Royal Vopak
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The Netherlands

Press release

Vopak: EUR 152.9 million operating profit on core activities excluding exceptional items for 2004

Rotterdam, the Netherlands, 4 March 2005

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2004 results
- **Net turnover EUR 642.1 million (2003: EUR 749.6 million)**
- **Operating profit EUR 152.9 million on core activities excluding exceptional items (2003: EUR 148.3 million)**
- **Net profit EUR 88.6 million (2003: EUR 104.5 million)**
- **Net profit EUR 81.6 million excluding exceptional items (2003: EUR 81.8 million)**

Effect of currency translation differences and disposals
- **Adjusted for currency translation and disposal effects, net turnover increased EUR 31.0 million (5%) compared with 2003**
- **Adjusted for currency translation effects, operating profit on core activities excluding exceptional items rose EUR 13.3 million (10%) compared with 2003**

Outlook
- **Storage market for oil and chemical products is developing favourably**
- **Outlook for 2005: increase in operating profit on core activities excluding exceptional items**

Other
- **Net interest-bearing debt at year-end 2004 reduced by 18% to EUR 500.7 million**
- **Proposed dividend: optional dividend of EUR 0.50 per ordinary share, in cash or in shares**

Result and turnover
In 2004, Royal Vopak realised a net turnover of EUR 642.1 million. Net turnover for 2003 amounted to EUR 749.6 million, including EUR 117.4 million on operating activities that have since been sold. After adjustments for currency translation differences (EUR 21.1 million) and disposals, net turnover increased by EUR 31.0 million compared with 2003.

In 2004, the operating profit totalled EUR 146.9 million (2003: EUR 192.2 million). The difference compared with the previous year can be partly explained by the non-recurring income recognised in 2003 from the release of a provision relating to a guarantee issued to Univar (EUR 33.2 million). In addition, the operating profit on non-core activities fell by more than EUR 20 million as a result of divestments. Accordingly, the operating profit on core activities excluding exceptional items increased from EUR 148.3 million in 2003 to EUR 152.9 million in 2004.

This increase was partly thanks to favourable market developments in the fourth quarter of 2004. The results of the Oil EMEA, Asia and Latin America divisions improved in 2004, which more than offset the combined drop in operating profit reported by the North America and Chemical EMEA divisions. After adjustments for currency translation differences (EUR 8.7 million), operating profit on core activities excluding exceptional items rose by EUR 13.3 million (10%).

A non-recurring tax credit of EUR 14.1 million was recognised in 2004, the result of the settlement of tax positions of previous years. As a result, net profit reached EUR 88.6 million (2003: EUR 104.5 million). Excluding exceptional items, net profit amounted to EUR 81.6 million (2003: EUR 81.8 million).

Oil market developments

The oil market in 2004 was characterised by high and rising prices. In addition, the geographical imbalance between supply and demand strongly affected the flow of oil products internationally. This imbalance became more pronounced in 2004. The medium-term outlook now is that it will increase even more.

The expanding energy needs of Asia, especially China, is accelerating the flow of oil products from the Middle East and even Europe to this region, with Singapore functioning as the hub for the regional distribution of products. In Europe, the surplus of Russian fuel oil is, among other things, seeping into the expanding bunker market. Moreover, European gasoline is being increasingly shipped to North America owing to a lack of refining capacity there. Vopak benefited in 2004 from these favourable market developments thanks to strategically situated terminals at key hub locations mainly in Rotterdam and Singapore.

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Chemical market developments

The high price of oil in 2004 led to high prices for raw materials on the chemical market. As a result, the chemical industries, particularly in the more mature markets such as North America and Europe, came under pressure during the first half of the year. The economic recovery in the second half of 2004 produced an increase in the demand for chemicals, which caused production to increase and the margins in the chemical industry to improve. Vopak felt the effects of these favourable developments only at the end of the 4th quarter. Consequently, the disappointing trend during 2004 in the results of the chemical hub terminals in Rotterdam and North America was halted in the last quarter of the year.

The strong economic growth in Asia and, to a lesser extent, Latin America is fuelling the demand for chemicals, so that imports by these regions are increasing. Thanks to its extensive network, Vopak can reap the benefits of this situation in both regions. Moreover, the production capacity in Asia is expanding rapidly, which offers good opportunities to develop new terminals, often industrial ones.

