
Performance Management
Vopak further introduced its performance-related appraisal system for senior management in 2003. It appraises five management competencies and seven Leadership Effectiveness Analysis dimensions (LEA®). The remuneration structure comprises a fixed basic salary and a variable component based on the achievement of personal goals and the results of the relevant business unit. Clear agreements are made in advance with all managers so that their goals reflect the local circumstances.
In addition, Vopak uses the appraisal outcomes to analyse senior management's other development and training needs. As an instrument, the appraisals provide the managers with productive feedback on their leadership skills and performance in comparison with those of their superiors, colleagues and other employees so that they can identify areas for improvement.

Worker participation
In the field of worker participation, the disposal programme for non-core activities was an important discussion point both for the works councils directly concerned and for the Central Works Council (COR). The COR was also consulted in 2003 on the possible establishment of a European works council. Further action will be taken in 2004 after completion of the current disposal programme.

Collective labour agreement
In 2003 a new collective labour agreement covering the Rotterdam based tank terminal activities was concluded covering a period up to 2006.

Sickness absenteeism

As a percentage



Information and communication technology

For a service provider like Vopak, with its global network of tank terminals, an up-to-date ICT infrastructure is an essential part of the operations. Technically, the organization's ICT standards more than meet the market demands and will continue to do so in the near future. Continued investments are necessary to retain the leadership, however, and the resources that are needed to do so are available.

Organization

In its pursuit of quality, Vopak has made substantial investments to improve its ICT facilities. Within Vopak, ICT activities are performed both centrally and locally. Striking the right balance is essential. To realize the desired global uniformity and maximize economies of scale, common systems are implemented wherever possible. In some situations, however, it is better to customize ICT to local wishes and circumstances.
In principle, Vopak does not develop its own software but works with existing standard ERP packages modified to meet specific company and industry demands where necessary. Organizationally, Vopak Information Systems, the department responsible for system development and implementation, is evolving from a primarily project-led organization into a line organization dedicated to the management of the main business applications with supplementary project-based activities.

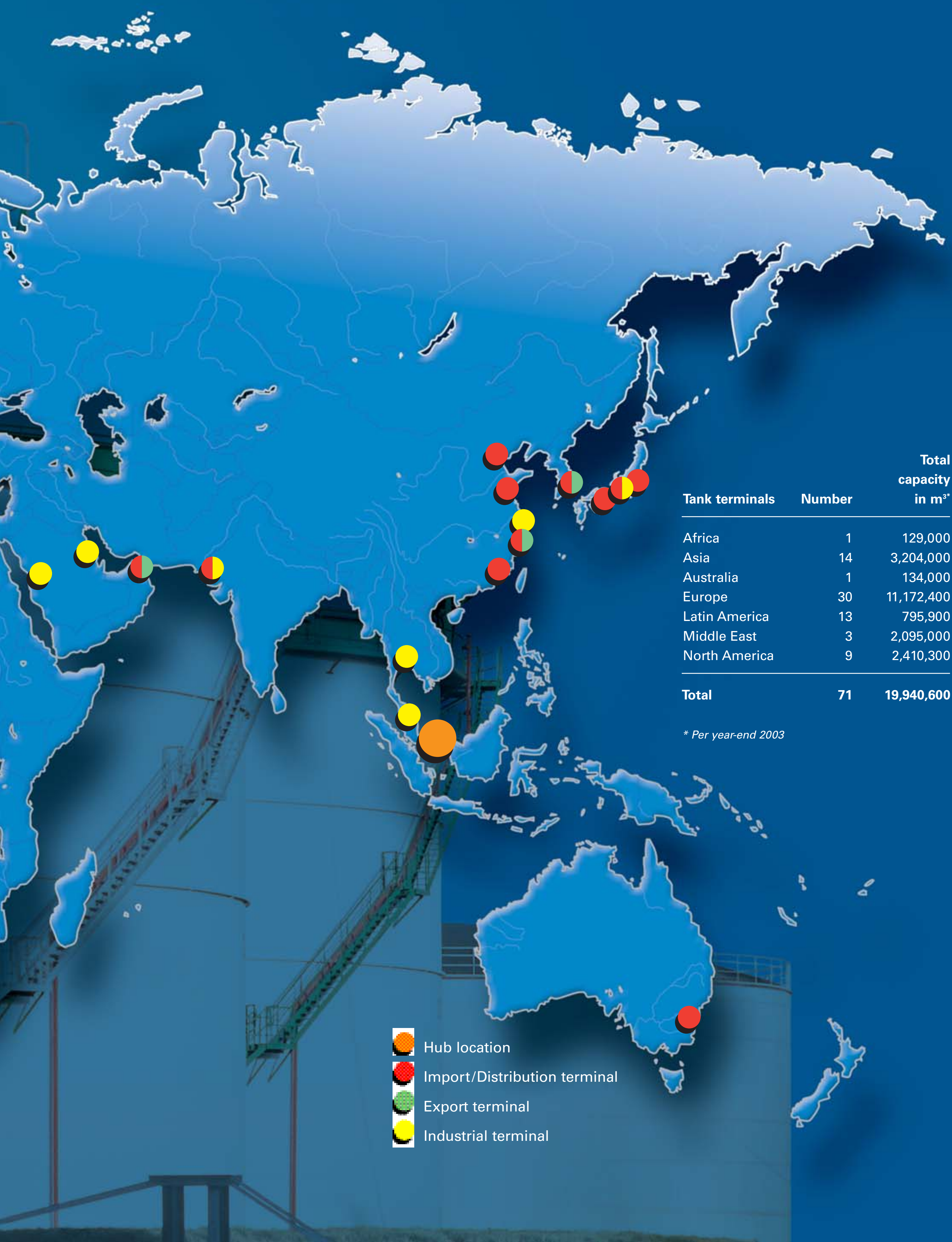
One system

At the main locations, the tank terminal businesses are already using a single ICT system to support their commercial, operational and financial/accounting processes. Vopak began introducing this system, known internally as PEPI (Package Enabled Process Improvement), on a limited scale in 2002. Several major roll-outs were made in Singapore, Europe, North America and elsewhere in 2003. PEPI is an integrated operational and administrative system that both digitises Vopak's core activities and provides vital support for the many logistics processes that take place in and around the company. It satisfies all the technological standards currently applicable in the market. As well as working more efficiently and thus at lower cost, the system's importance lies in its global standardization of the provision of customer services and the straightforward exchange of information between customers and Vopak.

In 2003, Vopak made definite progress in the exchange of electronic data with customers. With the aid of the Internet-enabled 'MySpace' facility, customers can see at any time of the day how much product Vopak has in storage for them. This significantly reduces the flow of documents and accelerates data interchange. The 'MySpace' program offers many other means for electronic data interchange, such as the use of electronic order entry systems that further reduce the number of administrative actions.

The VOIS Database, which contains all commercial and technical operational information of importance to the organization, has proved to be a successful internal communication tool. Authorised Vopak employees across the world can access the database to share each other's experiences.

The world of Vopak
71 terminals in 29 countries



Tank terminals	Number	Total capacity in m³*
Africa	1	129,000
Asia	14	3,204,000
Australia	1	134,000
Europe	30	11,172,400
Latin America	13	795,900
Middle East	3	2,095,000
North America	9	2,410,300
Total	**71**	**19,940,600**

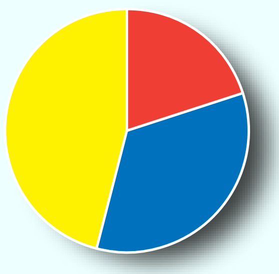
** Per year-end 2003*

Review by division **Activities**

Chemicals Europe, Middle East & Africa

In EUR millions	2003	2002
Net turnover	**244.9**	247.1
EBITDA	**69.7**	74.3
Operating profit (EBIT)	**36.7**	42.0
Average gross capital employed	**690.6**	708.1
Average capital employed	**390.3**	414.8
ROCE	**9.4%**	10.1%
Occupancy rate	**87%**	87%

Revenues by contract duration Chemicals Europe, Middle East & Africa



The Chemicals Europe, Middle East & Africa division operates 21 terminals, 18 of which are located in Europe, two in the Middle East and one in South Africa, with a total storage capacity of 3.8 million m^3. The main terminal for the storage and processing of vegetable oils and oleochemicals, in Rotterdam/Vlaardingen, has a capacity of 425,000 m^3. In Vlissingen, Vopak operates the largest independent storage terminal for LPG and chemical gases in Northwest Europe, with a capacity of 130,000 m^3. In addition, Vopak has its own fleet of 33 barges. The division's activities are characterized by the relatively high level of investments necessary for the use of specialized facilities to store and transport chemicals and the related strict safety and environmental requirements.

Market position

The consolidation process that began in the chemical industry some years ago continued in 2003. The number of market players in a given product group is declining. Furthermore, the development of new production centres for basic chemicals in the Middle East and Asia is changing world trade flows and Europe is becoming more an importer of basic chemicals. Vopak is responding to these changes with a strong product/market strategy that tailors the group's infrastructure and service levels to specific market segments and is seeking to establish position with the new, large players in the market.

An example of this approach is the shared user concept, in which the stock of a particular product is stored jointly for several customers in a single, dedicated tank. This increases throughput and saves costs.

"The Finnish terminals performed satisfactorily after a less favourable 2002 by upgrading tanks to store higher quality chemical products"

Results

Despite Vopak's improved market position, results were lower than expected. As a result of the weak economy, the chemical industry suffered from declining demand and high feedstock prices, which reduced demand for storage and exerted pressure on margins.

In addition, an incident at the TTR terminal in Rotterdam in January 2003 put part of the capacity (25,000 m^3) out of service for the remainder of the year and led to a loss of income.

Encouragingly, the number of long-term contracts increased at the expense of the spot business. Moreover, the more efficient use of facilities increased the throughput. The result on inland shipping was reasonable.

Terminals

Turnover in Rotterdam was below expectations owing to a decline in the methanol market and the incident at the TTR terminal. The results on the gas terminal in Vlissingen recovered from the low level of the previous year. At the vegetable oil and oleochemical terminal in Vlaardingen, a programme was launched to invest in stainless steel tanks to strengthen the market position and improve results. The first phase came on stream at the end of the year but did not affect the 2003 result, which was slightly lower than in the previous year.

For the Vopak terminals in Antwerp, 2003 was a good year. The concentration on specific chemical product groups at each terminal is bearing fruit. Opportunities for expansion on the west bank of the River Scheldt are being studied.

For several years, the United Kingdom has been turning into an importer of chemicals instead of an exporter as the strength of the pound sterling weakens the competitiveness of the local chemical industry. This process continued in 2003 and placed pressure on the terminals' results.

The Finnish terminals performed satisfactorily after a less favourable 2002 by upgrading tanks to store higher quality chemical products in combination with a sharp focus on cost control.

The Spanish terminals' turnover and results were slightly higher.

The terminal in South Africa performed excellently.

The current capacity will be further expanded. South Africa now commands a prominent place in Vopak's tank terminal network.

Inland shipping

On balance, 2003 was a reasonable year for the inland shipping activities. Low water levels caused a great deal of inconvenience during much of the year but the disad-vantages were offset by rate supplements and a decline in overcapacity in the market.

Oil Europe, Middle East & Africa

In EUR millions	2003	2002
Net turnover	**117.7**	124.9
EBITDA	**57.0**	69.0
Operating profit (EBIT)	**44.7**	57.0
Average gross capital employed	**386.2**	375.4
Average capital employed	**123.2**	118.5
ROCE	**36.3%**	48.1%
Occupancy rate	**88%**	85%

In Europe and the Middle East, Vopak is the largest independent supplier of tank storage and related logistics services for crude oil and mineral oil products. Its customers are oil companies, trading companies, governments (for the storage of strategic reserves), national oil companies and co-siters (independent manufacturers located on Vopak's sites that make intensive use of Vopak's services).

At the Rotterdam hub, Vopak operates four terminals (three owned by the group and one by a joint venture) with a total storage capacity of approximately 5 million m³. At other locations in Europe and the Middle East, in Estonia, Germany, Switzerland, Scandinavia and the United Arab Emirates, Vopak operates eight terminals with a more regional function.

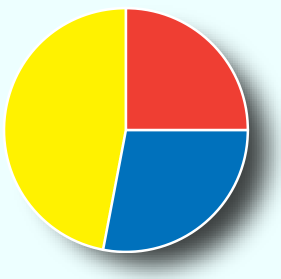
To transport oil products on inland waterways in Europe, Vopak participates in a joint venture, Interstream Barging. With 60 barges, the combination is one of the largest inland barge charterers for mineral oil products in the Netherlands, Belgium and the German Rhine region.

Market position

The established market trends continued in 2003. With a surplus of fuel oil in Russia and a surplus of gasoline in Europe, margins were so low that it was not profitable for most European refineries to produce sufficient kerosene, gasoil, diesel or naphtha. Demand for these products is rising in response to the continued growth in both air traffic and road transport and the growing proportion of diesel-fuelled cars in the total number of vehicles. This shift in demand is exacerbating the situation and increasing imports of these products from the Middle East and Latin America. On the other hand, gasoline exports to the United States and fuel oil exports to Asia are growing. Long-term demand for independent tank storage capacity is accordingly increasing. This development is being reinforced by greater product diversity owing to the divergent environmental demands that governments are making on the sulphur content of diesel.
The need for separate storage capacity is consequently increasing.

Finally, the sharp increase in crude oil production seen in the former Soviet Union in recent years is releasing large volumes of crude oil and fuel oil onto the world market. The major Russian oil companies have become important players at the world's oil hubs. The growing Russian exports are an opportunity for Vopak to expand its terminal network further, particularly in the Black Sea region.

Revenues by contract duration Oil Europe, Middle East & Africa



- > 3 years
- 1-3 years
- < 1 year

Results

The Oil Europe, Middle East & Africa division's results were lower in 2003 than in the excellent 2002 and 2001. However, Vopak's strong contract position, 57% long-term contracts and little speculative storage, provides a relatively stable income basis. In comparison with 2002, the average capacity utilization rate at the terminals was slightly higher. Throughput was mixed. Rates came under some modest pressure after having risen for several years, but there were distinct differences per product and per location.
The result was also reduced by two mutually reinforcing events: the freezing up of the ports in the Baltic states and a fire at Europoort.

Tank terminals

Rotterdam's position is solid across the board, even if the volume of economic activity is slightly weaker. To raise flexibility and service standards, Vopak is investing in Rotterdam to convert tanks from crude oil usage to fuel oil and to construct additional jetty facilities. During the year, Vopak signed a long-term contract with one of the major Russian oil companies.

The terminal in Tallinn (Estonia) suffered from the severe winter, the relatively high railway tariffs in the Baltic states (which encouraged more products to be exported via Russia), less throughput of the higher-priced lighter oil products and increased competition from Primorsk, a port near Saint Petersburg, Russia. The sharp fall in the US dollar had a negative impact on the result; Tallinn is the only terminal in Europe to report in that currency.

In Fujairah (United Arab Emirates), Vopak turned in reasonable results in a relatively weak market (partly because of the Iraq war). A 300,000 m^3 increase in terminal capacity was completed during the year. Total storage capacity there is now 1,090,000 m^3.

"Rotterdam's position is solid across the board, even if the volume of economic activity is slightly weaker"

Low water levels on the Rhine were a serious hindrance to shipping and the terminal in Basel suffered accordingly and lost some turnover. In Hamburg, the Vopak terminal celebrated its 50th anniversary and turned in a reasonable result. Performance at the terminals in Scandinavia was adversely affected by the relatively high oil prices.

Inland shipping and agencies

2003 was a good year for inland shipping. The overcapacity expected after the termination of the scrapping scheme did not materialize and rates remained relatively firm. Interstream Barging, the joint venture between Vopak and Van der Sluijs Tankrederij, performed in line with expectations.

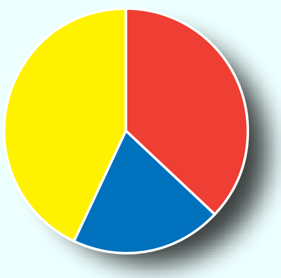
Vopak Agencies also had a good year. The number of hub agencies was further increased. The Internet-enabled Hubview support system again made a significant contribution to the result.

