Royal Vopak
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Vopak

Press release

# Vopak remains on track in transition year: Q3 2011 Group operating profit -excluding exceptional items- increases 6% to EUR 121 million

Rotterdam, the Netherlands, 9 November 2011

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| *In EUR millions* | **Q3 2011** | **Q3 2010** | **▲** | **YTD 2011** | **YTD 2010** | **▲** |
|---|---|---|---|---|---|---|
| Group operating profit before depreciation and amortization (EBITDA) | **163.5** | 153.8 | 6% | **576.3** | 451.0 | 28% |
| Group operating profit before depreciation and amortization (EBITDA) -excluding exceptional items- | **163.5** | 154.8 | 6% | **458.8** | 452.1 | 1% |
| Group operating profit (EBIT) | **121.3** | 113.8 | 7% | **456.7** | 336.7 | 36% |
| Group operating profit (EBIT) -excluding exceptional items- | **121.3** | 114.8 | 6% | **339.2** | 337.8 | 0% |
| Occupancy rate | **93%** | 92% | 1pp | **93%** | 93% | - |
| Worldwide storage capacity (in million cbm) | | | | **27.2** | 28.7 | - 5% |

**Highlights for the third quarter 2011:**

- **Third quarter group operating profit -excluding exceptional items- rises 6% to EUR 121.3 million (Q3 2010: EUR 114.8 million).**
- **Year to date group operating profit -excluding exceptional items- increases to EUR 339.2 million (YTD 2010: EUR 337.8 million).**
- **During the third quarter of 2011 worldwide storage capacity increased by 1.7 million cbm to a total of 27.2 million cbm.**

**Outlook:**

- **Projects under construction will add 6.2 million cbm of storage capacity in the years up to and including 2014. The total investment for Vopak and partners in expansion projects involves capital expenditure of some EUR 1.7 billion, of which Vopak's total remaining cash spend will be some EUR 0.4 billion.**
- **For 2011 Vopak continues to expect a Group operating profit before depreciation and amortization (EBITDA) -excluding exceptional items- of between EUR 600 – 640 million (2010: EUR 598 million).**
- **Vopak remains well positioned to realize a Group operating profit before depreciation and amortization (EBITDA) of between EUR 725 – 800 million in 2013.**

**Eelco Hoekstra, Chairman of the Executive Board of Royal Vopak:**

*"Vopak remains on track in this transition year. The healthy demand for tank storage services and our capacity expansions led to an EBITDA excluding exceptional items of EUR 164 million in the third quarter of 2011. We are experiencing a robust demand for oil storage services and a healthy demand for the storage of chemicals. We also note the first signs of improvement in the market for the storage and handling of biofuels. We are proud to have commissioned large expansion projects, such as Gate terminal in Rotterdam, which will serve as an import terminal for LNG, and the first phase of Vopak Terminal Amsterdam Westpoort, a new state-of-the-art hub terminal for gasoline and other clean petroleum products. For 2011 Vopak continues to expect a Group operating profit before depreciation and amortization (EBITDA) of between EUR 600 – 640 million. With the current outlook for 2011 and additional storage capacity under construction we remain well positioned to realize an EBITDA of between EUR 725 – 800 million in 2013."*

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**Group operating profit**
Group operating profit excluding exceptional items for the third quarter of 2011 increased by 6% to EUR 121.3 million (Q3 2010: EUR 114.8 million), mainly due to new storage capacity. During Q3 2011 no exceptional items were recognized (Q3 2010: EUR 1.0 million negative). Adjusted for the financial effects of the divested Bahamas Terminal (3.4 million cbm), the higher pre-operating expenses related to growth projects, and a negative currency translation effect of EUR 1.2 million, all divisions reported higher results compared to Q3 2010. Mainly due to the divestment of the Bahamas Terminal worldwide storage capacity decreased from 28.7 million cbm as per the end of Q3 2010 to 27.2 million cbm as per the end of Q3 2011. The occupancy rate for Vopak was 93% in the third quarter of 2011. This is a slight increase compared to the occupancy rate in the third quarter of 2010 and the first half year of 2011 (both 92%).

Year to date the group operating profit rose by 36% to EUR 456.7 million (Q3 2010: EUR 336.7 million), of which EUR 117.5 million are exceptional items (primarily due to the sale of the Bahamas Terminal). Excluding exceptional items, group operating profit year to date 2011, increased to EUR 339.2 million (YTD 2010: EUR 337.8 million), including a positive currency translation effect of EUR 1.7 million. Year to date the occupancy rate for 2011 is at the same level as year to date of last year (93%).

**Financial position**
The third quarter results and the expansion of worldwide storage capacity, amongst others by acquisitions of terminals in Kandla (India) and Altamira (Mexico) led to a Net debt : EBITDA ratio of 2.61 per end of September 2011 (2.35 per 30 June 2011), providing financial headroom to complete the storage capacity expansions currently under construction and to support the identification of new growth opportunities.