Growth

In 2004, Vopak made additions to tangible fixed assets amounting to EUR 125.7 million (2003: EUR 106.5 million).

The storage capacity of the global terminal network grew by over 200,000 cbm in 2004. Expansion and acquisitions were made in Sweden (Malmö), Brazil (Santos), Estonia (Tallinn), China (Tianjin) and Belgium (Antwerp). The first section of the Shanghai industrial terminal also came on stream, with the initial phase completed early in 2006. Vopak has also commenced the construction of an oil terminal in Darwin (Australia), which is expected to come into operation during the second half of 2005. In Singapore, Vopak is constructing a fourth terminal, a combined oil and chemical terminal on Banyan, which is expected to begin operating in the second quarter of 2006.

With its solid financial base and clear strategy, Vopak can focus totally on sustainable growth. Alongside SHE, the key success factors are entrepreneurship, quality and service. New projects, mainly in China, the Middle East and Australia, are emerging and offer sound prospects for growth by Vopak's core activity of tank storage.

Safety, Health and Environment (SHE)

Progress was also made in the area of safety, health and the environment (SHE), including the optimalisation important rules of conduct for Vopak terminals, known as “Vopak Fundamentals on Safety”. Absenteeism due to accidents (Lost Time Injury Rate, LTIR) per million hours worked dropped for the fifth year in a row, falling to 2.8 (2003: 4).

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Outlook

The outlook for Vopak regarding the oil market is favourable and should remain so. In the light of this, capacity is being expanded further. Most of the expansion in capacity will become available in 2006, apart from Darwin (scheduled for the second half of 2005). For this reason, and the already high occupancy rate in 2004 of the oil terminals in Singapore, Rotterdam and Tallinn in particular, the results of the oil activities are expected to increase slightly in 2005.

For the time being, the outlook for the chemical market remains good. Although Vopak's results are not especially sensitive to economic cycles, they do feel the impact of large fluctuations in the economies of Europe, the United States and China. Vopak is also exposed to movements in the US dollar against the euro, as its results are translated from the dollar and from currencies pegged to it.

As a reflection of the favourable market conditions, Vopak began 2005 on an encouraging note. Against this background, and barring unforeseen circumstances, Vopak expects its operating profit on core activities excluding exceptional items to increase in 2005 compared with the previous year.

Based on existing projects, investments in tangible fixed assets during 2005 will amount to some EUR 200 million.

Net debt

The cash flow from operating activities and the income from disposals together exceeded EUR 300 million, which pushed net interest-bearing debt further down to EUR 500.7 million (2003: EUR 608.5 million). The ratio of net debt to EBITDA came to 2.17 at year-end 2004, representing a further improvement (2003: 2.42).

Dividend

It will be proposed to the General Meeting of Shareholders on 28 April 2005 that an optional dividend of EUR 0.50 per ordinary share be distributed in cash or in shares. This is equivalent to 36% of the net earnings per ordinary share.

Key figures

In EUR millions	**2004**	**2003**	**Δ%**
Net turnover	642.1	749.6	- 14.3
Operating profit before depreciation and amortisation (EBITDA)	235.3	307.2	- 23.4
Group operating profit (EBIT)	146.9	192.2	- 23.6
Net profit	88.6	104.5	- 15.2
Net profit for ordinary shareholders	81.7	97.6	- 16.3
Earnings per share	1.37	1.67	- 18.0
Earnings per share excluding exceptional items	1.26	1.28	- 1.6
Shareholders' equity	545.0	521.2	4.6
Net interest-bearing debt	500.7	608.5	- 17.7
ROCE	13.2%	14.4%	
Net debt : EBITDA	2.17	2.42	
Interest cover	5.0	5.6	
Current assets : current liabilities	1.3	1.4	
Number of employees at year-end	3,428	4,004	

Owing to the disposal programme begun in 2003 as part of the tank terminal plus strategy, the turnover, operating profit and net profit for 2003 and 2004 cannot be directly compared. For a breakdown of the group operating profit, please refer to enclosure 3.