Asia

In EUR millions	2003	2002
Net turnover	93.8	104.1
EBITDA	73.0	83.5
Operating profit (EBIT)	56.2	62.6
Average gross capital employed	429.1	472.3
Average capital employed	283.0	320.2
ROCE	19.8%	19.5%
Occupancy rate	96%	96%

Vopak operates in seven countries in Asia: Singapore, Malaysia, Thailand, Korea, China, Japan and Pakistan. The activities in Australia are also counted as part of the Asia division. The services include tank storage for oil products and chemicals supplemented by logistics services (only in so far as they relate to the products in storage). Vopak's customers are manufacturers, traders and distributors, chiefly global multinationals.
The terminals in Asia can be divided into two types: import and distribution terminals, which principally have a regional function, and the industrial terminals in Singapore, Malaysia, Thailand and Pakistan that carry on logistics activities for customers at chemical complexes or refineries. The latter terminals are making an increasingly important contribution to the division's results. 95% of the contracts at the industrial terminals are fixed-rate and long-term (15 years or longer), which guarantees a stable income flow.
The industrial terminal is an attractive concept for the chemical industry to optimise logistics costs and concentrate on core activities. More integrated chemical complexes are expected to be built with industrial terminals in Asia in the near future.
Alongside Rotterdam/Antwerp and Houston, Singapore is one of Vopak's hub locations with a combination of functions: import, export, regional distribution and industrial terminal activities.

Revenues by contract duration
Asia



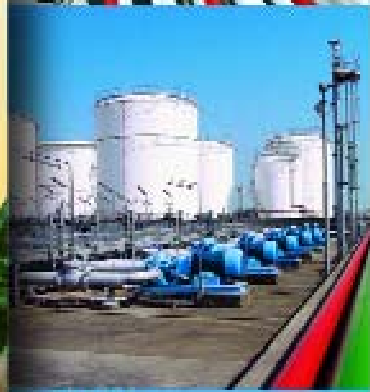
> 3 years
1-3 years
< 1 year

Positioning
Vopak has positioned itself in Asia as a high-quality provider of tank storage facilities in combination with logistics services. Operations at all locations are supported by a robust quality policy with three central elements. The first is high SHE standards. The locations exchange their SHE know-how and define best practices on a broad scale. The second is uniformity in the formulation and implementation of human resources policy, particularly with regard to training. It is of great importance that the staff has the same competences everywhere in the Vopak organization. The third is regional account management, which Vopak conducts in a systematic manner.
Thanks to the good reputation that Vopak has built up in Asia in the past 20 years, the company can compete successfully against the many local players.

Market position
The chemical industry in Asia again grew strongly in 2003, with China and Thailand setting the pace.
The growth is expected to continue in the years ahead; many international businesses did not begin to invest in their own production centres in this region until a few years ago.

The highly competitive costs of the new local production centres are creating new storage and distribution patterns. The volume of chemicals imported into China for processing by local manufacturers is growing strongly. There is also demand for capacity at a central location to store and redistribute chemicals to secondary markets. In addition to its industrial terminal function, this is an important function for the Vopak chemical terminals in Singapore.

Results Oil
It was a good year for oil storage. The utilization rate in Singapore was high throughout the year and rates were stable. Throughput was initially dampened by the Iraq war and SARS, but later recovered strongly. The Sebarok terminal in Singapore was enlarged with 100,000 m^3 capacity that was immediately used for customers. The closure of a refinery in Sydney, Australia, increased throughput at the terminal but the long-term effects are unclear. Competition is increasing but results were nonetheless healthy and the contract position is stable.
It will be difficult to establish a strong foothold in the oil storage market in China. The market will not properly open up to foreign operators until 2007. The terminal in Xiamen nonetheless again turned in a reasonable result.



"In China demand for storage of chemical products continues to rise, but for the time being it will be difficult to establish a strong foothold in the oil storage market in China"

Results Chemicals

Activities are growing strongly across the board and volumes are high. Margins in the chemical industry are being squeezed by the persistent high price of feedstock, which cannot be passed on in full to end-users. Storage rates are therefore also coming under some pressure.

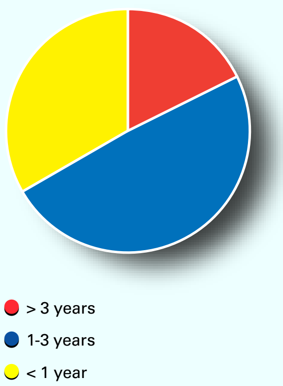
The 'methanol concept' was introduced in Singapore, China and Korea in 2003. The concept, first applied in Rotterdam, involves the storage of one specific product in specially equipped tanks for several customers. Performance at the Sakra terminal
was excellent, boosted by the high volume of spot storage in combination with cost control. The Penjuru terminal, also in Singapore, performed well and a large number of new contracts were signed.

In China demand for storage of chemical products continues to rise.
A terminal was acquired in Tianjin in 2003 and work immediately began on the construction of additional capacity.
In Caojing near Shanghai, Vopak started in 2002 in a joint venture the construction of the largest industrial terminal in Asia. The first stage of the project will be completed at the end of 2004, when the terminal will have a capacity of 240,000 m^3. Construction progressed on schedule in 2003, as did the acquisition of customers who will use the storage facilities and related logistics services. A considerable increase in capacity is anticipated in the years ahead.
In Ningbo, too, capacity was increased. The results were good and several new long-term contracts were concluded. Ningbo is a rapidly expanding industrial region that is providing opportunities for logistics activities. There are promising openings for Vopak to strengthen its position. The import terminal at Lanshan also performed well; a considerable number of new contracts were concluded.
In Japan, the capacity utilisation rate fell following the bankruptcy of an important customer. It recovered in the course of the year thanks to the acquisition of new contracts with multinationals. Part of the storage facilities was upgraded for the storage of higher quality products.
In Korea, Vopak had to contend with fiercer competition. The result was lower.
The industrial terminals in Thailand, Malaysia and Pakistan booked good results. Capacity in Thailand was further increased to meet the rise in demand.

North America

In EUR millions	2003	2002
Net turnover	**104.8**	118.0
EBITDA	**33.4**	39.4
Operating profit (EBIT)	**21.6**	26.8
Average gross capital employed	**320.5**	365.6
Average capital employed	**178.4**	206.6
ROCE	**12.1%**	13.0%
Occupancy rate	**91%**	91%

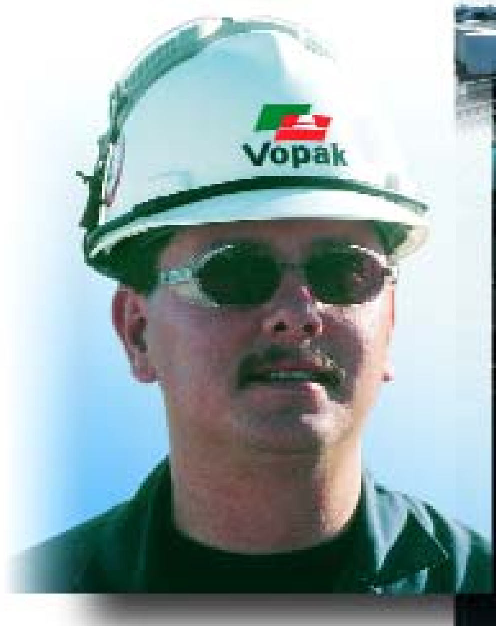
Revenues by contract duration North America



In North America, Vopak operates eleven strategically located terminals in three coastal areas in the United states (nine terminals) and Canada (two terminals) that are used principally for chemical storage. Capacity in North America was increased in 2003 through the acquisition of a chemical terminal in Long Beach. This strengthens the position in California, an important market for Vopak. In total, Vopak now has 2.4 million m^3 capacity in North America, equal to 17% of North America's total chemical storage capacity. Like Rotterdam/Antwerp and Singapore, Houston with its Deer Park and Galena Park terminals is one of Vopak's hubs. The other terminals have chiefly an import and distribution function.

Oil storage activities are modest due to the competition from Master Limited Partnerships, who have an almost unassailable competitive advantage through tax facilities.
In addition to tank storage, Vopak offers complementary logistics services such as waste management, railcar cleaning and the management of large numbers of railcars. In total, these activities account for 20% of turnover. Vopak is one of the top four players in the waste management market and the largest independent player in the railcar cleaning market in the United States. Vopak's policy in the North American market is geared to stable organic growth and selective acquisitions.

Market position
The North American market is being shaped by several developments, some of which represent threats to Vopak while others offer new opportunities. High North American energy costs are weakening the competitiveness of the local chemical industry. The high price of natural gas, the main feedstock for the chemical industry, is tilting the balance between imports and exports, with some products being imported on a larger scale and others being exported in smaller volumes.
On the other hand, the needs for cost savings in the chemical industry is encouraging the trend of outsourcing storage activities and offering Vopak a platform for further growth.



Results

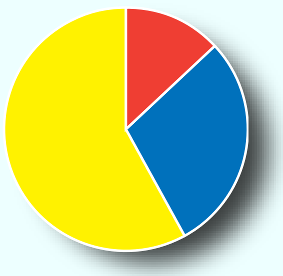
On the whole, the results were lower in 2003 (also in USD) than in 2002. The main causes were pressure on rates for the terminal activities and the unforeseen continued decline in activities in the railcar sector, particularly in cleaning. The weak performance of the chemical industry exerted pressure on rates and other contract terms. Moreover, safety, insurance and health-related costs were higher. Results also suffered from two government measures introduced in California: MTBE has been banned as a gasoline additive (resulting in the rundown of production capacity on the Gulf coast and less transport by railcar) and taxes have been imposed on bunker fuel. It is thought that MTBE will gradually be replaced with ethanol. The proportion of long-term contracts (with a term of more than one year) rose to 67%.

"The need for cost savings in the chemical industry is encouraging the trend of outsourcing storage activities and offering Vopak a platform for further growth"

Latin America

In EUR millions	2003	2002
Net turnover	**40.1**	38.1
EBITDA	**18.1**	19.4
Operating profit (EBIT)	**14.1**	15.1
Average gross capital employed	**107.8**	96.9
Average capital employed	**89.5**	81.1
ROCE	**15.8%**	18.7%
Occupancy rate	**89%**	87%

Revenues by contract duration Latin America



- > 3 years
- 1-3 years
- < 1 year

Vopak has been active in Latin America for just six years and is already market leader in the bulk storage of liquid oil and chemical products. In 2003, the existing network of nine terminals in Brazil, Mexico, Chile and Peru was enlarged through the acquisition of four terminals in Venezuela, Colombia and Ecuador (a 50% interest) to give Vopak 13 locations in the region. Most of the storage capacity, now totalling 800,000 m³, is used for chemical products although some locations also store vegetable oils. The terminals are strategically located in the main ports close to production or consumption markets. Vopak's mineral oil activities are limited to Peru.
Vopak's strengths in this region are its presence across nearly all the continent, its mixed customer base, its independence and its high SHE standards.

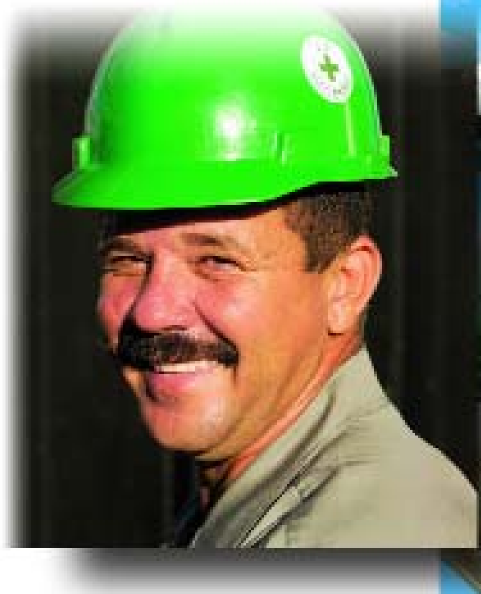
Market position
In general, Latin America can be described as a stable growth market. Nearly all the mineral oil products market is in the hands of national oil companies but, with the exception of Mexico and Venezuela, it will be liberalized in the coming years. Traders and multinational oil companies are therefore increasing their presence in these markets. Liberalization and higher consumption will increase demand for the independent storage of oil products. The chemical market will continue to grow as the economic growth encourages greater local consumption.

Results
With the exception of Peru, all results in local currency were higher than in 2002. The weakness of the US dollar against the euro, however, meant the result in euros was lower than in 2002. The capacity utilization rate at the terminals is the most important measure for Vopak's results in this region; in 2003, it averaged 89%.

Tank terminals
In Brazil, Vopak performed well. The monetary turmoil seen in 2002 did not

Brazil

re-occur and the political climate was stable. Throughput at the Alemoa and Aratu terminals was slightly higher. The terminal in Paranagua performed exceptionally well. Competition, however, increased across the board. In Mexico, the economic slowdown reduced the volume of activity in the chemical industry. Higher imports in the fourth quarter made up for a slow start and lifted the annual result in US dollars of all the Mexican terminals to above that for 2002. In Chile, where 90% of the storage contracts are denominated in US dollars, the relatively strong Chilean peso had a negative impact on the final result. The Andean terminals acquired in Venezuela, Colombia and Ecuador in July exceeded expectations. In Peru, trading activities were impeded by market interventions by the state company, Petroperu, and high international prices.



"In Brazil, Vopak performed well. The monetary turmoil seen in 2002 did not re-occur and the political climate was stable"

Risks and risk management

In common with all companies, Vopak is exposed to market, operational and financial risks that are inherent in its day-to-day operations. They are limited by the company's entrepreneurial style, which is characterized by an effective, professional organization, high quality services and special procedures as the need arises. To improve the insight into and management of the risks, Vopak has started to tighten up its internal monitoring and inspection mechanisms in accordance with the COSO Enterprise Risk Management model. COSO is an international organization that has developed a universally applicable model to analyse and manage business risks.

Market risks

Vopak provides tank storage and related logistics services to the oil and chemical industries. The company's financial results depend partly on the economic climate in the various regions of the world and on the dynamics of the markets in which it operates. Vopak is a pure service provider. The customer retains full ownership of its products in storage.

Vopak's logistics activities generally keep pace with the volume of activity in the oil and chemical industries. Fluctuations in these industries have a mixed impact on the company's activities. The services are always provided with a view to establishing long-term relationships with reliable players in the oil and chemical industries. These long-term relationships help stabilize the company's income flows.
In its role of service provider, Vopak is responding to the increasing need in the oil and chemical industries to outsource logistics services. The company faces stiff competition from a limited number of globally operating and prestigious players and from local operators, distinguished by their extensive knowledge of local conditions. In addition, customers constantly compare the rates Vopak charges for its service with those of other providers.

Oil

Vopak has stabilized its income flows from tank storage by concentrating on less cyclical services spread over several sectors. Long-term contracts concluded with oil refineries and oil distribution companies reduce the capacity available for speculative storage. This significantly reduces Vopak's dependence on the speculative trade in oil products.

Chemicals

In the tank storage of chemicals, a reduction in business activity initially leads to an increase in stocks and hence to greater tank utilization. During economic upswings, stock levels initially fall and then, after some delay, throughput increases. To retain a stable income flow from chemical storage, Vopak seeks long-term contracts with customers in the chemical industry and develops multifunctional terminals in international logistics centres (the industrial terminal concept).

Political risks

The political risks to Vopak are limited. Although Vopak provides logistics services all over the world, the activities, assets and income of the consolidated companies are concentrated for some 60% in the three hub regions of Rotterdam/Antwerp, Houston and Singapore, in politically stable regions. The activities, assets and results of participating interests are spread over 16 countries.

Operating risks

Operating risks are those that are inherent in the activities at a location. The handling of hazardous substances is a key factor in Vopak's processes. It has implications for the people, the environment and the operating assets of Vopak and third parties and for the profitability of the company. Since it is active all over the world, Vopak has to observe environmental and safety laws and regulations at both local and international level as well as the strict standards set by the industry itself. Both the group terminals and the joint venture terminals comply in full with at least local environmental standards and regulations.