Number of shares outstanding

Weighted average number of shares outstanding	59,429,967
Weighted average number of shares outstanding, fully diluted	59,460,305
At 31 December 2004, including treasury stock	61,011,307
Treasury stock at 31 December 2004	293,943
Number of financing preference shares outstanding	19,451,000

Net debt

In EUR millions	31 December 2004	30 June 2004	31 December 2003
Net interest-bearing debt	500.7	517.2	608.5
Net debt	505.1	543.5	618.8

Financial calendar

- 28 April 2005 — Annual General Meeting of Shareholders at the offices of the company
- 28 April 2005 — publication of 2005 first quarter results in the form of a trading update
- 25 May 2005 — dividend payable
- 26 August 2005 — publication of the results for the first half of 2005
- 28 October 2005 — publication of 2005 third quarter results in the form of a trading update

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Profile
Royal Vopak is a global, independent tank storage provider specialising in the storage and transhipment of liquid and gaseous chemical products and oil products. Upon request, Vopak can provide logistics services for customers of the terminal.
Vopak operates 72 terminals with a combined storage capacity of over 20 million cbm in 29 countries. The terminals are strategically located for users and the major shipping routes.
The majority of its customers are companies operating in the chemical and oil industries, for whom Vopak stores a large variety of products destined for a wide range of industries.

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The analyst presentation can be viewed on the company's website (www.vopak.com) as an on-demand audio broadcast from 2 p.m. on 4 March 2005.

Enclosures:

1. Review of the results by market region
2. Consolidated profit and loss account
3. Breakdown group operating profit
4. Consolidated balance sheet at 31 December before proposed profit appropriation
5. Consolidated cash flow statement
6. Breakdown of participating interests
7. Application of International Financial Reporting Standards (IFRS):
   - Condensed (provisional) consolidated profit and loss account
   - Condensed (provisional) consolidated balance sheet at 31 December before proposed profit appropriation
   - Condensed (provisional) cash flow statement for 2004
   - Effect of the application of IAS 32 and IAS 39 (financial instruments) on the opening balance sheet at 1 January 2005

Enclosure 1: Review of the results by market region

Chemicals Europe, Middle East & Africa (Chemicals EMEA)

In EUR millions	**2004**	**2003**
Net turnover	245.4	243.3
EBITDA	67.5	69.6
Operating profit (EBIT)	32.8	36.6
Operating profit (EBIT) excluding exceptional items	34.5	36.8
Average gross capital employed	721.7	685.6
Average capital employed	399.2	386.3
ROCE	8.2%	9.5%
Occupancy rate	87%	87%

The chemical terminals in Rotterdam had a particularly tough time in the first half of 2004 owing to the unfavourable market conditions for the spot storage of commodity chemicals. The improvement in market conditions was only felt by the fourth quarter, in the form of a clear increase in turnover and result. On balance, the 2004 result was down on the previous year.
Turnover at the terminals in Belgium, the UK, Finland and South Africa grew during the year under review, thanks to higher throughput and a higher occupancy rate.
The Vlissingen (the Netherlands) gas terminal reported good results, while the Vlaardingen (the Netherlands) terminal for edible oils performed better than in 2003. The turnover for inland shipping was virtually unchanged.

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Oil Europe, Middle East & Africa (Oil EMEA)

In EUR millions	**2004**	**2003**
Net turnover	128.9	115.7
EBITDA	61.4	56.6
Operating profit (EBIT)	48.6	44.4
Operating profit (EBIT) excluding exceptional items	48.7	41.5
Average gross capital employed	388.4	383.6
Average capital employed	122.4	123.0
ROCE	39.7%	36.1%
Occupancy rate	87%	88%

The oil terminals in Rotterdam had an exceptionally good year, mainly thanks to the strong increase in the storage and throughput of fuel oil. Moreover, the additional capacity created by Vopak was fully utilised, often on the basis of long-term contracts. This additional capacity was the result of converting 240,000 cbm to the storage of fuel oil. The infrastructure in Rotterdam was also enhanced by installing more jetty capacity and pipelines. Records were broken mainly in the second half of the year in terms of throughput and occupancy rate, with the average in Rotterdam exceeding 90% in 2004.
The terminal in Tallinn (Estonia) succeeded in increasing throughput once again during the year. In the year under review, Vopak began a project to expand the storage and reception capacity for arrivals by rail, to meet the unceasing growth in exports of crude oil and fuel oil from Russia. The Hamburg oil terminal also benefited from the increasing supply of oil products from the refineries close by, with the strong growth in the bunker market adding to the demand for storage in Hamburg.
The Gotenburg and Basel terminals turned in disappointing performances, partly owing to the results on the storage of gasoline in the first half of 2004.
In Fujairah, the extra capacity that came on stream during 2003 was better utilised during the year under review. Finally, Vopak concluded an important long-term contract in Fujairah during 2004 for the storage of bunker oil.