Vopak has implemented numerous measures to limit and manage risks. A pro-active system has been implemented throughout the company to audit operating risks, including their safety, health and environmental aspects. In the event of serious incidents, the internationally recognized TRIPOD method is used to identify the root causes. Internal quality procedures then ensure that appropriate measures are taken throughout the entire organization.

Vopak's high environmental and safety standards closely follow market developments in this area. The section on Safety, Health and Environment (page 18) expands further on Vopak's approach to these risks. Apart from the technical and operating measures designed to reduce risk, the main risks relating to company property and liability are covered by insurance.

The robust ICT infrastructure is the company's backbone. Vopak has invested heavily in a global, uniform system to support the tank terminal companies' commercial, operating and financial processes. The system has been installed at most large terminals and should be rolled out in full in 2005. The objects are to standardize the information system (both internally and with customers and suppliers), to introduce best practices worldwide and to realize efficiency gains in the operational and the ICT organizations. The system will also make it easier to implement Vopak's working methods at companies it acquires, rapidly and at relatively little cost.

Financial risks

Vopak is a capital-intensive company with long-term investments in the tank terminals. In recent years, it has pursued a policy of reducing the capital tied up in other activities by cutting its interests in shipping and disposing of non-core activities. This process has now been largely completed. The financing policy is directed at establishing and maintaining an optimal debt structure that takes due account of the current asset base and investment programme. Vopak seeks access to the capital markets and flexibility at acceptable funding costs.

The current debt position is determined chiefly by the US Private Placements made in 2001, which have a long-term, fixed rate of interest and are subject to financial covenants. Details on the net debt position, the financial ratios and the other conditions are provided in the notes to the financial statements on page 58.

The treasury department acts as an in-house bank that allocates funds that are raised centrally. Operating companies are thus funded by a combination of equity and intercompany loans. Non-consolidated joint ventures are funded, apart from by the capital contribution, by the maximum possible debt on a non-recourse basis for Vopak, with account being taken of local circumstances.

Credit risks

In the logistics activities, the risk of bad debt is usually small as the customers are chiefly large manufacturers. Moreover, the value of the products stored for these customers is usually greater than the debt and Vopak generally has the right of retention.

Interest rate and currency risks

Vopak is exposed to various market risks including the effects of movements in exchange rates and interest rates and interest surcharges. The interest rate and currency policy is designed to control the effects of such risks on cash flows, equity and results. Vopak uses derivatives solely to control these risks. Vopak does not take speculative positions. The use of financial derivatives and their valuation is considered in the notes to the financial statements on page 59 and the accompanying statement of financial instruments at 31 December 2003.

Interest rate risks

Policy on interest rate risks is designed to control the sensitivity of the cost of debt to movements in market rates of interest. Interest rate swaps and options may be used to achieve the required interest rate profile. On the split-off of the distribution activities to Univar in 2002, all existing loans remained with Vopak and the cash released was applied in so far as possible to repay variable-rate loans. The current interest-bearing debt therefore consists largely of the remaining fixed-rate debt. At 31 December 2003, all of the net interest-bearing debt, to an amount of EUR 608.5 million (2002: EUR 782.7 million), was financed directly at a fixed rate and had remaining terms of up to 13 years.

Currency risks

Policy on currency risks is designed primarily to protect the value of Vopak's cash flows, with due account being taken of the ultimate application of the cash flows per currency. Account is taken of both future cash flows from investments and disposals and cash flows from operating activities and their financing.

Net investments in operating companies are in principle hedged by loans in the same currency. The amount of such loans is determined in part by the operating companies' projected net cash flows in the years ahead. In certain situations it may be decided to hedge the cash flow for the coming years in full. As a result, the nominal value of the net hedges might exceed the book value of the underlying assets. This was not the case at 31 December 2003.

Since operating income and operating expense are denominated largely in the same currencies, the risks of foreign currency positions to Vopak's operations are limited. Any material net position is hedged in full by means of forward exchange contracts and currency options.

Translation risk

In exceptional circumstances, the translation risk with regard to the net result of the foreign group companies to euro can be selectively hedged. In view of the sensitivity of the external financing ratios (US Private Placements) to exchange rate movements, the relevant translation positions for the Singapore dollar, US dollar and US-dollar-related currencies for 2003 were virtually fully hedged through Average Rate Options (ARO's) at net EUR/SGD 1.94 and EUR/USD 1.10 respectively. Early 2004 again ARO's have been bought to partially hedge the abovementioned translation risk.

The sensitivity of the consolidated net profit expected for 2004 to movements in the Singapore dollar, the US dollar and US-dollar-related currencies is EUR 7 million (2003: EUR 7 million) in the event of a movement in the average value of the Singapore dollar and the US dollar against the euro by EUR 0.10 (e.g. the US dollar appreciates from EUR 0.80 to EUR 0.90).

Liquidity risks

At year-end 2003, the cash position amounted to EUR 152.4 million. Where possible, cash is grouped at central treasury level to meet the changing financing needs within Vopak and reduce the net interest expense.
To finance investments and potential acquisitions and to repay long-term debt flexibly, Vopak also has long-term stand-by credit facilities in the Netherlands. Early 2004 the amount that may be drawn down in a variety of currencies amounted to EUR 298 million.

Contingent liabilities

Royal Vopak has been indemnified against all claims brought against companies that were subsidiaries of Royal Vopak before the split-off and became subsidiaries of Univar upon the split-off.

Information for shareholders

Figures per ordinary share of EUR 1.00

	2003	2002
Net profit	**1.67**	1.91
Net profit excluding exceptional items	**1.28**	1.73
Cash flow	**3.37**	4.08
Shareholders' equity*	**6.77**	6.36
Dividend	**0.50****	0.50
Pay-out ratio	**30%**	29%

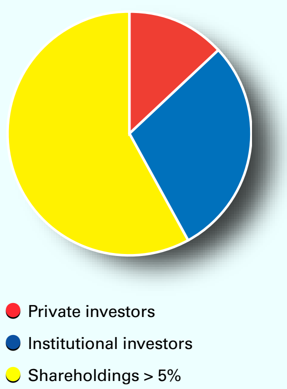
* *net of shareholders' equity relating to cumulative financing preference shares*
** *optional in cash or in shares*

Number of shares outstanding

	2003	2002
Weighted average	**58,313,375**	54,518,700
Weighted average, fully diluted	**58,461,497**	54,518,700
At year end	**59,927,972**	59,927,972

Weekly closing price
Vopak versus AMX index 2003

Distribution of Vopak shares



Major holdings

Pursuant to the Major Holdings in 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 shareholdings[1]	Total shareholding[2]	Voting rights[3]	Date of notification:
HAL Holding N.V.	46.62%	35.75%	32.75%	24.06.02
ING Groep N.V.	7.80%	11.32%	5.26%	28.08.00
CGU plc./ Delta Lloyd	6.60%	8.66%	< 5%	12.11.99
Ducatus N.V.	< 5%	5.72%	< 5%	04.11.99
ABP-PGGM Capital Holdings N.V.	< 5%	5.71%	< 5%	30.11.99
Fortis Utrecht N.V.	< 5%	5.21%	< 5%	27.11.03
Stichting Administratiekantoor Financieringspreferente aandelen Vopak			32.63%[4]	12.11.99
Total ordinary shareholdings exceeding 5% of ordinary shares in Vopak	61.02%			
Free float	38.98%			

[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 ordinary shares and financing preference shares*

[4] *See also the section on Corporate Governance (page 39)*

Investor relations policy

Vopak conducts an open information policy for investors and other parties interested in the financial status of the company. The purpose is to inform these stakeholders as fully and as timely as possible about the company's policies and changes within the company. This annual report is one of the media used. All other relevant information, such as half-year results, press releases and background information, is available on the website, www.vopak.com.

Vopak holds a press conference to coincide with the publication of the annual results. Following the publication of the annual and half-year results, Vopak holds a number of meetings with stock market analysts. The information presented at those meetings is published immediately on the company's website. Investors and their advisers are encouraged to put their questions directly to Mr Bon Ellemeet, Corporate Communications & Investor Relations Director, telephone +31 01 4000 2777, email bon.ellemeet@vopak.com.

Financial calendar 2004

8 March	- Announcement of full year results 2003
13 May	- Annual General Meeting
9 June	- Dividend payable
18 August	- Announcement of interim results for the first half of 2004

Corporate Governance

General

Vopak attaches great importance to an equitable balance between the interests of the various stakeholders in the company. Integrity, openness, supervision, transparent reporting and accountability are the cornerstones of Vopak's corporate governance policy. The company also wishes to treat social issues with care.

The final version of the Dutch Corporate Governance Code ('the Code') was published on 9 December 2003. The principles it lays down are compatible with those applied by Vopak.

The Executive Board is responsible for the management of the company and thus for the realization of Vopak's (strategic) goals and for its strategy and policy.

The Supervisory Board is responsible for supervising the Executive Board's policy and the general performance of the company and the affiliated companies and advises the Executive Board.

The members of the Executive Board and the Supervisory Board are appointed by the Annual General Meeting on the basis of a non-binding recommendation by the Supervisory Board. The Annual General Meeting also has the power 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 Dutch Large Companies Act, it is exempt from the provisions of that Act.

The Supervisory Board has been carefully selected to include members with a background and experience in fields that are related to Vopak's core activities and international experience in the foreign markets in which Vopak is active. Their experience ranges from economic and social to political and business.

The Supervisory Board's supervision concentrates on the realization of the company's goals, its strategy and the implementation thereof. Furthermore, the Supervisory Board monitors the design and operation of the internal risk management and control systems, the financial reporting process and compliance with laws and regulations.

The Supervisory Board appoints an Audit, a Remuneration and a Selection and Appointment Committee from amongst its members. In the spirit of the Code, Vopak has adopted regulations on the powers of these committees.

In addition to the power to appoint, suspend and dismiss the members of the Executive Board and the Supervisory Board, the Annual General Meeting resolves upon alterations of the Articles of Association, legal mergers or split-offs and the adoption of the financial statements and the profit appropriation. In addition, the Annual General Meeting sets the remuneration policy for the Executive Board and determines the remuneration of the members of the Supervisory Board.

The remuneration of new (individual) members of the Executive Board is agreed by the Supervisory Board upon a proposal by the Remuneration Committee and in accordance with the remuneration policy proposed by the Supervisory Board and put to the Annual General Meeting for adoption. Share and share option schemes for the members of the Executive Board and significant changes in such schemes are put to the Annual General Meeting for approval.

Vopak currently does not allow shareholders to vote by proxy. The experience of several listed companies that allow proxy voting via Stichting Communicatiekanaal Aandeelhouders indicates that a relatively small number of shareholders make use of the possibility. The costs, however, are considerable. Legislation is currently being prepared to facilitate proxy voting and to make it more transparent and cost efficient. When the new legislation is introduced Vopak will consider the possibilities of shareholder proxy voting.
Vopak will make use of the possibility included in its Articles of Association to set a registration date for the exercise of voting and attendance rights.

The Dutch Corporate Governance Code

Vopak has evaluated its corporate governance in the light of the Principles and Best Practice provisions set out in the Code. It concluded that it will in principle satisfy the Principles and Best Practice provisions, in so far as they are applicable to it, in the course of 2004 or in any event by the date of the first official report on the company's corporate governance structure in the annual report on the 2004 financial year. The following exceptions, however, will be made:

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

The duration of Mr De Kreij's service contract does not agree with this provision. The agreement was concluded before the Code took effect; acquired rights may not be impaired.

Best Practice provision II.2.2 (performance criteria for the granting of options)

Unconditional options granted to the current members of the Executive Board in the past did not make reference to performance criteria.

These options may not be exercised until three years after their being granted. The Supervisory Board has decided not to amend the conditions applicable to options already granted since they are existing contractual agreements.

Best Practice provision II.2.7 (maximum severance pay)

The service agreement between Vopak and Mr De Kreij, who was appointed to the Executive Board as of 1 January 2003, is not in agreement with this provision. In the event of his dismissal, Mr De Kreij will be entitled under the agreement to at least two years' salary. The agreement was concluded before the Code took effect; acquired rights may not be impaired.

Best Practice provision III.3.4 (no more than five supervisory directorships per person)

Messrs Bax and Hessels currently do not comply with this provision.

Best Practice provision IV.1.2 (voting right of financing preference shares based on fair value of capital contribution)

The Board of Stichting Administratie-kantoor Financieringspreferente Aandelen Vopak, the trust office that administers Vopak's financing preference shares, has stated that it shall vote on the shares it holds, taking into account this provision, whereby the opening price of the ordinary shares on the registration date will be decisive rather than the price when the cumulative financing preference shares were issued. If the share price is, say, EUR 15.00, the Stichting will be entitled to approximately 11.4% of the voting right attaching to the total issued capital.

The aforementioned departures will be put to the Annual General Meeting for consideration.

Regulations

Vopak has several sets of regulations to govern the operation of various bodies or to implement the rules applicable within Vopak. These regulations have been amended in keeping with the Code. They are available from the corporate governance section on the company's website, www.vopak.com. They are:

- Regulations of the Supervisory Board
- Regulations of the Audit Committee of the Supervisory Board
- Regulations of the Remuneration Committee of the Supervisory Board
- Regulations of the Selection and Appointment Committee of the Supervisory Board
- Regulations of the Executive Board
- Regulations on Executive Directors and Supervisory Directors' Investments and Insider Trading
- Regulations on Suspected Irregularities ('whistle blower's regulation')
- Profile of the Supervisory Board
- Retirement Schedule for the Supervisory Directors

The website also provides:
- Information on the members of the Executive Board and the Supervisory Board and the membership of the core committees
- Code of Conduct
- Remuneration report
- Report of Stichting Administratiekantoor Financieringspreferente Aandelen Vopak

Anti-takeover measures

Vopak's principal defence against a hostile takeover is its ability to issue cumulative preference shares ('defensive preference shares') with Stichting Vopak. Defensive preference shares will be issued in the event Stichting Vopak exercises its option right. At the General Meeting of 18 October 1999, the shareholders resolved to grant the Stichting Vopak the right to obtain defensive preference shares up to a maximum nominal amount equal to 100% of the share capital placed with third parties in the form of ordinary and financing preference shares or otherwise, less one ordinary share. Vopak and Stichting Vopak formalized their relationship with regard to the option right in an option agreement dated 1 November 1999. The granting of the option is published in the Company Registry and in this annual report. Stichting Vopak objectives are to promote the interests of Vopak and of the companies which are being carried on by Vopak and by Vopak group companies in such a way that the interests of Vopak and of those companies including all those involved in those companies are being safeguarded to the largest possible extent and, to the best of its ability, to resist influences that might impair, contrary to those interests, the independence and/or continuity and/or identity of Vopak and those companies as well as to carry on all that which is related or conducive hereto. The Board of Stichting Vopak therefore determines whether and when it is necessary to issue the defensive preference shares to itself.

The anti-takeover measures described here will be implemented in a takeover situation if, for example, it is in Vopak's interests to determine its position with regard to the predator and its plans and to create opportunities to find alternatives. The anti-takeover measures will not be applied to protect the position of the Executive Board.