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Asia

In EUR millions	**2004**	**2003**
Net turnover	92.2	93.8
EBITDA	77.1	72.6
Operating profit (EBIT)	60.7	56.0
Operating profit (EBIT) excluding exceptional items	57.0	56.3
Average gross capital employed	435.1	423.8
Average capital employed	270.5	277.9
ROCE	22.4%	20.2%
Occupancy rate	95%	96%

Virtually across the board, Vopak's results in Asia for 2004 were excellent. The average utilisation capacity for the oil and the chemical terminals was over 90% in both cases, with a few even attaining 100%.
The Sebarok terminal in Singapore (oil storage) had a record year, with a high occupancy rate and extremely high throughput. The combination of the two produced a marked increase in turnover measured in the local currency. The Sakra chemical terminal reported a good year once again, thanks to a large number of long-term contracts. The Penjuru terminal (also chemical storage) turned in a more than reasonable performance.
In China, Vopak concentrates on the chemical market. The Ningbo, Tianjin, Lanshan and Xiamen terminals all performed better than in 2003, contributing positively to Vopak’s result in China.
Turning to Australia, the oil terminal performed well. Chemical storage in that country experienced only a mediocre year, however, as rates came under pressure owing to the rationalisation of the supply chain in the Australian chemical sector.
The terminals in Korea, Malaysia and Thailand produced better results thanks to higher volumes. Vopak is further expanding the capacity in Thailand.
Japan recovered in 2004, following a weak 2003 caused by the bankruptcy of a major customer.
Higher volumes of LPG and phosphoric acid ensured further growth of the Engro terminal in Pakistan.

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North America

In EUR millions	**2004**	**2003**
Net turnover	96.6	104.8
EBITDA	26.4	33.5
Operating profit (EBIT)	15.0	21.6
Operating profit (EBIT) excluding exceptional items	15.4	21.6
Average gross capital employed	311.5	320.5
Average capital employed	171.2	178.4
ROCE	8.8%	12.1%
Occupancy rate	88%	91%

Turnover for North America measured in local currencies remained on forecast during 2004. Although capacity utilisation was down owing to uncertainties in the chemical industry, higher throughput volumes more than offset this. The turnover on railcar cleaning also showed clear growth, although costs exerted an adverse impact, particularly in the form of higher insurance rates and increased staff costs. The tighter safety standards (under the International Ship and Port Security Code) also entailed additional costs. The increased expenses exerted significant pressure on the operating margin of the North American division. Vopak has already begun a number of improvement programmes to raise the level of efficiency.

Latin America

In EUR millions	**2004**	**2003**
Net turnover	45.9	40.1
EBITDA	20.4	18.1
Operating profit (EBIT)	16.3	14.1
Operating profit (EBIT) excluding exceptional items	16.6	14.3
Average gross capital employed	109.2	107.8
Average capital employed	87.7	89.5
ROCE	18.6%	15.8%
Occupancy rate	93%	89%

The Vopak terminals operated at virtually full capacity, with especially good results reported for the storage of edible oils. In Brazil, the market is expected to grow further. To exploit this opportunity, Vopak is expanding the capacity of the Santos terminal by 10%.
Activities in Mexico showed strong growth in 2004 once again compared with the previous year. The occupancy rate climbed to over 85% thanks to higher volumes for the storage of chemicals, the export of molasses and higher import volumes of edible oils and alcohol.
In the first complete year since Vopak acquired the terminals in Venezuela, Colombia and Ecuador, their respective performances all exceeded expectations. The steep rise in import volumes of edible oils and an increase in imports of chemical products led to the Venezuelan terminal attaining a occupancy rate of more than 90%.
The Chilean terminal performed well, too, by increasing its occupancy rate.
The activities in Peru were disappointing in 2004. Owing to the high price of oil on world markets and the slow progress with liberalising the domestic oil market, the oil trade is limited in Peru.

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Enclosure 2: Consolidated profit and loss account

In EUR millions		**2004**		**2003**
Net turnover	642.1		749.6	
Other operating income	5.4		3.0	
Total operating income		**647.5**		**752.6**
Wages, salaries and social security charges	229.1		262.6	
Depreciation and amortisation	88.4		115.0	
Other operating expenses	214.7		225.3	
Total operating expenses		**532.2**		**602.9**
Operating profit		**115.3**		**149.7**
Profit of participating interests		31.6		42.5
Group operating profit(*)		**146.9**		**192.2**
Interest income	15.5		16.7	
Interest expense	-62.3		-64.6	
Interest		**-46.8**		**-47.9**
Profit before taxation		**100.1**		**144.3**
Tax		1.1		-27.4
Consolidated net profit		**101.2**		**116.9**
Minority interests in consolidated net profit		-12.6		-12.4
Net profit		**88.6**		**104.5**
Dividend on cumulative financing preference shares		-6.9		-6.9
Net profit for holders of ordinary shares		**81.7**		**97.6**
Earnings per share		**1.37**		**1.67**
Fully diluted earnings per share		**1.37**		**1.67**
Earnings per share excluding exceptional items		**1.26**		**1.28**
Fully diluted earnings per share excluding exceptional items		**1.26**		**1.28**

(*) See enclosure 3 for breakdown of group operating profit

Enclosure 3: Breakdown group operating profit

In EUR millions	**2004**	**2003**
Group operating profit including exceptional items	**146.9**	**192.2**
Exceptional items	-4.0	25.5
Group operating profit excluding exceptional items	**150.9**	**166.7**
Group operating profit on discontinued activities	-2.0	18.4
Group operating profit on core activities	**152.9**	**148.3**(*)

(*) Before reclassification of core activities in 2004, the comparable figure for 2003 is EUR 150.2 million.

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Enclosure 4: Consolidated balance sheet at 31 December before proposed profit appropriation

In EUR millions		**2004**		**2003**
Intangible fixed assets	3.2		6.6	
Tangible fixed assets	890.6		994.8	
Financial fixed assets	325.5		333.1	
Deferred tax assets	5.0		5.4	
Total fixed assets		**1,224.3**		**1,339.9**
Stocks	0.9		1.7	
Debtors	195.1		232.2	
Prepayments and accrued income	22.6		17.9	
Securities	0.4		4.1	
Cash at bank and in hand	116.3		152.4	
Total current assets		**335.3**		**408.3**
Amounts owed to banks	6.2		37.0	
Current portion of long-term liabilities	29.4		28.4	
Pensions and other employee obligations	4.6		4.9	
Trade and other creditors	209.3		225.1	
Dividends	5.4		6.9	
Total current liabilities		**254.9**		**302.3**
Current assets less current liabilities		**80.4**		**106.0**
Total assets less current liabilities		**1,304.7**		**1,445.9**
Long-term liabilities		**581.4**		**695.5**
Pensions and other employee obligations	9.9		16.9	
Provision for deferred tax liabilities	89.9		118.0	
Other provisions	28.1		36.8	
Total provisions		**127.9**		**171.7**
Minority interests in consolidated shareholders' equity	50.4		57.5	
Shareholders' equity	545.0		521.2	
Group equity		**595.4**		**578.7**
Total		**1,304.7**		**1,445.9**