2003
Financial statements

Consolidated financial statements

Consolidated profit and loss account

In EUR millions		2003		2002
Net turnover	**749.6**		796.2	
Other operating income	**3.0**		1.6	
Total operating income		**752.6**		797.8
Wages, salaries and social security charges	**262.6**		271.2	
Depreciation and amortization	**115.0**		121.2	
Other operating expenses	**225.3**		269.7	
Total operating expenses		**602.9**		662.1
Operating profit		**149.7**		135.7
Profit of participating interests		**42.5**		77.3
Group operating profit		**192.2**		213.0
Interest income	**16.7**		34.0	
Interest expense	**- 64.6**		- 91.1	
Interest		**- 47.9**		- 57.1
Profit before taxation		**144.3**		155.9
Tax		**- 27.4**		- 30.1
Consolidated net profit		**116.9**		125.8
Minority interests in consolidated net profit		**- 12.4**		- 14.5
Net profit		**104.5**		111.3
Dividend on cumulative financing preference shares		**- 6.9**		- 6.9
Net profit for holders of ordinary shares		**97.6**		104.4
Earnings per share		**1.67**		1.91
Fully diluted earnings per share		**1.67**		1.91
Earnings per share (before exceptional items)		**1.28**		1.73
Fully diluted earnings per share (before exceptional items)		**1.28**		1.73

Consolidated balance sheet at 31 December, before proposed appropriation of profit

In EUR millions		2003		2002
Intangible fixed assets	6.6		6.3	
Tangible fixed assets	994.8		1,107.2	
Financial fixed assets	333.1		413.9	
Deferred tax assets	5.4		5.8	
Total fixed assets		1,339.9		1,533.2
Stocks	1.7		4.5	
Debtors	232.2		272.5	
Prepayments and accrued income	17.9		24.5	
Securities	4.1		11.6	
Cash at bank and in hand	152.4		153.0	
Total current assets		408.3		466.1
Amounts owed to banks	37.0		39.7	
Current portion of long-term liabilities	28.4		71.1	
Pensions and other identical liabilities	4.9		–	
Trade and other creditors	225.1		250.0	
Dividends	6.9		6.9	
Total current liabilities		302.3		367.7
Current assets less current liabilities		106.0		98.4
Total assets less current liabilities		1,445.9		1,631.6
Long-term liabilities		695.5		824.9
Pensions and other employee benefits	16.9		16.1	
Provision for deferred tax liabilities	118.0		143.3	
Other provisions	36.8		86.6	
Total provisions		171.7		246.0
Minority interests in consolidated shareholders' equity	57.5		64.3	
Shareholders' equity	521.2		496.4	
Group equity		578.7		560.7
Total		1,445.9		1,631.6

Consolidated cash flow statement

In EUR millions		2003		2002
Net profit	**104.5**		111.3	
Adjustments for:				
- Depreciation and amortization	**99.9**		108.9	
- Write downs and impairments	**15.1**		12.3	
- Movements in provisions	**- 49.6**		- 5.5	
- Movements in minority interests	**5.8**		13.7	
- Distributed profit of participating interests	**23.5**		36.9	
- Share in profit of participating interests	**- 36.5**		- 46.1	
- Result on sale of tangible fixed assets	**- 4.9**		- 1.1	
- Result on sale of group companies				
and non-consolidated participating interests	**- 3.4**		- 30.7	
Gross cash flow from operating activities	**154.4**		199.7	
Movements in working capital (excluding cash at				
bank and in hand, short-term loans and dividends)	**50.8**		- 66.2	
Effect of changes in exchange rates	**- 1.8**		- 10.7	
Net cash flow from operating activities		**203.4**		122.8
Capital expenditure:				
- Tangible fixed assets	**- 106.5**		- 97.0	
Acquisitions (including goodwill):				
- Financial fixed assets	**- 22.5**		- 45.4	
- Group companies	**- 16.7**		- 18.5	
Total investments		**- 145.7**		- 160.9
Disposals:				
- Tangible fixed assets	**26.2**		16.4	
- Financial fixed assets	**39.8**		95.8	
- Group companies	**32.8**		16.1	
Total disposals		**98.8**		128.3
Net cash flow from investing activities		**- 46.9**		- 32.6
Financing:				
- Repayment of long-term liabilities	**- 50.4**		- 416.6	
- New long-term liabilities	**3.7**		308.2	
- Sale of repurchased shares	**1.6**		–	
- Net proceeds from share issue	**–**		73.8	
- Net movements in short-term financing	**- 68.0**		- 140.0	
- Dividend distributions	**- 36.1**		- 6.9	
Net cash flow from financing activities		**- 149.2**		- 181.5
Net cash flow		**7.3**		- 91.3
Exchange and translation differences		**- 7.9**		- 3.2
Movements in cash at bank and in hand				
owing to consolidations and deconsolidations		**–**		- 0.2
Movement in cash at bank and in hand		**- 0.6**		- 94.7

Group accounting policies

Basis of consolidation

The consolidated financial statements include the financial information of Royal Vopak and its group companies. Group companies are companies that together form an economic unit operating under central management and over whose commercial and financial policy Royal Vopak exercises control. The assets, liabilities, income and expenses are consolidated in full in the financial statements, net of the share of third parties in the results and group equity, which is disclosed separately in the profit and loss account and the balance sheet.

A list of consolidated group companies and participating interests pursuant to Sections 379 and 414 of Book 2 of the Netherlands Civil Code has been filed with the Company Registry in Rotterdam and is available for inspection.

Changes in accounting policies and presentation

Proposed dividend

The proposed dividend was previously presented as an amount payable under current liabilities. In accordance with the new Guideline of the Council for Annual Reporting in the Netherlands, which came into force on 1 January 2003, a dividend cannot be recognized as a liability until the corresponding proposal has been adopted by the General Meeting of Shareholders. This does not apply to dividends on preference shares, which continue to be presented as liabilities. Regarding the dividend on ordinary shares, the comparative figures have been restated. The application of the new guideline meant that shareholders' equity at 31 December 2002 increased by EUR 30 million.

Cash at bank and in hand not readily available

Vopak applied the new Guideline 228 of the Council for Annual Reporting 2003. This Guideline stipulates that cash at bank and in hand not expected to be readily available within 12 months should be classified under financial fixed assets. In accordance with this Guideline, the comparative balance sheet figures have been restated and EUR 19.2 million reclassified under financial fixed assets.

Income related to amounts owed by participating interests

In 2003, it was decided that the income related to amounts owed by participating interests should be classified under interest rather than under profit of participating interests. The comparative figures have been restated, resulting in a reclassification of EUR 0.8 million in the profit and loss account.

Reclassification of extraordinary income/expense after taxation for 2002

In accordance with the new Guideline for Annual Reporting, extraordinary income and expense after taxation has been reclassified in the comparative figures as follows, as exceptional result in operating profit:

	Before reclassification	Reclassification	After reclassification
Other operating income	1.1	0.5	1.6
Depreciation and amortization	- 108.9	- 12.3	- 121.2
Other operating expenses	- 265.6	- 4.1	- 269.7
Profit of participating interests	47.3	30.0	77.3
Tax	- 32.1	2.0	- 30.1
Extraordinary income/expense after taxation	16.1	- 16.1	–

Discontinuation of operating activities

As part of the strategic reappraisal of non-tankstorage related activities, Vopak decided to dispose of its interests in Chemgas gasshipping, the Asian LPG tankers, Van Ommeren Clipper Shipholdings, Dutch P&I Services, Dutch Shipping Defence and Dockwise Transport in 2003.

In addition, agreements in principle were announced in 2003 on the sale of Vopak Chemical Tankers and of the warehouses for storing packaged chemicals in Rotterdam and Antwerp. The sale of Vopak Chemical Tankers was completed on 27 February 2004. For more details, reference is made to other information.

Regarding other units, it has been decided to dispose of the forwarding activities, the interest in VOTG and the shipping activities related to vegoils and mineral oils.

In accordance with the criteria of Guideline 345 for Annual Reporting, the above activities are classified under discontinuation of operating activities. The comparative figures have been restated accordingly.

Accounting policies

General
These financial statements have been prepared under the historical cost convention. Departures if any from historical cost rules are mentioned separately. Unless otherwise stated, assets and liabilities are shown at nominal value. Income and expense are accounted for in accordance with the accruals concept.

Profits are recognized when realized and losses are accounted for as soon as they are foreseen.

Assets are depreciated or amortized evenly over their expected useful economic lives. The depreciation and amortization periods are disclosed under the accounting policies for tangible and intangible fixed assets.
Tax is computed on the profit shown in the financial statements in accordance with local tax legislation in the countries concerned, regarding permanent differences between commercial and fiscal valuation.

Transactions denominated in foreign currencies are translated into euros at the rate of exchange ruling on the date of transaction. Resulting exchange differences on ordinary activities are taken to the profit and loss account.

Goodwill
If an asset is sold within five years of acquisition, the proportionate part of the goodwill charged to reserves is reversed and charged to the gain or loss on the sale.

Definitions
Profit is determined based on the definitions below:

Net turnover is defined as the amounts charged, net of VAT, to third parties for goods and services supplied in the year under review.

Other operating income relates mainly to gains and losses on the sale of tangible fixed assets and group companies.

Profit of participating interests relates to the company's share in the net profit after tax of participating interests over which it exercises significant influence, dividends from other participating interests, downward value adjustments, results on sale and other profits and losses.

Intangible fixed assets
Goodwill purchased is capitalized and amortized on a straight-line basis over its estimated useful economic life, subject to a maximum of 20 years. Goodwill is calculated as the difference between the fair value amount paid for the new participating interest and the fair value of the assets less liabilities purchased at the time of acquisition. Up to and including 2000, goodwill paid was taken directly to reserves in the year of acquisition.

Tangible fixed assets
Tangible fixed assets are carried at historical cost, net of straight-line depreciation based on the expected useful economic lives of the assets concerned and taking into account any expected residual value. For investment projects exceeding EUR 10 million with a construction period of more than 12 months, interest paid during the construction period is capitalized.

The depreciation periods of the main assets are as follows:

- buildings	20 - 50 years
- main components of tankstorage terminals	40 years
- sea-going vessels	20 years
- inland vessels	20 - 25 years
- software and hardware IT	3 - 7 years
- machinery, equipment and fixtures	3 - 10 years

Survey costs for vessels are capitalized under tangible fixed assets and depreciated over a period of five years on average.

Tangible fixed assets under construction are carried at the costs incurred up to the balance sheet date.

Financial fixed assets

Non-consolidated participating interests over which Vopak exercises significant influence (in general where Vopak can exercise between 20% and 50% of the voting rights) are carried at Vopak's share of the net asset value calculated in accordance with Vopak's accounting policies, taking into account any expected permanent impairments.

Under the net asset value method of accounting, the company's share of the profit of the participating interests is recognized in the profit and loss account. The net profit is based on the audited financial statements or, in the event that they are not yet final, on the available management reports.

The other non-consolidated participating interests are carried at the lower of acquisition cost and market value.
Loans (of a financing nature) granted to participating interests and loans to third parties are stated at face value, net of a provision for doubtful debts where necessary.

Impairment of fixed assets

Fixed assets are tested for impairment if events or new circumstances call for this. For the purpose of the test, the assets are grouped according to separately identifiable and essentially independent cash flows. If the higher of the recoverable and net realizable value of the assets concerned is permanently less than its carrying value, the difference is taken to the profit and loss account as an impairment. Assets to be disposed of are carried at their estimated realizable value. Impairments to intangible and tangible fixed assets are presented in the profit and loss account under depreciation and amortization. Impairments to non-consolidated participating interests under financial fixed assets are presented under profit of participating interests. Impairments to loans under financial fixed assets are presented under interest.

Current assets

Stocks are carried at the lower of cost and market value.
Debtors are stated net of a provision for doubtful debts.
Securities are carried at the lower of cost and market value at the balance sheet date.

Deferred tax assets and liabilities

Deferred tax assets and liabilities are based on temporary differences between the valuation of assets and liabilities for financial reporting purposes and for tax purposes. The deferred tax assets and liabilities are calculated using current rates of corporate income tax and carried at their non-discounted value.
Deferred tax assets are only recognized to the extent that there is a high degree of probability that these deferred tax assets will be realised.
Deferred tax assets are stated under fixed assets.

A provision is formed for taxation, principally regarding withholding tax, for which a liability might arise in connection with the distribution of retained profits of mainly participating interests, only if the intention exists to distribute such profits.

Pensions and other employee benefits

Pensions and other employee benefits are accounted for in accordance with the new 2003 Guideline 271 for Annual Reporting ('Employee benefits'), which was based on IAS 19.

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

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 on 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 schemes.

To calculate the present value, a discount rate is used based on the interest rates on government and corporate bonds with outstanding terms approximating the terms of the pension obligations. The actuarial results not yet included in the result are allocated over the average remaining service years of employees. Valuation recommendations are requested annually from actuaries.

Contributions to defined contribution plans are taken to the profit and loss account in the year in which they are due.

Other provisions

Provisions are formed for legal or constructive obligations and losses whose amount, though uncertain, can be reasonably estimated and where it is probable that settlement of the obligation will entail an outflow of resources.

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

Provisions for reorganizations are formed for estimated amounts based on reorganization plans drawn up at the balance sheet date, in situations where the parties concerned justifiably expect the plans to be carried out. These provisions are stated under other provisions.

Foreign currency translation

Transactions in foreign currencies are recorded in the accounting records of the local companies using the exchange rates ruling at the date of the transaction. Balance sheet items denominated in foreign currencies are translated in the accounting records of the local companies using the exchange rates ruling at the balance sheet date. Exchange differences are taken to the profit and loss account. Transactions concluded to hedge exchange risks on assets and liabilities, together with the gains and losses on these transactions, are included in the carrying value of these items.

The assets and liabilities of foreign companies and participating interests are translated into the reporting currency at the rate ruling on the balance sheet date. Profit and loss account items of foreign companies and participating interests are translated at the average exchange rates during the reporting period, taking into account the effect of hedges against currency risks.

Any exchange differences arising from the translation of capital invested in the foreign companies and participating interests are taken to reserves, as are exchange differences on loans as a part of the investment in the foreign company and other financial instruments in foreign currencies insofar as they are used to hedge the currency risks on foreign companies.

Shares held to cover options

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 other reserves of the equity. These shares are ignored for the purpose of calculating earnings per share.

Cash flow policies

The cash flow statement is drawn up using the indirect method. Cash means cash at bank and in hand. Cash flows denominated in foreign currencies are translated at average exchange rates. Foreign exchange and translation gains and losses on cash are presented separately. The cash flows in the cash flow statement are divided between operating activities, investing activities and financing activities.

Receipts and expenditure relating to interest, dividends received and tax are stated under net cash flow from operating activities.

Acquisitions of group companies and participating interests are stated under net cash flow from investing activities.

Dividend distributions are stated under net cash flow from financing activities.

Notes to the consolidated profit and loss account

All amounts are in EUR millions, unless stated otherwise.

Exceptional items

Breakdown of exceptional items in group operating profit:

		2003		2002
Other operating income				
Result on sale of group companies	- 1.9		0.5	
Result on sale of discontinued operating activities	- 0.8		–	
Compensation of damages	4.5		–	
		1.8		0.5
Wages, salaries and social security charges				
Adjustment for 2002 pension calculations		3.0		–
Depreciation and amortization				
Impairments		- 15.1		- 12.3
Other operating expenses				
Release of guarantee given to Univar	33.2		–	
Split-off costs	–		- 3.9	
Reorganization costs	–		- 4.5	
Other	- 2.7		- 4.8	
		30.5		- 13.2
Profit of participating interests				
Result on sale of non-consolidated participating interests		5.3		30.0
Total		25.5		5.0

Net turnover

Breakdown of net turnover by geographical area:

	2003	2002
The Netherlands	316.5	334.3
Other European countries, the Middle East and Africa	191.5	195.8
North America	104.8	118.0
Latin America	40.1	40.4
Asia and Australia	96.7	107.7
Total	749.6	796.2

Breakdown of net turnover by activity:

	Tankstorage	Other activities	Discontinuation of operating activities	2003	2002
Chemicals Europe, Middle East and Africa	207.3	37.6	–	244.9	247.1
Oil Europe, Middle East and Africa	104.7	13.0	–	117.7	124.9
Asia	91.1	2.7	–	93.8	104.1
North America	104.8	–	–	104.8	118.0
Latin America	40.1	–	–	40.1	38.1
Discontinuation of operating activities	–	–	147.5	147.5	156.4
Other	–	0.8	–	0.8	7.6
Total	548.0	54.1	147.5	749.6	
Total 2002	579.4	60.4	156.4		796.2

Wages, salaries and social security charges

		2003	2002
	Wages and salaries	**210.0**	221.9
	Social security charges	**30.4**	32.7
	Pension contributions	**22.2**	16.6
Total		**262.6**	271.2

For the remuneration of Supervisory Board members and Executive Board members reference is made to the financial statements of Royal Vopak.