Enclosure 5: Consolidated cash flow statement

In EUR millions		2004		2003
Net profit	88.6		104.5	
Adjustments for:				
- Depreciation and amortisation	82.5		99.9	
- Write downs and impairments	5.9		15.1	
- Movements in provisions	-44.6		-49.6	
- Movements in minority interests	-3.9		5.8	
- Distributed profit of participating interests	22.2		23.5	
- Share in profit of non-consolidated participating interests	-31.3		-36.5	
- Result on sale of tangible fixed assets	-8.8		-4.9	
- Result on sale of group companies and non-consolidated participating interests	3.5		-3.4	
Gross cash flow from operating activities	**114.1**		**154.4**	
Movements in working capital (excluding cash at bank and in hand, short-term loans and dividends)	25.8		50.8	
Effect of changes in exchange rates	1.7		-1.8	
Net cash flow from operating activities		**141.6**		**203.4**
Capital expenditures:				
- Tangible fixed assets	-125.7		-106.5	
Acquisitions (including goodwill):				
- Financial fixed assets	-25.1		-22.5	
- Group companies	-		-16.7	
Total investments		**-150.8**		**-145.7**
Disposals:				
- Tangible fixed assets	7.4		26.2	
- Financial fixed assets	18.4		39.8	
- Group companies	139.1		32.8	
Total disposals		**164.9**		**98.8**
Net cash flow from investing activities		**14.1**		**-46.9**
Financing:				
- Repayment of long-term liabilities	-69.4		-50.4	
- New long-term liabilities	-		3.7	
- Financing preference shares cancelled	-50.3		-	
- Movements in short-term financing	-57.9		-68.0	
- Dividend paid in cash	-4.1		-29.2	
- Dividend paid on preference shares	-8.5		-6.9	
- Options exercised	9.2		-	
- Sale of repurchased shares	-		1.6	
Net cash flow from financing activities		**-181.0**		**-149.2**
Net cash flow		**- 25.3**		**7.3**
Exchange and currency translation differences		-1.6		-7.9
Movement in cash at bank and in hand due to consolidations and deconsolidations		-9.2		-
Movement in cash at bank and in hand		**-36.1**		**-0.6**

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Enclosure 6: Breakdown of participating interests

In EUR millions	**2004**	**2003**
Profit of participating interests in tank terminals (100% pro-forma basis)		
Net turnover	222.0	225.9
EBITDA	138.6	136.3
EBIT	106.9	99.2
Net profit	75.5	67.0
Vopak's share in profit of participating interests		
Tank terminals	32.7	28.6
Other income from participating interests	-0.9	8.6
Income on sale of participating interests	-0.2	5.3
Total net profit of participating interests included in Vopak's profit	31.6	42.5
Abridged balance sheet of participating interests in tank storage (100% pro-forma basis)		
Total assets	657.7	611.3
Liabilities	-45.2	-39.3
Capital employed	612.5	572.0
Vopak's share in net assets of participating interests		
Tank terminals	166.3	145.4
Net assets of other participating interests	11.4	14.9
Total net assets of participating interests	177.7	160.3
Financial ratios of participating interests in tank storage (100% pro-forma basis)		
Interest cover	24.4	16.7
Net debt : EBITDA	1.3	1.3

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Enclosure 7: Application of International Financial Reporting Standards (IFRS)

Introduction
With effect from the 2005 financial year, Royal Vopak will prepare its financial reports in accordance with IFRS. The comparative figures for 2004 will therefore also be presented on the basis of the applicable IFRS principles.

The IFRS standards that should or can be applied in the 2005 financial statements have not all been finalised and endorsed by the European Commission yet. As the standards might be changed in 2005, this is the reason, the only reason in fact, why the figures in this enclosure are provisional.

IFRS 1 contains the transition rules for the first-time adoption of IFRS by companies to their financial statements for the year commencing on or after 1 January 2004. The underlying assumption is that IFRS has to be applied retrospectively, which is not feasible in all cases. Accordingly, IFRS 1 contains a number of compulsory exceptions and a number of optional exceptions. The optional exceptions that Vopak considered are explained below.

- Goodwill paid on mergers and acquisitions before 1 January 2004 and charged to reserves in the past can still be capitalised (see IFRS 3). Vopak has not made use of this possibility.
- For the carrying value of a defined benefit scheme, the value of the net pension obligations on the IFRS transition date can be used. In line with the full adoption of IFRS, Vopak has employed this provision.
- Tangible and intangible fixed assets can be carried at fair value on the IFRS opening balance sheet, irrespective of the accounting policies applied until then under Dutch GAAP. The fair value then becomes the new deemed cost at date. Vopak has not made use of this possibility.
- In accordance with IAS 21, a separate record of cumulative currency translation differences on foreign participating interests must be kept for each of the interests. On the disposal of a foreign participating interest, the applicable cumulative currency translation difference must then be taken to the profit and loss account. Under IFRS 1, it is possible to set the value of cumulative currency translation differences on foreign participating interests to nil on the IFRS opening balance sheet. Vopak has made use of this possibility.
- Under IFRS 1, it is possible to apply IFRS 2 (Share-based Payment) to all existing share options plans or only to those that came into effect after 7 November 2002. Vopak has opted for the second alternative.