Average number of employees

During the year under review, the group employed 4,362 employees on average, including temporary staff. This number can be broken down as follows:

		Tankstorage	Other activities	Discontinuation of operating activities	2003	2002
	Chemicals Europe, Middle East and Africa	1,074	274	–	**1,348**	1,344
	Oil Europe, Middle East and Africa	324	122	–	**446**	438
	Asia	285	44	–	**329**	316
	North America	470	–	–	**470**	466
	Latin America	466	–	–	**466**	398
	Discontinuation of operating activities	–	–	1,164	**1,164**	1,281
	Other	–	139	–	**139**	172
Total		2,619	579	1,164	**4,362**	
Total 2002		2,508	626	1,281		4,415

Movements in the number of employees

		2003	2002
Number at 1 January		**4,075**	4,262
	Movements due to acquisitions	**233**	52
	Movements due to disposals	**- 238**	–
	Entrance/dismissed	**- 66**	- 239
Number at 31 December		**4,004**	4,075

Depreciation and amortization

		2003	2002
	Intangible fixed assets	**0.3**	0.2
	Tangible fixed assets	**99.6**	108.7
	Impairments	**15.1**	12.3
Total		**115.0**	121.2

Other operating expenses

		2003	2002
	Maintenance costs	**41.3**	44.0
	Rental and lease costs	**29.5**	29.5
	Voyage expenses vessels	**28.6**	29.8
	Fuel	**25.7**	26.3
	Environmental, safety and cleaning costs	**22.2**	20.0
	Insurance premiums	**22.1**	21.3
	Exceptional items	**- 30.5**	13.2
	Other	**86.4**	85.6
Total		**225.3**	269.7

Profit of participating interests

		2003	2002
	Share in profit of non-consolidated participating interests	**36.5**	46.1
	Result on sale of non-consolidated participating interests	**5.3**	30.0
	Other profits and losses	**0.7**	1.2
Total		**42.5**	77.3

Breakdown of profit of participating interests by activity:

		Tankstorage	Other activities	Discontinuation of operating activities	2003	2002
	Chemicals Europe, Middle East and Africa	1.9	0.2	–	**2.1**	0.8
	Oil Europe, Middle East and Africa	11.4	1.5	–	**12.9**	17.1
	Asia	13.7	–	–	**13.7**	21.9
	North America	–	–	–	**–**	–
	Latin America	2.4	–	–	**2.4**	2.5
	Discontinuation of operating activities	–	–	11.0	**11.0**	32.0
	Other	–	0.4	–	**0.4**	3.0
Total		29.4	2.1	11.0	**42.5**	
Total 2002		41.7	3.6	32.0		77.3

Group operating profit

Breakdown of group operating profit by activity:

		Tankstorage	Other activities	Discontinuation of operating activities	2003	2002
	Chemicals Europe, Middle East and Africa	35.7	1.0	–	**36.7**	42.0
	Oil Europe, Middle East and Africa	40.5	4.2	–	**44.7**	57.0
	Asia	55.8	0.4	–	**56.2**	62.6
	North America	21.6	–	–	**21.6**	26.8
	Latin America	14.1	–	–	**14.1**	15.1
	Discontinuation of operating activities	–	–	38.2	**38.2**	30.8
	Other	–	- 19.3	–	**- 19.3**	- 21.3
Total		167.7	- 13.7	38.2	**192.2**	
Total 2002		198.6	- 16.4	30.8		213.0

Taxation

The tax on profit was EUR 27.4 million (2002: EUR 30.1 million), which can be broken down as follows:

		2003		2002
The Netherlands				
Current tax charge	- 3.3		–	
Deferred tax charge	4.7		0.4	
		1.4		0.4
Other countries				
Current tax charge	22.7		21.9	
Deferred tax charge	3.3		7.8	
		26.0		29.7
Tax on profit		27.4		30.1

	2003	2002
	%	%
Weighted average statutory tax rates	25.2	34.3
Effect of participation exemption	- 7.0	- 15.7
Effect of non-deductible goodwill	–	–
Effect of non-deductible expenses	1.0	1.2
Other effects	- 0.2	- 0.5
Effective tax burden	19.0	19.3

Earnings per share

Earnings per share is calculated by dividing the net profit for holders of ordinary shares by the weighted average number of issued shares. The weighted average number of issued shares in 2003 was 58,313,375 (2002: 54,518,700).

In calculating the fully diluted earnings per share, the weighted average number of issued shares is adjusted for the dilution effects of option plans. For 2003, the adjustment for dilution effects was 148,122. The dilution effects of the weighted average number of issued shares in 2002 after adjustment was nil.

Notes to the consolidated balance sheet

All amounts are in EUR millions, unless stated otherwise.

Intangible fixed assets

Movements in this item were as follows:

		Total
	Cost	**6.7**
	Accumulated amortization	**- 0.4**
Net book value at 1 January 2003		**6.3**
	Movements:	
	- Goodwill	**0.2**
	- Amortization	**- 0.3**
	- Exchange differences	**0.4**
Net book value at 31 December 2003		**6.6**
	Cost	**7.4**
	Accumulated amortization	**- 0.8**
Net book value at 31 December 2003		**6.6**

Tangible fixed assets

Movements in this item were as follows:

		Land and buildings	Tank-storage terminals	Vessels	Machinery, equipment and fixtures	Assets under construction	Total
	Cost	181.8	1,567.7	419.6	119.6	42.7	**2,331.4**
	Accumulated depreciation	- 69.4	- 891.9	- 194.7	- 68.2	–	**- 1,224.2**
Net book value at 1 January 2003		112.4	675.8	224.9	51.4	42.7	**1,107.2**
	Movements:						
	- Additions	3.9	12.9	1.6	4.2	83.9	**106.5**
	- Reclassifications	5.7	47.0	6.6	3.2	- 62.5	**–**
	- Consolidations	11.2	5.8	–	2.6	0.3	**19.9**
	- Deconsolidations	–	–	- 34.2	- 0.1	- 1.1	**- 35.4**
	- Disposals	- 3.4	- 1.6	- 13.8	8.0	- 10.5	**- 21.3**
	- Depreciation	- 17.6	- 60.0	- 23.9	- 13.2	–	**- 114.7**
	- Exchange differences	- 11.8	- 48.8	- 1.0	- 4.2	- 1.6	**- 67.4**
Net book value at 31 December 2003		100.4	631.1	160.2	51.9	51.2	**994.8**
	Cost	180.3	1,523.4	290.9	122.8	51.2	**2,168.6**
	Accumulated depreciation	- 79.9	- 892.3	- 130.7	- 70.9	–	**- 1,173.8**
Net book value at 31 December 2003		100.4	631.1	160.2	51.9	51.2	**994.8**

Financial fixed assets

Movements in this item were as follows:

	Participating interests	Loans to participating interests	Other investments	Other loans	**Total**
Balance at 1 January 2003	194.1	22.7	21.8	175.3	**413.9**
Movements:					
- Share in profit	33.7	–	2.8	–	**36.5**
- Dividends received	- 20.8	–	- 2.7	–	**- 23.5**
- Investments/loans granted	12.2	1.8	–	5.7	**19.7**
- Consolidations	1.3	–	–	–	**1.3**
- Deconsolidations	- 2.5	–	–	–	**- 2.5**
- Disposals/repayments	- 19.8	- 5.2	- 17.1	- 2.9	**- 45.0**
- Included under group companies	- 10.5	–	–	–	**- 10.5**
- Exchange differences	- 27.2	- 1.9	- 3.9	- 23.6	**- 56.6**
- Other movements	- 0.2	–	–	–	**- 0.2**
Balance at 31 December 2003	160.3	17.4	0.9	154.5	**333.1**

Disposals of participating interests consist of the interests in Van Ommeren Clipper Shipholdings, Dutch P&I Services, Dutch Shipping Defence and Dockwise Transport.

Other loans include subordinated loans amounting to EUR 148.2 million (2002: EUR 154.5 million), of which EUR 29.5 million represents loans with a remaining term exceeding 5 years. For these loans, the weighted average interest rate at 31 December 2003 was 3.05% (2002: 3.26%).

In accordance with Section 379 of Book 2 of the Netherlands Civil Code, a list of the principal group companies and participating interests has been filed with the Company Registry in Rotterdam for inspection. The list also includes the information required under Section 414 of Book 2 of the Netherlands Civil Code.

Deferred tax assets

Movements in deferred tax assets were as follows:

	2003	2002
Balance at 1 January	**5.8**	6.2
Movements:		
Additions	**0.3**	1.0
Withdrawals	**–**	- 0.7
Exchange differences	**- 0.7**	- 0.7
Balance at 31 December	**5.4**	5.8

Debtors

	2003	2002
Trade debtors	**103.7**	129.3
Other debtors	**128.5**	143.2
Total	**232.2**	272.5

Cash at bank and in hand

	2003	2002
Cash/bank	**50.1**	50.5
Deposits	**102.3**	102.5
Total	**152.4**	153.0

Amounts owed to banks

This item relates to bank loans. Information on derivatives is included separately in the notes on financial instruments.

Trade and other creditors

		2003	2002
	Trade creditors	69.3	71.3
	Taxes and social security charges	37.6	24.7
	Other creditors, accruals and deferred income	118.2	154.0
Total		225.1	250.0

Long-term liabilities

		Face value		Repayment schedule				
		2003	2002	2005	2006	2007	2008	2009 until 2016
	Subordinated loans	11.3	17.0	5.7	5.6	–	–	–
	Mortgage loans	2.9	–	0.4	0.4	0.4	0.4	1.3
	Private placements and bank loans	681.3	748.3	23.1	100.3	70.0	61.9	426.0
	Stand-by loans	–	50.0	–	–	–	–	–
	Other loans	–	9.6	–	–	–	–	–
Total		695.5	824.9	29.2	106.3	70.4	62.3	427.3

The subordinated loans are subordinate to all existing and future debts of Royal Vopak. Of the subordinated loans, an amount of EUR 5.7 million is included under current portion of long-term liabilities.

Repayments due in 2004 of EUR 28.4 million are included in the current portion of long-term liabilities.This amount includes EUR 5.7 million of subordinated loans.

Movements in long-term liabilities were as follows:

Balance at 1 January 2003		824.9
	Movements:	
	- New loans	3.7
	- Repayments	- 50.4
	- Movement in current portion of long-term liabilities	- 29.1
	- Deconsolidation	- 3.1
	- Exchange differences	- 50.5
Balance at 31 December 2003		695.5

Breakdown of loans by currency:

	Local currency		Euro	
	2003	2002	**2003**	2002
Euro (EUR)	**181.0**	245.6	**181.0**	245.6
US Dollar (USD)	**516.5** [1]	526.5 [1]	**464.8**	518.5
Swiss Franc (CHF)	**–**	10.0	**–**	6.9
UK Pound (GBP)	**35.0**	35.0	**49.7**	53.9
Total			**695.5**	824.9

[1] USD 250 million was converted to a euro position by means of cross currency interest rate swap contracts.

The weighted average interest rate on long-term liabilities at 31 December 2003 was 7.5% (31 December 2002: 7.2%).
The components are as follows:

	Average term in years		Average interest rate as percentage	
	2003	2002	**2003**	2002
Subordinated loans	**1.7**	2.2	**6.2**	6.2
Mortgage loans	**3.9**	–	**6.4**	–
Private placements and bank loans	**5.8**	6.8	**7.5**	7.3
Stand-by loans	**–**	3.7	**–**	3.5
Other loans	**0.7**	1.7	**5.4**	5.6
Weighted average	**5.6**	6.0	**7.5**	7.2

Based on interest rate swap contracts, the effective interest rate for long-term loans at 31 December 2003 was 7.6%.

Breakdown of interest rate swap contracts by currency:

	Principal amount in EUR millions		Weighted average fixed swap interest rate		Weighted average term in years	
	2003	2002	**2003**	2002	**2003**	2002
Variable to fixed						
Euro (EUR)	**56.7**	68.1	**5.4%**	5.9%	**6.0**	5.4
Australian Dollar (AUD)	**2.4**	4.3	**7.0%**	7.0%	**0.5**	1.0
Fixed to variable						
Euro (EUR)	**56.7**	56.7	**5.4%**	5.4%	**6.0**	7.0
US Dollar (USD)	**4.8**	5.8	**6.3%**	6.3%	**1.0**	2.0
Fixed to fixed						
US Dollar (USD 250 million)	**- 252.9**	- 252.9	**8.3 %**	8.3 %	**4.9**	5.9
Euro (EUR)	**252.9**	252.9	**8.9 %**	8.9 %	**4.9**	5.9

For the subordinated loan of EUR 45.5 million arranged in December 1996, an ORANGE agreement was concluded.

Under this agreement, the company was granted an option to issue new ordinary shares in exchange for the repayment – on the respective maturity dates – of the loan. At 31 December 2003, the balance of this subordinated loan was EUR 17 million. In exchange, the counterparties are required, subject to certain conditions, to purchase these shares.

The issue price will be calculated based on the average stock exchange quotation on the first five of the six stock exchange trading days preceding each issue date. The shares will be available together with the shares already listed.
The number of ordinary shares of EUR 1.00 nominal value each resulting from the issues in 2003 was nil (2002: nil).

For the total of the various long-term liabilities components, the disclosed interest rates and remaining terms to maturity are weighted averages. Security for the mortgage loans was provided on a number of vessels of group companies. For the unencumbered property in the Netherlands, Royal Vopak has given an undertaking to a number of lenders not to mortgage the property without their approval.

The private loans (US private placements) are long-tem loans with terms between 5 and 13 years, most of them due to be repaid at the end of their term. The total outstanding amount at 31 December 2003 was EUR 439.3 million. The most important ratios are:

- The ratio of net debt (including guarantees replacing credits and cash at bank and in hand not readily available) to EBITDA, specified in the conditions applying to loans, must not exceed 3.25 : 1 for the period 1 July 2002 to 30 June 2003 inclusive and 3.00 : 1 for the period 1 July 2003 to 30 June 2004 inclusive. Subsequently, the ratio must not exceed 2.75 : 1. At 31 December 2003, the ratio was 2.42 : 1 (31 December 2002: 2.49 : 1).
- The ratio of EBITDA, specified in the conditions applying to loans, to interest must not be less than 4 : 1. At 31 December 2003, the ratio was 5.6 : 1 (31 December 2002: 5.5 : 1).
- Shareholders' equity must not be less than EUR 350 million plus, after 1 July 2002, 40% of the profit on ordinary activities after taxation, less the minority interests in the consolidated net profit, adjusted for exceptional items specified in the conditions applying to loans leading ultimately to a minimum of EUR 725 million. On this basis, the minimum required shareholders' equity at 31 December 2003 was EUR 403.6 million (31 December 2002: EUR 370.9 million). At 31 December 2003, actual shareholders' equity amounted to EUR 521.2 million (31 December 2002: EUR 496.4 million).
- The loan agreements provide that the interest rate will increase by 1.0% per annum for any period of time during which the loans have been given an NAIC 3 rating by the NAIC (National Association of Insurance Commissioners). This increase will be reduced to 0.5% during any period of time when the loans are rated better than NAIC 3, and the increase will be reduced to nil during any period of time when Vopak maintains a BBB rating or better from Standard & Poor's on its long-term liabilities or a Baa2 rating or better from Moody's on its long-term liabilities. Vopak has maintained a NAIC 2 rating since entering into the loan agreements.

Certain restrictions also apply to these facilities, including a partial negative pledge stipulation.

A number of major subholdings have provided guarantees regarding compliance with the commitments under the terms of these private placements.

In most of its other loan agreements, Royal Vopak has undertaken to ensure that certain balance sheet ratios are not exceeded. For the relevant private loans and stand-by loans, the ratio of shareholders' equity to long-term loan capital must not exceed 1 : 2.5.
For this purpose, shareholder's equity includes 50% of the deferred taxes.

Calculation of the ratio at 31 December 2003:

	Shareholders' equity as per the balance sheet	**521.2**
	50% of the deferred taxes	**56.3**
Adjusted shareholders' equity		**577.5**
	Long-term loan capital as per the balance sheet	**861.8**
	Less 50% of the deferred taxes	**56.3**
Adjusted long-term loan capital		**805.5**

This results in a ratio of 1 : 1.4. The above-mentioned ratio requirement of 1 : 2.5 was met at 31 December 2003.

With regard to its working capital, Royal Vopak has undertaken in most of its loan agreements to maintain a ratio of current assets to current liabilities of at least 1 : 1. With working capital amounting to EUR 106.0 million at 31 December 2003, this requirement was also satisfied.

Financial instruments

General

In their ordinary business activities, the group companies of Royal Vopak make use of various financial instruments in accordance with a financial policy approved by the Executive Board.