Vopak has made use of the temporary exemption available in respect of IAS 32 and IAS 39 regarding financial instruments, including loans to third parties and instruments for hedging financial risks. This means that neither standard can be applied until 1 January 2005.

Effect of IFRS on shareholders' equity at 1 January 2004
As communicated earlier, the net effect on shareholders' equity at 1 January 2004 is a reduction of EUR 43.3 million, mainly relating to pensions. Vopak is employing the above-mentioned transition provision in the case of pensions. All actuarial profits and losses not yet recognised at 31 December 2003 under Dutch GAAP (a net loss of EUR 65.5 million) will be charged net of tax to reserves.

Condensed (provisional) 2004 results
The following pages show:
- Condensed (provisional) consolidated profit and loss account, with notes
- Condensed (provisional) balance sheet, including a reconciliation summary for shareholders' equity at 31 December under Dutch GAAP
- Condensed (provisional) cash flow statement
- Effect of the application of IAS 32 and IAS 39 (for financial instruments) on the opening balance sheet at 1 January 2005

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Condensed (provisional) consolidated profit and loss account

In EUR millions	*	**Dutch GAAP 2004**		**Adjustment IFRS**		**IFRS 2004**	
Net turnover		642.1		6.0		648.1	
Other operating income		5.4		6.3		11.7	
Total operating income	*1,6*		**647.5**		**12.3**		**659.8**
Wages, salaries and social security charges	*2,6*	229.1		0.5		229.6	
Depreciation, amortisation and impairments	*3*	88.4		-1.6		86.8	
Other operating expenses	*1,6*	214.7		10.7		225.4	
Total operating expenses			**532.2**		**9.6**		**541.8**
Operating profit			**115.3**		**2.7**		**118.0**
Profit of participating interests	*4,6*		31.6		-2.1		29.5
Group operating profit			**146.9**		**0.6**		**147.5**
Interest	*6*		-46.8		0.5		-46.3
Profit before taxation			**100.1**		**1.1**		**101.2**
Tax	*5*		1.1		-2.1		-1.0
Consolidated net profit			**101.2**		**-1.0**		**100.2**
Allocatable to:							
Holders of ordinary shares			81.7		-1.0		80.7
Holders of financing preference shares			6.9		-		6.9
Minority interests			12.6		-		12.6
Net profit			**101.2**		**-1.0**		**100.2**
Earnings per share			**1.37**				**1.36**
Fully diluted earnings per share			**1.37**				**1.36**

* See notes on the next page

Notes on the most important effects on condensed (provisional) consolidated profit and loss account

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1. **Total operating income**
Under Dutch GAAP, certain items in the profit and loss account are included as reductions in other operating expenses. Under IFRS, these items have to be shown as income. In addition, Dutch GAAP requires net gains and losses on the sale of assets and group companies to be shown under other operating income. Under IFRS, however, the losses are shown under other operating expenses.

2. **Wages, salaries and social security charges**
Defined benefit schemes (IAS 19): the recalculation of actuarial profits and losses not yet recognised, which is taken to reserves as at 1 January 2004, has a positive effect of EUR 1.1 million on the 2004 gross profit.

   Remuneration of Executive Board members: The expenses associated with option grants are negligible. They are treated as staff costs, plus a corresponding addition to reserves. The total charge for 2004 came to EUR 0.1 million.
Under IFRS, the variable remuneration of the chairman of the Executive Board is recognised at market value at the balance sheet date, subject to a maximum of EUR million and a minimum of EUR 200,000. Under Dutch GAAP, only a proportional part of the minimum amount is taken into account. The difference is EUR 0.3 million.

3. **Depreciation and amortisation**
Assets available for sale and operating activities to be discontinued are carried at the lower of net book value and fair value less expected selling costs. No further depreciation is charged. This has a positive effect of EUR 1.6 million on the 2004 gross profit.

4. **Profit of participating interests**
Pre-operating expenses not qualifying for capitalisation under IFRS have a negative effect of EUR 1.0 million.

5. **Tax**
Owing to the application of IAS 19, there is a net movement of EUR 23.6 million in the balance of deferred tax assets and liabilities at 1 January 2004 under IFRS. The change in tax rates results in a higher tax charge under IFRS than under Dutch GAAP, the increase being EUR 1.4 million. The remainder of the higher charge, an amount of EUR 0.7 million, results from the above-mentioned recalculation.