These financial instruments comprise instruments recognised under assets and liabilities and instruments not included in the balance sheet.

The latter are used exclusively for hedging ordinary business risks. To the extent that financial instruments are used for hedging risks, the estimated fair values of gains and losses to be realised on the hedged transactions will offset one another and are accounted for together with the transactions.

In accordance with the company's interest rate policy, the interest rates charged on a portion of the liabilities are fixed rates for periods not exceeding 15 years. In addition to raising loans with a fixed rate of interest, this is achieved by means of various derivatives, such as interest rate swaps, cross currency interest rate swaps and caps and floors.

In accordance with the company's currency policy, net operational transaction positions are hedged against currency risks. This is effected by using currency options and forward exchange contracts. The net profit of foreign group companies is hedged selectively using average rate options.

Group companies use procedures and guidelines for limiting credit risks for each contract party or market. These procedures and the geographical spread of group companies' activities limit Royal Vopak's exposure to risks associated with credit concentrations and market risks.

The instruments used for managing interest rate and currency risks, as well as the amount of these instruments and the risks associated with their use, are as follows:

Financial instruments recognized in the balance sheet

The financial instruments recognized under assets and liabilities include cash at bank and in hand, securities, current and long-term receivables and liabilities. The estimated fair value of the short-term financial instruments at 31 December 2003 approximated their carrying value.

The market value of the bond loans is based on stock exchange quotations.
The market value of other long-term liabilities is estimated as the present value of cash flows, using the swap curve as a basis.

The table below shows the market value and carrying value of the other financial instruments recognized in the balance sheet at 31 December 2003.

	Market value		Carrying value	
	2003	2002	**2003**	2002
Bond loans	**–**	63.6	**–**	63.5
Other loans	**778.5**	972.8	**723.9**	832.5

Financial instruments not recognized in the balance sheet

Hedging instruments, such as interest rate swaps, cross currency interest rate swaps, forward exchange contracts, caps and floors, and currency options are used to manage risks.

The market value of forward exchange contracts reflects the net present value of unrealised results from revaluing the contracts at forward exchange rates ruling at the end of the year.

The market value of interest rate swaps, cross currency interest rate swaps, forward interest rate contracts, options on swaps, caps and floors, if any, is estimated on the basis of mark-to-market statements provided at the end of the financial year by the banks concerned.

The table below shows the market value and the nominal value of the financial instruments not recognized in the balance sheet at 31 December 2003.

		Market value		Nominal value [1]	
		2003	2002	**2003**	2002
	Cross currency interest rate swaps [2]	**- 18.0**	- 7.8	**252.9**	252.8
	Interest rate swaps (from variable				
	to fixed interest)	**- 4.6**	- 5.4	**59.1**	72.4
	Interest rate swaps (from fixed				
	to variable interest)	**5.1**	5.4	**61.5**	62.5
	Caps (bought)	**–**	0.1	**–**	150.0
	Currency purchase contracts	**–**	–	**3.4**	–
	Currency sales contracts	**1.5**	0.4	**201.4**	110.6
Total		**- 16.0**	- 7.3		

[1] The nominal values reflect the degree to which the instruments are used, but not their underlying positions.

[2] The market value of the cross currency interest rate swaps was EUR – 72.2 million (31 December 2002: EUR -20.4 million). As a part of the long-term liabilities in USD was translated using the weighted average exchange rate of the cross currency interest rate swaps, the currency component of EUR – 54.2 million is recognized in the balance sheet (31 December 2002: EUR -12.6 million).

Credit risks

Vopak is exposed to credit risks on financial instruments and cash balances 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 over these counterparties. At year-end, there was no significant concentration of credit risks at any of the counterparties.

Pensions and other employee benefits

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

		2003	2002
Balance at 1 January		**16.1**	16.2
	Movements:		
	- Change in accounting policy	**–**	5.6
	- Effect of additional plans	**9.1**	–
	- Reclassification of other plans	**1.2**	12.1
	- Pension charge/addition	**22.2**	16.6
	- Employer's contribution	**- 26.1**	- 34.4
	- Exchange differences	**0.8**	–
	- Reclassification to current liabilities	**- 4.9**	–
	- Other	**- 1.5**	–
Balance at 31 December 2003		**16.9**	16.1

The table below provides a summary of the effects on the balance sheet and profit and loss account, and the assumptions underlying the actuarial calculations for the most important average and final salary pension schemes and other benefit schemes.

Movements in pension obligations	**2003**	2002
Obligations at 1 January	**666.5**	618.7
Movements:		
- Additional plans [1]	**42.5**	–
- Disposals/reductions	**- 5.8**	–
- Cost of rights accrued during the financial year	**14.1**	13.0
- Interest expense	**39.2**	35.3
- Actuarial profits and losses	**- 36.4**	22.6
- Benefits paid	**- 28.8**	- 23.1
- Movements in exchange rates	**- 9.9**	–
Obligations at 31 December	**681.4**	666.5

Movements in plan assets		
Fair value of plan assets at 1 January	**559.3**	594.4
Movements:		
- Additional plans [1]	**24.9**	–
- Disposals/reductions	**- 4.0**	–
- Actual return on assets	**35.9**	- 36.9
- Employers' contributions	**18.5**	24.9
- Employees' contributions	**0.5**	–
- Benefits paid	**- 27.9**	- 23.1
- Movements in exchange rates	**- 7.0**	–
Fair value of plan assets at 31 December	**600.2**	559.3

Benefit obligations less fair value of plan assets at 31 December	**81.2**	107.2
- Net actuarial profits and losses not yet recognized	**- 65.5**	- 99.0
- Other plans	**6.1**	7.9
Net amount recognized at 31 December	**21.8**	16.1

Included in the financial statements as follows:		
- Under current liabilities	**4.9**	–
- Under long-term liabilities	**16.9**	16.1
Net amount recognized at 31 December	**21.8**	16.1

Assumptions based on weighted averages at 31 December	**2003**	2002	2001
- Discount rate	**5.52%**	5.56%	5.83%
- Projected return on plan assets	**6.52%**	6.71%	6.72%
- Projected rate of compensation increase	**3.02%**	3.13%	3.13%
- Projected price index increase	**2.11%**	2.12%	2.12%

Components of net pension costs	**2003**	2002
- Service costs	**14.1**	13.0
- Interest costs	**39.2**	35.3
- Projected return on plan assets	**- 38.0**	- 39.6
- Amortization of actuarial profits and losses	**2.3**	–
Defined benefit plans	**17.6**	8.7
- Defined contribution plans	**7.6**	7.9
- Adjustment for 2002 pension costs	**- 3.0**	–
Net periodic pension costs	**22.2**	16.6

[1] *From 1 January 2003, a number of additional pension plans were included in the valuation process based on IAS 19.*

The valuation of liabilities resulting from defined benefit plans takes future compensation increases into account. On the other hand, the net present value calculation uses a discount rate equal to the interest on high-quality corporate bonds. The difference between projected and actual compensation increases and the difference between projected and actual returns on plan assets are both part of the actuarial result. The actuarial result does not imply a funding obligation. It arises from a calculation method to allocate the plan obligations to individual years.

Unrecognized net actuarial results, insofar as they exceed the margin of 10% of plan obligations at 31 December 2003, are allocated to the profit and loss accounts for the years of the average remaining term of service.
The resulting charge for 2004 amounts to EUR 0.7 million. Approximately 68% of plan assets at 31 December 2003 were invested in fixed interest investments.

Provision for deferred tax liabilities

Breakdown of the provision for deferred tax liabilities at 31 December:

		2003	2002
	- Accelerated depreciation and amortization	98.7	111.1
	- Tax losses carried forward	- 6.8	- 3.4
	- Short-term and other temporary differences	26.1	35.6
Total		**118.0**	143.3

The movements in the provision for deferred tax liabilities were as follows:

		2003	2002
Balance at 1 January 2003		**143.3**	146.0
	Movements:		
	- Additions	16.3	32.6
	- Consolidations/deconsolidations	- 6.0	- 8.7
	- Withdrawals	- 19.8	- 10.9
	- Exchange differences	- 15.8	- 13.8
	- Effect of change in accounting policy for pensions	–	- 1.9
Balance at 31 December 2003		**118.0**	143.3

Account was taken of a deferred tax asset of EUR 5.4 million (2002: EUR 5.8 million), which is recognized as a receivable under fixed assets.

Other provisions

Movements in the other provisions were as follows:

		Environmental risks	Reorgani-zations	Other	Total
Balance at 1 January 2003		6.4	23.0	57.2	**86.6**
	Movements:				
	- Reclassification to provisions for pensions	–	–	- 1.2	**- 1.2**
	- Additions	1.3	2.1	4.0	**7.4**
	- Consolidations	–	0.8	–	**0.8**
	- Release of guarantee provision for Univar	–	–	- 33.2	**- 33.2**
	- Withdrawals	- 1.6	- 13.3	- 8.5	**- 23.4**
	- Exchange differences	- 0.1	- 0.1	–	**- 0.2**
Balance at 31 December 2003		6.0	12.5	18.3	**36.8**

The reorganization provisions consist mainly of provisions for reorganizations and post-retirement benefits, other than pensions and non-activity benefits. Most of these provisions are long-term in nature.
Other provisions include an amount of EUR 9.5 million relating to claims and IBNR of insurance activities and are mainly of a long-term nature.

Shareholders' equity

A breakdown of shareholders' equity is included in the notes to the financial statements of Royal Vopak.

Breakdown by activity

		Tankstorage	Other activities	Discontinuation of operating activities	Total
Profit and loss account					
	Net turnover	548.0	54.1	147.5	**749.6**
	Depreciation and amortization	- 71.5	- 8.9	- 34.6	**- 115.0**
	Profit of participating interests	29.4	2.1	11.0	**42.5**
	Group operating profit	167.7	- 13.7	38.2	**192.2**
Balance sheet					
	Intangible fixed assets	2.1	3.8	0.7	**6.6**
	Tangible fixed assets	789.4	77.5	127.9	**994.8**
	Financial fixed assets	156.6	153.4	23.1	**333.1**
	Deferred tax assets	2.0	–	3.4	**5.4**
	Other assets	126.7	74.5	54.7	**255.9**
Total assets		1,076.8	309.2	209.8	**1,595.8**
	Liabilities	- 121.5	- 75.4	- 40.0	**- 236.9**
Capital employed		955.3	233.8	169.8	**1,358.9**
Total investments in fixed assets		96.4	20.9	9.1	**126.4**

Breakdown by geographical area

		The Netherlands	Other European countries, the Middle East and Africa	North America	Latin America	Asia and Australia	Total
Profit and loss account							
	Net turnover	316.5	191.5	104.8	40.1	96.7	**749.6**
	Depreciation and amortization	- 50.2	- 31.2	- 12.0	- 3.9	- 17.7	**- 115.0**
	Profit of participating interests	11.4	15.0	–	2.4	13.7	**42.5**
	Group operating profit	58.3	48.8	19.0	16.4	49.7	**192.2**
Balance sheet							
	Intangible fixed assets	1.9	3.3	1.1	- 0.2	0.5	**6.6**
	Tangible fixed assets	424.8	178.0	161.6	57.6	172.8	**994.8**
	Financial fixed assets	33.9	61.8	103.3	22.6	111.5	**333.1**
	Deferred tax assets	–	2.5	0.1	2.8	–	**5.4**
	Other assets	143.0	68.5	23.0	5.6	15.8	**255.9**
Total assets		603.6	314.1	289.1	88.4	300.6	**1,595.8**
	Liabilities	- 126.2	- 61.1	- 15.9	- 5.5	- 28.2	**- 236.9**
Capital employed		477.4	253.0	273.2	82.9	272.4	**1,358.9**
Total investments in fixed assets		75.5	17.2	18.9	5.7	9.1	**126.4**

Off-balance sheet commitments

Commitments undertaken

At 31 December 2003, the company had investment commitments amounting to EUR 25.9 million (31 December 2002: EUR 18.5 million). Rental and lease commitments, relating mainly to land and buildings, amounted to EUR 294.0 million at 31 December 2003 (31 December 2002: EUR 291.9 million).

Breakdown of annual rental and lease commitments, in EUR millions:

2004	28.0
2005	26.5
2006	24.3
2007	22.8
2008	21.7
after 2008	170.7

Contingent liabilities

Guarantees and security provided on behalf of participating interests and third parties amounted to EUR 40.5 million (2002: EUR 41.1 million).

Company financial statements

Company profit and loss account

In EUR millions	2003	2002
Profit of participating interests after taxation	**140.9**	157.5
Other income/expense after taxation	**- 36.4**	- 46.2
Net profit	**104.5**	111.3

Company balance sheet at 31 December, before proposed appropriation of profit

In EUR millions		2003		2002
Financial fixed assets	**1,173.1**		1,306.9	
Total fixed assets		**1,173.1**		1,306.9
Debtors	**18.3**		19.5	
Prepayments and accrued income	**2.7**		3.8	
Cash at bank and in hand	**54.7**		64.6	
Total current assets		**75.7**		87.9
Amounts owed to banks	**35.1**		50.0	
Current portion of long-term liabilities	**20.0**		69.2	
Trade and other creditors	**45.0**		48.2	
Dividends	**6.9**		6.9	
Total current liabilities		**107.0**		174.3
Current assets less current liabilities		**- 31.3**		- 86.4
Total assets less current liabilities		**1,141.8**		1,220.5
Long-term liabilities		**609.5**		711.0
Provisions		**11.1**		13.1
Paid-up and called-up share capital	**85.3**		85.3	
Share premium account	**262.4**		262.4	
Statutory reserve for participating interests	**52.5**		48.1	
Exchange differences	**- 68.9**		- 17.7	
Other reserves	**189.9**		118.3	
Shareholders' equity		**521.2**		496.4
Total		**1,141.8**		1,220.5

Notes to the company financial statements

An abridged profit and loss account is presented in accordance with section 402 of Book 2 of the Netherlands Civil Code.

All amounts are in EUR millions, unless stated otherwise.

Accounting policies

Group companies are carried at net asset value.
The other accounting policies are the same as those used for the consolidated financial statements.

Financial fixed assets

	Group companies	Loans to group companies	Participating interests	Other loans	**Total**
Balance at 1 January 2003	581.6	682.3	20.8	22.2	**1,306.9**
Movements:					
- Investments/loans granted	–	–	–	2.1	**2.1**
- Disposals/repayments	–	- 179.3	- 17.2	- 0.3	**- 196.8**
- Exchange differences	- 59.2	- 18.4	- 3.8	- 2.1	**- 83.5**
- Net profit	138.2	–	2.7	–	**140.9**
- Dividends received	–	–	- 2.5	–	**- 2.5**
- Release of goodwill	6.0	–	–	–	**6.0**
Balance at 31 December 2003	666.6	484.6	–	21.9	**1,173.1**

Loans to group companies include no subordinated loans (2002: EUR 26.3 million).
Other loans include subordinated loans amounting to EUR 20.1 million (2002: EUR 22.2 million), of which EUR 7.9 million represents loans with remaining terms exceeding 5 years.

Long-term liabilities

	Face value		Due after 5 years		Average term in years		Average interest rate as percentage	
	2003	2002	**2003**	2002	**2003**	2002	**2003**	2002
Subordinated loans	**11.3**	17.0	**–**	–	**1.7**	2.2	**6.2**	6.2
Private placements and bank loans	**598.2**	644.0	**426.0**	516.7	**6.1**	7.1	**7.8**	7.8
Stand-by loans	**–**	50.0	**–**	–	**–**	3.7	**–**	3.5
Total	**609.5**	711.0	**426.0**	516.7				
Weighted average					**6.0**	6.2	**7.8**	7.6

Provisions

Movements in provisions were as follows:

	Pensions and other employee benefits	Reorganizations	**Total**
Balance at 1 January 2003	6.6	6.5	**13.1**
Movements:			
- Additions	1.7	0.8	**2.5**
- Withdrawals	- 1.4	- 3.1	**- 4.5**
Balance at 31 December 2003	6.9	4.2	**11.1**

The provisions are mainly of a long-term nature.

Shareholders' equity

The company's authorised share capital amounts to EUR 240 million, divided into 80,000,000 ordinary shares, 40,000,000 cumulative financing preference shares and 120,000,000 cumulative preference shares, all of EUR 1.00 nominal value each.

The issued share capital at 31 December 2003 consisted of 59,927,972 ordinary shares, of which 1,607,309 were in treasury stock in connection with existing share option plans, and 25,400,000 cumulative financing preference shares. No options were exercised in 2003.

Movements in shareholders' equity were as follows:

	Ordinary shares	Cumulative financing preference shares	Share premium account	Statutory reserve for participating interests	Exchange differences	Other reserves	**Total shareholders' equity**
Balance at 1 January 2002	52.4	25.4	429.2	64.8	–	433.7	**1,005.5**
- Rights issue before split-off	7.5	–	141.2	–	–	–	**148.7**
- Effect of Univar split-off	–	–	- 233.1	0.3	–	- 433.7	**- 666.5**
- Univar share rights issue	–	–	- 74.9	–	–	–	**- 74.9**
Pro forma balance at 1 January 2002	59.9	25.4	262.4	65.1	–	–	**412.8**
Movements:							
- Addition from profit	–	–	–	–	–	104.4	**104.4**
- Exchange differences on the consolidation of foreign group companies and participating interests	–	–	–	–	- 17.7	–	**- 17.7**
- Transfer from statutory reserves to other reserves	–	–	–	- 17.0	–	17.0	**–**
- Change in accounting policy	–	–	–	–	–	- 3.7	**- 3.7**
- Other	–	–	–	–	–	0.6	**0.6**
Balance at 1 January 2003	59.9	25.4	262.4	48.1	- 17.7	118.3	**496.4**
Movements:							
- Addition from profit	–	–	–	–	–	97.6	**97.6**
- Dividend paid	–	–	–	–	–	- 29.2	**- 29.2**
- Exchange differences on the consolidation of foreign group companies and participating interests	–	–	–	–	- 51.2	–	**- 51.2**
- Transfer from other reserves to statutory reserves	–	–	–	4.4	–	- 4.4	**–**
- Release of goodwill	–	–	–	–	–	6.0	**6.0**
- Treasury stock sold	–	–	–	–	–	1.6	**1.6**
Balance at 31 December 2003	59.9	25.4	262.4	52.5	- 68.9	189.9	**521.2**

The share premium account for cumulative financing preference shares amounts to EUR 89.9 million. Under the Articles of Association of Royal Vopak, holders of cumulative financing preference shares have certain rights in relation to the share premium account.

Holders of depositary receipts for cumulative financing preference shares in Royal Vopak receive an average of 6.03% of the adjusted issue proceeds, which is equivalent to a total annual dividend of EUR 6.9 million. The percentage will be set again on 1 January 2005 and every 8 years thereafter, based on the average effective interest rate on government bonds with a term of between 7 and 8 years, increased by a maximum of 200 basis points.

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

Remuneration of the Supervisory Board members and Executive Board members

Remuneration of the members of the Supervisory Board

The remuneration of the members of the Supervisory Board consists of a remuneration component and a fixed expense allowance. The Board members receive no profit-related bonuses or options. Members of the various committees receive no supplementary allowances. In the year under review, the total remuneration paid to current and former Supervisory Directors was EUR 0.2 million (2002: EUR 0.2 million).

The table below shows amounts received by the individual members in 2003.

in EUR thousands	Gross remuneration	Fixed expense allowance	**Total**
J.D. Bax	34	2	**36**
R. den Dunnen	27	2	**29**
J.M. Hessels	27	2	**29**
R.M.F. van Loon [1]	19	1	**20**
M. van der Vorm	27	2	**29**
Total current members	134	9	**143**
P. Bouw [2]	8	1	**9**
Total former members	8	1	**9**
Total	142	10	**152**

[1] Remuneration for 2003 from appointment on 23 April 2003.

[2] Remuneration for 2003 until resignation on 23 April 2003.

At year-end 2003 and 2002, the members of the Supervisory Board owned no shares in Royal Vopak.

No loans, advances or guarantees have been issued to current or former members of the Supervisory Board.

Remuneration of the members of the Executive Board

The total remuneration paid to current and former Executive Directors for 2003 was EUR 1.5 million (2002: EUR 3.3 million). Breakdown of total remuneration by current and former Executive Directors:

in EUR thousands	Salary	Bonus	Pension	**Total 2003**	Total 2002
C.J. van den Driest [1]	450	66	–	**516**	258
P.R.M. Govaart	318	– [3]	188	**506**	569
J.P. de Kreij	375	– [4]	95	**470**	–
Total current members	1,143	66	283	**1,492**	827
N.J.A. von Hombracht [2]	–	–	–	**–**	1,595
A.H. Spoor [2]	–	–	–	**–**	897
Total former members	–	–	–	**–**	2,492
Total	1,143	66	283	**1,492**	3,319

[1] Remuneration for 2002 from date of appointment; salary includes pension costs.

[2] Remuneration for 2002 until date of resignation, including severance package.

[3] The bonus over 2003 amounts to EUR 38 and will be paid after adoption of the 2003 financial statements.

[4] The bonus over 2003 amounts to EUR 75 and will be paid after adoption of the 2003 financial statements.

The members of the Executive Board are not members of a defined benefit plan, but where appropriate, of a defined contribution plan based on a retirement age of 60.

The Chairman of the Executive Board receives a long-term variable remuneration that is linked solely to Vopak's share price. The agreement means that the Chairman of the Executive Board will receive an amount in July 2005 equal to 0.5% of the increase in market capitalisation since 1 July 2002, subject to a minimum of EUR 200,000 and a maximum of EUR 1 million. Based on the share price at 31 December 2003, the remuneration would be EUR 524,000. During the year under review, a proportional part of the minimum amount was recognised. The Chairman receives no other variable remuneration.

The other directors receive a short-term variable remuneration based on financial and individual targets and a long-term variable remuneration in the form of an option grant.
In 2003, Mr Govaart and de Kreij received grants of 40,000 and 50,000 options respectively at an exercise price of EUR 12.40, which was the stock exchange quotation at the time of grant. Movements in outstanding options are presented under options.

No loans, advances or guarantees were issued to current or former members of the Executive Board.

Of the current Executive Directors, Mr van den Driest, Mr Govaart and Mr de Kreij owned 2,500, 2,200 and 22,500 shares respectively at 31 December 2003 (31 December 2002: 500 and 2,200 owned by Mr van den Driest and Mr Govaart respectively). Mr de Kreij also held 20,000 written put options on shares at year-end 2003. The share and option transactions involved are for the own account and risk of the directors concerned.

Options

Options were granted in previous years. Due to the issue of new shares and the Univar split-off, the exercise prices of the options not yet exercised were adjusted as follows:

Term	Year of Issue	Original exercise price in euros	Adjusted exercise price Vopak in euros	Adjusted exercise price Univar in euros
Until 29-10-2003	1998	19.81	14.79	10.00
Until 09-10-2003	1998	18.88	14.10	9.52
Until 01-03-2005	2000	24.70	18.45	12.46
Until 10-11-2006	2001	16.73	12.49	8.44

For options granted before the Univar split-off, each optionholder on exercising an option is entitled to one Royal Vopak share and half a Univar share. Exercising the rights to both shares must take place simultaneously.
The options can be exercised three years after being granted and have a term of five years from the year of grant or less on termination of employment (with few exceptions). The optionholder can exercise the option during the exercise periods, subject to observance of a specific model code.

Breakdown of outstanding options:

	Term	Year of Issue	Issued options	Adjusted exercise price in euros	Outstanding options at 31 December 2003	Outstanding options at 31 December 2002
	Until 29-10-2003	1998	402,000	14.79	–	310,460
	Until 09-10-2003	1998	300,000	14.10	–	238,625
	Until 01-03-2005	2000	857,000	18.45	**654,000**	768,000
	Until 10-11-2006	2001	40,000	12.49	**40,000**	40,000
	Until 31-12-2007	2003	90,000	12.40	**90,000**	–
Total			1,689,000		**784,000**	1,357,085

During the year under review, 90,000 new options were granted and 663,085 options lapsed. No options were exercised. The delivery obligations under the option plans are, in accordance with the policy, covered by shares held in treasury stock.

Breakdown of options granted to current and former members of the Executive Board in 2003, included in the breakdown above:

		Year of Issue	Issued options	Adjusted exercise price in euros	Outstanding options at 31 December 2003	Outstanding options at 31 December 2002
	P.R.M. Govaart	1998	10,050	14.79	–	10,050
		2000	12,000	18.45	**12,000**	12,000
		2003	40,000	12.40	**40,000**	–
	J.P. de Kreij	2003	50,000	12.40	**50,000**	–
	N.J.A. von Hombracht	1998	6,000	14.10	–	6,000
		2000	40,000	18.45	–	40,000
	G.E. Pruitt	1998	4,000	14.10	–	4,000
		2000	8,000	18.45	**8,000**	8,000
		2001	40,000	12.49	**40,000**	40,000
	A.H. Spoor	1998	13,000	14.10	–	13,000
Total					**150,000**	133,050

During 2003, 90,000 new options were granted and 73,050 options lapsed, while no options were exercised.

Off-balance sheet commitments

Royal Vopak is the head of a fiscal unit including virtually all the Dutch wholly owned group companies. Accordingly, the company is jointly and severally liable for the tax liabilities of the fiscal unit as a whole.

Guarantees and security provided on behalf of participating interests and third parties amounted to EUR 40.5 million (2002: EUR 41.1 million). Guarantees and security provided on behalf of group companies amounted to EUR 210.0 million (2002: EUR 246.0 million).

Joint and several liability undertakings were issued to an amount of EUR 156.0 million (2002: EUR 250.0 million) for bank loans granted to Royal Vopak and its subsidiaries. EUR 6.0 million (2002: EUR 7.0 million) of this related to bank loans granted to foreign subsidiaries.

Under section 334t of Book 2 of the Netherlands Civil Code, Royal Vopak is jointly and severally liable for liabilities transferred to Univar on the split-off.

For a number of Dutch group companies, the company has filed written undertakings with the office of the respective Company Registries in whose area of jurisdiction the group companies concerned have their registered offices. The list of participating interests filed for inspection with the Company Registry states for which group companies Royal Vopak has issued joint and several liability undertakings.

Rotterdam, 5 March 2004

The Executive Board

C.J. van den Driest, Chairman
P.R.M. Govaart
J.P. de Kreij

The Supervisory Board

J.D. Bax, Chairman
R. den Dunnen
J.M. Hessels
R.M.F. van Loon
M. van der Vorm

Other information

Post-balance sheet events with significant financial consequences

Vopak Chemical Tankers
The sale of Vopak Chemical Tankers to John T. Essberger GmbH & Co. was completed on 27 February 2004. This transaction has improved the company's net funding position by EUR 103 million.

The most important deconsolidation effects are as follows:

Profit and loss account 2003

In EUR millions	
Net turnover	- 58
Operating profit [1]	- 4
Interest	6
Tax	–
Net profit [1]	2

[1] *Including an impairment of EUR 1.7 million.*

Balance sheet at 31 December 2003

In EUR millions	
Fixed assets	- 102
Working capital	- 2
Total	- 104
Net funding position	- 103
Provisions	- 1
Risk capital	–
Total	- 104

Auditors' report

Introduction
We have audited the financial statements of Royal Vopak, Rotterdam, for the year 2003.
These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope
We conducted our audit in accordance with auditing standards generally accepted in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion
In our opinion, the financial statements give a true and fair view of the financial position of the company as at 31 December 2003 and of the result for the year then ended in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9 of Book 2 of the Netherlands Civil Code.

Rotterdam, 5 March 2004

PricewaterhouseCoopers Accountants N.V.

Articles of Association provisions governing the appropriation of profit

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

The relevant paragraphs of these articles are as follows:
19.2. At the General Meeting of Shareholders
b. the financial statements prepared by the Executive Board are presented to the General Meeting of Shareholders for adoption and the appropriation of profit is adopted in accordance with article 27 of these Articles of Association.

27.7. Such amounts of the profit remaining after the application of the preceding paragraphs will be reserved as the Executive Board determines, subject to the approval of the Supervisory Board.
Insofar as such profit is not reserved by the application of the preceding sentence, it is at the free disposal of the General Meeting of Shareholders, on the understanding that no further dividends will be paid out on the preference shares and the financing preference shares.

Proposed appropriation of profit

The dividend on the cumulative financing preference shares amounts to EUR 6.9 million. It will be proposed to the General Meeting of Shareholders that an optional dividend of EUR 0.50 per ordinary share of EUR 1.00 nominal value each will be distributed for 2003, payable in cash or in shares (2002: EUR 0.50 in cash). Provided that the General Meeting of Shareholders adopts the profit and loss account, balance sheet and dividend proposal, the dividend for the 2003 financial year will be made payable on 9 June 2004.

Stichting Vopak

The objective of Stichting Vopak, established in Rotterdam, is to promote the interests of 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.

The Board is currently made up as follows:
- W.E. de Vin, Chairman
- J.D. Bax
- C.J. Oort
- R.E. Selman
- A.P. Timmermans

During the year under review, the Board of Stichting Vopak convened twice. During these meetings, the Board was extensively briefed by the Chairman of the Executive Board about the developments in the company.

No cumulative preference shares in Royal Vopak were issued as at the balance sheet date.

Any issue of cumulative preference shares will occur in case Stichting Vopak will exercise its option right. On 18 October 1999 the General Meeting of Shareholders has decided to grant the right to Stichting Vopak to take cumulative preference shares to a maximum amount equal to 100% of the nominal value of the share capital issued to third parties in the form of ordinary and financing preference shares at the time the option is exercised, less the nominal value of one ordinary share.
Vopak and Stichting Vopak have specified their mutual relationship with regard to the option right in an option agreement dated 1 November 1999.
The Board of Stichting Vopak decides whether and when there is a need to issue cumulative preference shares to her. In the opinion of the Board of Stichting Vopak and the Executive Board of Royal Vopak the requirements of Appendix X of the Listing Regulations of Euronext N.V., Amsterdam, have been satisfied in respect of the independence of the directors of Stichting Vopak.

Rotterdam, 5 March 2004

Stichting Vopak **Koninklijke Vopak N.V.**

Stichting Administratiekantoor Financieringspreferente Aandelen Vopak

The Stichting Administratiekantoor Financieringspreferente Aandelen Vopak holds nominal EUR 25,400,000 registered cumulative financing preference shares Koninklijke Vopak N.V. against which have been issued 16,000,000 registered depositary receipts series 1 and 9,400,000 registered depositary receipts series 2.

The Board of Stichting Administratiekantoor Financieringspreferente Aandelen Vopak is currently made up as follows:
- G.J. Tammes, Board member C, Chairman
- J.H. Ubas, Board member A
- H.J. Baeten, Board member A
- J.D. Bax, Board member B
- C.J. van den Driest, Board member B

The Stichting Administratiekantoor Financieringspreferente Aandelen Vopak shall use the voting right on the financing preference shares based on the fair value of capital contribution. Furthermore it is the intention of the Board of the Stichting to adjust the Articles of Association of the Stichting, the Administration conditions and the reporting methods in the course of 2004 to comply with the Corporate Governance code. In case of requests from holders of depositary receipts the Board of the Stichting Administratiekantoor Financieringspreferente Aandelen Vopak will issue them with proxy voting rights. Furthermore the Board of Stichting Administratiekantoor Financieringspreferente Aandelen Vopak will act in accordance with voting instructions received from holders of depositary receipts.