6. **Other**
As well as the above-mentioned items, there are a number of reclassifications that on balance have no effect on the net profit.

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Condensed (provisional) consolidated balance sheet at 31 December before proposed profit appropriation

In EUR millions	*		IFRS 31-12-2004		IFRS 01-01-2004
Total fixed assets	*1*		**1,242.2**		**1,210.3**
Current assets		293.8		339.3	
Assets of activities to be discontinued	*1*	45.7		199.6	
Total current assets			**339.5**		**538.9**
Current liabilities		243.4		277.0	
Obligations of activities to be discontinued	*1*	25.6		47.5	
Total current liabilities			**269.0**		**324.5**
Current assets less current liabilities			**70.5**		**214.4**
Total assets less current liabilities			**1,312.7**		**1,424.7**
Long-term liabilities			**581.4**		**692.8**
Pensions and other employee obligations	*1*	73.5		83.9	
Provision for deferred tax liabilities	*1*	86.5		93.5	
Other provisions	*1*	19.6		19.1	
Total provisions			**179.6**		**196.5**
Minority interests in equity		51.4		58.7	
Equity attributable to shareholders	*2*	500.3		476.7	
Equity			**551.7**		**535.4**
Total			**1,312.7**		**1,424.7**

* See notes on the next page

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Notes on the most important effects on condensed (provisional) consolidated balance sheet at 31 December before proposed profit appropriation

1. Reclassifications

The assets and long-term obligations associated with activities to be discontinued are presented separately under total current assets and total current liabilities respectively, which results in the reclassification of certain items on the balance sheet.

2. Equity attributable to shareholders

In EUR millions

At 1 January 2004 under IFRS			**476.7**
Net profit for 2004 under Dutch GAAP attributable to shareholders		**81.7**	
Recalculations			
- Defined benefit schemes	1.1		
- Remuneration of Executive Board members	-0.4		
- No depreciation or amortization associated with activities to be sold or discontinued	1.6		
- Pre-operating expenses	-1.0		
- Adjustments negative carrying amounts participating interests	-0.4		
- Currency translation differences on profit and loss	0.2		
- Tax, effect of tax rate on deferred tax assets and liabilities	-1.4		
- Tax on differences	-0.7		
Total adjustments		**-1.0**	
Net profit for 2004 under IFRS attributable to shareholders			**80.7**
Currency translation differences on the balance sheet			0.8
Other movements identical under Dutch GAAP			-57.9
At 31 December 2004 under IFRS			**500.3**

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Condensed (provisional) cash flow statement for 2004

In EUR millions

Net cash flow from operating activities under IFRS	139.2
Net cash flow from investing activities under IFRS	14.4
Net cash flow from financing activities under IFRS	- 177.8
Net cash flow under IFRS	**- 24.2**

The net cash flow under IFRS is not the same as under Dutch GAAP because of the revised presentation of cash at bank and in hand associated with discontinued activities and activities to be discontinued. Hence, application of IFRS has no effect on cash flow, only on the classification of certain items.

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Effect of the application of IAS 32 and IAS 39 (financial instruments) on the opening balance sheet at 1 January 2005

Vopak has opted to apply IAS 32 and IAS 39 (financial instruments) as from 1 January 2005. Based on the current versions of these standards, the expected effect of this change in accounting policies on shareholders' equity on the opening balance sheet at 1 January 2005 are as follows:

In EUR millions	*		
Equity at 31 December 2004 under IFRS			**551,7**
Adjustments:			
- Derivatives at fair value	*1*	-21,5	
- Effective interest method	*2*	8,0	
- Tax		5,4	
Total adjustments			**-8,1**
Equity at 1 January 2005 under IFRS			**543,6**

* Notes

1. Derivatives
Derivatives are initially carried at cost and subsequently at fair value.
The fair value of an interest rate swap is the estimated amount that the Group would receive or pay were the swap cancelled on the balance sheet date, taking into account the current rate of interest and the current credit rating of the counterparty. The fair value of a forward exchange contract is the listed market price on the balance sheet date, which is based on the present value of the listed forward price.

2. Interest-bearing loans
Interest-bearing loans are initially carried at cost, less transaction expenses. Subsequently, the difference between the cost and the redemption value is taken to the profit and loss account over the term of the loan, based on the effective interest method.