Stichting Administratiekantoor Financieringspreferente Aandelen Vopak

Information on the Executive Board members

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

Nationality	: Dutch
Year of birth	: 1947
Previous important positions held	: President of Europe Combined Terminals B.V. Chairman of the Executive Board of Koninklijke Van Ommeren N.V.
Supervisory board memberships	: Anthony Veder Group N.V., Chairman Darlin N.V., Chairman Dura Vermeer Groep N.V., Chairman Goudse Verzekeringen B.V. HES Beheer N.V.
Number of Vopak shares held	: 2,500
Date of appointment	: 29 June 2002

Personal details regarding Mr P.R.M. Govaart

Nationality	: Dutch
Year of birth	: 1947
Previous important position held	: President of Vopak Chemicals Logistics Europe & Africa
Supervisory board memberships	: Broström AB
Number of Vopak shares held	: 2,200
Date of appointment	: 3 November 2000

Personal details regarding Mr J.P. de Kreij

Nationality	: Dutch
Year of birth	: 1959
Previous important position held	: Senior Partner of PricewaterhouseCoopers N.V. Managing Partner of Transaction Services
Supervisory board memberships	: Dockwise Transport B.V.
Number of Vopak shares held	: 22,500 and 20,000 written put options
Date of appointment	: 1 January 2003

Information on the Supervisory Board members

Personal details regarding Mr J.D. Bax (Chairman)

Age	68 (born 26-3-1936)
Profession or principal occupation	–
Nationality	Dutch
Previous important position held	President of IHC Caland N.V.
Supervisory board memberships	AON Groep Nederland B.V. Corio N.V., Chairman Handelsveem Beheer B.V. Heerema Fabrication Group B.V., Chairman IHC Caland N.V. INTEC Engineering Corporation, Chairman Koninklijke Frans Maas Groep N.V. Mammoet Holdings N.V., Chairman Nederlands Loodswezen B.V., Chairman Oranjewoud Beheer B.V., Chairman Smit Internationale N.V., Chairman TBI Holdings B.V., Chairman
Number of Vopak shares held	none
Date of first appointment	6 November 2002
Current term of office	2002 - 2006

Chairman of the Selection & Appointment Committee
Member of the Audit Committee
Member of the Remuneration Committee

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

Age	45 (born 20-8-1958)
Profession or principal occupation	Chairman of the Executive Board of HAL Holding N.V.
Nationality	Dutch
Supervisory board memberships	Anthony Veder Group N.V. Koninklijke Boskalis Westminster N.V. Univar N.V.
Number of Vopak shares held	none
Date of first appointment	3 November 2000
Current term of office	2000 - 2004

Chairman of the Audit Committee

Personal details regarding Mr R. den Dunnen (member)

Age	64 (born 9-8-1939)
Profession or principal occupation	–
Nationality	Dutch
Previous important positions held	Secretary General, Ministry of Spatial Planning, Housing and the Environment Alderman for Port Affairs of the Rotterdam Municipality
Supervisory board memberships	SHB Personeelsplanning B.V., President Stichting Beoordeling Integriteit Bouwnijverheid, Chairman
Number of Vopak shares held	none
Date of first appointment	4 November 1999
Current term of office	2002 - 2006

Personal details regarding Mr J.M.Hessels (member)

Age	61 (born 21-12-1942)
Profession or principal occupation	Entrepreneur
Nationality	Dutch
Previous important position held	Chairman of the Executive Board of Koninklijke Vendex KBB N.V., Amsterdam
Supervisory board memberships	Euronext N.V., Chairman N.V. Schiphol Groep Koninklijke Philips Electronics N.V. Laurus N.V. Heineken N.V. Fortis N.V.
Number of Vopak shares held	none
Date of first appointment	2 September 1999
Current term of office	2003 - 2007

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

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

Age	62 (born 6-3-1942)
Profession or principal occupation	–
Nationality	Dutch
Previous important position held	Vice-President of Shell Chemicals Ltd.
Supervisory board memberships	Synbra Group B.V.
Number of Vopak shares held	none
Date of first appointment	23 April 2003
Current term of office	2003 - 2007

Member of the Audit Committee

List of most important company officers

Chemicals Europe, Middle East and Africa

Division Management

Bert Jaski	President
Frank Erkelens	Sales & Marketing
Niek Verbree	Operations
Eddy van Rhede van der Kloot	Finance & Control
Rien de Jong	Human Resources

Business Units

David Bishop	United Kingdom
Ian Cochrane	Finland
Geert Eysink	Dordrecht
Rob Kasteel	Inland shipping
Paul Leurink	Shared Services
Ronald Okker	Vegoil
Colin Scott	Durban, South Africa

Participating interests

Antonio Cano	Terquimsa, Spain
Klaus Günther	Dupeg, Germany

Oil Europe, Middle East and Africa

Division Management

Ted van Dam Merrett	President
Hari Dattatreya	Sales & Marketing
Jeroen Wijtenburg	Operations & Human Resources
Ard Huisman	Finance & Control

Business Units

Juergen Franke	Hamburg, Germany
Piet Hoogerwaard	Agencies
Igor Lepetukhin	Moscow representative office
Christer Lundblad	Sweden
Rob Nijst	The Netherlands
Koos Schaberg	Basel, Switzerland

Participating interests

Anne Bruggink	Pakterminal, Estonia
Jan Buiter	Cross-Ocean, The Netherlands
Eelco Hoekstra	Fujairah, United Arab Emirates

Asia

Division Management

John Paul Broeders	President
Chris Badenhorst	Business Development
Rob Dompeling	Operations
Wim Samlal	Finance & Control
Lee Marn Seng	Human Resources

Business Unit

Len Daly	Australia

Participating interests

Javed Akbar	Engro Vopak, Pakistan
Eric Arnold	Shanghai, China
Brian Davies	Lanshan, China
Surapong Karnsuwan	Thai Tank Terminal, Thailand
Chester Lee	Ningbo, China
J.I.Lee	Ulsan, South Korea
Moriwaki	Nippon Vopak, Japan
Wim de Ridder	Xiamen, China
Jan Bert Schutrops	Kertih Terminals, Malaysia

North America

Division Management

Gene Sabatier	President
John Baker	Sales & Marketing
Jim Dubose	Operations
Mike Chieco	Finance & Control

Business Unit

Mike Dilick	Industrial Services

Latin America

Division Management

Pieter Bakker	President
Bert Vermeer	Finance & Control

Business Units

Osvaldo Caparelli	Brazil
Ignacio Gonzalez	Chile
Martijn Notten	Colombia, Ecuador, Venezuela
Dick Richelle	Mexico

Participating interests

Jot Visser	Serlipsa, Peru

Corporate staff

Monty Blom	Operational Audit
Hugo Brink	Tax Affairs & Insurance
Bon de Jonge van Ellemeet	Communications & Investor Relations
Henk Mol	Control
Michiel van Ravenstein	Human Resources
Wim Rietveld	Information Services
Paul Runderkamp	Legal Affairs & Company Secretary
Dirk van Slooten	PEPI
Richard Smith	Business Support
Cees Vletter (acting)	Treasury

List of most important group companies and participating interests

Europe, Africa and the Middle East

The Netherlands
Vopak Nederland B.V.
Vopak Terminal Vlissingen B.V.
De Humber 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 Logistics Europe & Africa B.V.
Vopak Chemicals Logistics Netherlands B.V.
Vopak Logistic Services Dordrecht B.V.
Vopak Logistic Services OSV B.V.
Vopak Logistic Services Pernis B.V.
Vopak Logistics Management Services Netherlands B.V.
Vopak Mineral Oil Barging B.V.
Vopak Oil Logistics Europe & Middle East 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.
Vopak Vegoil Barging B.V.
Vopak Vegoil Logistics B.V.
Cross-Ocean B.V. (50%)
Interstream Barging B.V. (50%)
Maasvlakte Olie Terminal N.V. (16.67%)
MultiCore CV (25%)

Belgium
Vopak Agencies Antwerpen NV
Vopak Barging Belgium NV
Vopak Chemicals Logistics Belgium NV
Vopak Logistics Management Antwerp NV
Vopak Logistic Services Belgium NV
Vopak Tanker Chartering Belgium NV
Vopak Terminal ACS NV

Estonia
Pakterminal Ltd. (50%)

Finland
Vopak Chemicals Logistics Finland Oy

France
Vopak Agencies France Sarl
Vopak Logistic Management France SA
Vopak Logistic Management Lyon SA

Germany
Vopak Logistic Services Düsseldorf GmbH
Vopak Mineral Oil Barging Hamburg GmbH
Vopak Terminal Hamburg GmbH
Vopak Vegoil Barging Germany GmbH
DUPEG Tank Terminal (50%)
Interstream Barging GmbH (50%)
VOTG Tanktainer Lease GmbH (50%)
VOTG Tanktainer GmbH (40%)
Vopak Agency Germany GmbH

Russia
Koninklijke Vopak N.V.; Moscow representative office

Saudi Arabia
SABIC Terminal Services Company Ltd. (10%)

South Africa
Vopak Terminal Durban (Pty) Ltd.

Spain
Terminals Quimicos SA (Terquimsa) (50%)

Sweden
Vopak Logistics Nordic AB

Switzerland
Vopak (Schweiz) AG
Vopak Brag AG (75%)

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

United Kingdom
Vopak Logistic Services UK Ltd.
Vopak Terminal Ipswich Ltd.
Vopak Terminal London Ltd. B.V.
Vopak Terminal Purfleet Ltd.
Vopak Terminal Teesside Ltd.
Vopak Terminal Windmill Ltd.

Asia and Australia

Australia
Australian Petro Chemical Storage Pty Ltd. (55%)
Vopak Terminals Australia Pty Ltd.
Vopak Terminals Sydney Pty Ltd.

China
Xiamen Paktank Company Ltd. (40%)
Vopak Logistics Asia Pte. Ltd., Shanghai Representative office
Vopak Terminals Shandong Lanshan (60%) *1
Vopak Terminals Ningbo Co. Ltd. (37.5%)
Vopak Shanghai Logistics Company Ltd. (50%)
Vopak Nanjiang Petrochemicals Terminal Tianjin Company Ltd. (50%)

Japan
Nippon Vopak Co. Ltd. (39.77%)

Malaysia
Kertih Terminals Sdn. Bhd. (30%) *2

Pakistan
Engro Vopak Terminal Ltd. (50%)

Singapore
Vopak Holding Singapore Pte. Ltd.
Vopak Terminals Singapore Pte. Ltd. (69.5%) *3
Vopak Terminal Penjuru Pte. Ltd. (69.5%) *3

South Korea
Vopak Terminals Korea Ltd. (49%)

Taiwan
Vopak Logistic Services Taiwan Ltd. (25%)

Thailand
Thai Tank Terminal Ltd. (49%)

North America

United States of America
Vopak Logistics Latin America LLC
Vopak Logistics North America Inc.
Vopak Terminals North America Inc.
Vopak Terminal Deer Park Inc.
Vopak Terminal Galena Park Inc.
Vopak Terminal Savannah Inc.
Vopak Terminal Westwego Inc.
Vopak Terminal Wilmington Inc.
Vopak Logistic Services USA LCC
Vopak Terminal Los Angeles Inc.
Vopak Terminal Long Beach Inc.

Canada
Vopak Terminals of Canada Inc.

Latin America

Brazil
Vopak Brasterminais Armazens Gerais SA
Uniao-Vopak Armazens Gerais Limitada (50%)

Chile
Vopak Terminal San Antonio Limitada

Colombia
Compania Colombiana de Terminales SA

Ecuador
Sociedad Nacional de Inversiones y Servicios SA (50%)

Mexico
Vopak Terminals Mexico SA de CV

Peru
Vopak Serlipsa SA (49%)

Venezuela
Compania Venezolana de Terminales SA

The Netherlands Antilles

Curaçao
Cableship Contractors Holding NV (20%)

*1. *Vopak Terminal Penjuru Pte. Ltd. holds 60% in Vopak Terminals Lanshan*
*2. *Vopak Terminal Penjuru Pte. Ltd. holds 30% in Kertih Terminals*
*3. *Vopak Holding Singapore Pte. Ltd. holds 69.5% in Vopak Terminals Singapore Pte. Ltd. and Vopak Terminal Penjuru Pte. Ltd.*

Five-year consolidated review*

In EUR millions		2003	2002	2001	2000	1999
Abridged profit and loss account:						
	Net turnover	**750**	796	811	786	754
	Other operating income	**3**	2	27	–	5
Total operating income		**753**	798	838	786	759
	Operating expenses	**- 488**	- 541	- 554	- 507	- 626
	Depreciation and amortization	**- 115**	- 121	- 112	- 106	- 101
Total operating expenses		**- 603**	- 662	- 666	- 613	- 727
	Profit of participating interests	**42**	77	93	50	109
Group operating profit		**192**	213	265	223	141
	Interest	**- 48**	- 57	- 75	- 35	- 40
Profit before taxation		**144**	156	190	188	101
	Tax	**- 27**	- 30	- 35	- 47	- 27
Consolidated net profit		**117**	126	155	141	74
	Minority interests in consolidated net profit	**- 12**	- 15	- 9	- 10	- 8
Net Profit		**105**	111	146	131	66
	Dividend on cumulative financing preference shares	**-7**	- 7	- 7	- 7	- 5
Net profit for holders of ordinary shares		**98**	104	139	124	61
Abridged balance sheet:						
	Intangible fixed assets	**7**	6	6	–	–
	Tangible fixed assets	**995**	1,107	1,219	1,266	1,265
	Financial fixed assets	**333**	414	476	446	430
	Deferred tax assets	**5**	6	6	7	26
Total fixed assets		**1,340**	1,533	1,707	1,719	1,721
Total current assets		**408**	466	594	572	466
Total current liabilities		**302**	367	541	568	553
Current assets less current liabilities		**106**	99	53	4	- 87
Total assets less current liabilities		**1,446**	1,632	1,760	1,723	1,634
Long-term liabilities		**695**	825	1,090	801	624
Total provisions		**172**	246	273	239	277
Group equity		**579**	561	397	683	733

** Pro forma figures for 1999 until 2001, unaudited.*

Glossary

Agency	Representative of a shipping company at a port.
Audit Committee	Committee within the Supervisory Board assisting the Board with fulfilling its supervisory duties regarding, for example, the integrity of the financial statements, financial reporting, internal control procedures and the relationship with and independence of the external auditor.
Blending	Blending of different types of products.
Bunker	Fuel for vessels.
Cash flow per share	Net profit excluding exceptional items plus amortization of intangible fixed assets and depreciation of tangible fixed assets divided by the weighted average number of ordinary shares outstanding.
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.
Clean oil products	Kerosene, naphtha, gasoline, gas oil and diesel oil.
Commodity chemicals	Bulk quantity of standardised chemical feedstocks, transported and stored for processing by industry.
Corporate governance	The manner in which the company is managed and 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 holding information on business risks, including their management.
Deadweight (dwt)	Load capacity of a vessel expressed in tonnes.
Drumming	Repackaging in drums.
EBIT	Earnings before interest and tax.
EBITDA	Earnings before interest, tax, depreciation and amortization.
ERP	Enterprise Resource Planning: using a standard software package to fully support all the business processes in an organisation.
Forwarding	Having goods transported.
HR	Human Resources.
Hub	Regional storage and transport centre.
IBNR	Incurred but not reported: damage not reported.
Industrial terminal	Terminal whose services are integrated with a chemical complex or oil refinery.
Lost Time Injury Rate (LTIR)	Number of accidents entailing absence from work per million hours worked.
LPG	Liquefied Petroleum Gas (propane/butane) used as fuel for cars, domestic equipment and in industry, as well as a feedstock for the petrochemical industry.
Multimodal transport	The different complementary modes of transport, such as by sea, road and rail.
NAFTA region	North American Free Trade Area: a free-trade area comprising the US, Canada and Mexico.
Oleochemicals	Semi-finished chemical products derived from plants.
Outsourcing	The full or partial sub-contracting of individual business activities.
Product tanker	Vessel fitted with multiple tanks for the simultaneous transportation of different oil products and liquid chemicals.
Remuneration Committee	Committee of the Supervisory Board that provides the input for the decision-making process on the remuneration policy and remuneration of members of the Executive Board.
Safety Management System	System for ensuring safety on a terminal in a structured manner.
Selection & Appointment Committee	Committee of the Supervisory Board that provides the input for the decision-making process on the appointment of members of the Executive Board.
Seveso Directives	EC directive that defines the conditions under which hazardous products may be stored.
Shared Services	A Vopak organization that provides support services to Vopak companies in the Netherlands.
SHE	Safety, Health and Environment.
Spot market	Market for concluding short-term contracts.
Stakeholders	Various groups, each having a specific interest in a company, such as shareholders, financiers, employees and customers.
Supply chain	The logistics chain connecting the producer to the consumer.
Throughput	Volume of a product handled by a terminal in a given period, calculated as (In + Out)/2.
Warehousing	Storage and transshipment of packaged goods.

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