**Review by division for the third quarter of 2011 (excluding exceptional items)**

The operating profit for the third quarter 2011 of the **CEMEA** (Chemicals Europe, Middle East & Africa) division increased by 8% to EUR 24.1 million (Q3 2010: EUR 22.3 million). The Q3 2010 result contained EUR 2.0 million one-offs (mainly caused by an addition to an environmental provision). Excluding the effects of these one-offs and a negative currency translation effect of EUR 0.3 million, the operating profit for the third quarter 2011 was in line with the same period of last year. Demand for storage and handling of chemical products remained at a healthy level during Q3 2011. Since the end of the second quarter, some positive signs have been noticed with the implementation of the first European certification schemes for biodiesel products, although uncertainties on subsidies and potential new developments in legislation remain. The occupancy rate for the third quarter 2011 increased to 91% (Q3 2010: 90%).

The operating profit of the **OEMEA** (Oil Europe, Middle East & Africa) division was EUR 41.7 million, including a negative currency translation effect of EUR 0.3 million, and in line with Q3 2010 (EUR 42.0 million). The overall market conditions for storage and handling of oil products remain robust. The storage capacity increased by 661,000 cbm compared with Q3 2010, whilst the out-of-service rate decreased. The results were offset by higher pre-operating expenses related to projects and a lower throughput at the terminal in Estonia. The occupancy rates for the third quarter 2011 and 2010 were the same (95%).

In line with Vopak’s geographical divisional structure and driven by the growth of the storage capacity in the Europe, Middle East and Africa (EMEA) region, the existing Vopak Chemicals EMEA and Vopak Oil EMEA divisions will be organized into Vopak Netherlands and Vopak EMEA as of 1 January 2012.

In **Asia** the operating profit for the third quarter 2011 rose by 5% to EUR 45.0 million (Q3 2010: EUR 42.7 million), particularly through the high activity levels in Singapore. The growth in demand for storage and handling in Asia is driven by strong market developments in both oil and chemicals. The currency translation effect was EUR 0.3 million positive. The occupancy rate of the third quarter 2011 increased by 2 percentage points to 92% (Q3 2010: 90%).

In our **North America** division the operating profit for the third quarter 2011 decreased by EUR 2.1 million to EUR 8.0 million compared to the third quarter 2010 (EUR 10.1 million). Excluding the operating profit effects of the sale of the Bahamas Terminal (EUR 2.8 million) and the negative currency translation effect (EUR 0.6 million) the operating profit improved. Operations at our Deer Park facility are still negatively affected by restrictions in rail car handlings as a consequence of a dispute with our neighboring competitor. The occupancy rate for the third quarter decreased to 93% (Q3 2010: 94%).

In **Latin America** the operating profit showed a 6% rise to EUR 7.0 million (Q3 2010: EUR 6.6 million), despite negative currency translation effects of EUR 0.4 million. The improved results were mainly caused by the better performance of Vopak Brazil. The occupancy rate decreased from 90% in Q3 2010 to 85% in Q3 2011, largely attributable to a higher out-of-service rate.

Business activities not allocated to a specific geographic segment are reported under **Non-allocated**. These include primarily the global LNG activities and operating costs not allocated to the divisions, as shown in the table below. Operating costs not allocated to the divisions amounted to EUR 7.3 million (Q3 2010: EUR 6.8 million).

| *In EUR millions* | **Q3 2011** | **Q3 2010** | **Δ** | **YTD 2011** | **YTD 2010** | **Δ** |
|---|---|---|---|---|---|---|
| Global LNG activities | **2.8** | - 2.1 | 4.9 | **- 0.8** | - 4.3 | 3.5 |
| Operating costs | **- 7.3** | - 6.8 | - 0.5 | **- 23.9** | - 25.3 | 1.4 |
| **Non-allocated** | **- 4.5** | - 8.9 | 4.4 | **- 24.7** | - 29.6 | 4.9 |

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The global LNG activities consist of the joint venture results of Gate terminal (the Netherlands) and Altamira LNG Terminal (Mexico) and project costs with regard to our LNG developments and studies. Gate terminal (Gas Access To Europe) is in operation since 1 September 2011 and was officially opened by Her Majesty Queen Beatrix of the Netherlands on 23 September 2011. The Altamira LNG Terminal was acquired by Vopak and Enagas on 13 September 2011. The operating profit of the LNG activities was positively influenced (EUR 3.3 million) by Vopak's share in one-offs at Gate terminal, mainly due to the tax incentive valuation (governmental grant) which was conditionally linked to the timely completion of the terminal.

**Capacity changes (100% basis, in million cbm)**
During Q3 2011 expansion projects of in total 1.1 million cbm were completed at Gate terminal (the Netherlands), Maasvlakte Olie Terminal (the Netherlands), Barcelona (Spain), Europoort (the Netherlands) and Aratu (Brazil). Furthermore the acquisitions of CRL Terminals Pvt. Ltd. (India) and the LNG import terminal in Altamira (Mexico) added in total 0.6 million cbm capacity, resulting in a total capacity of 27.2 million cbm at the end of Q3 2011.

| **End Q3 2010** | Added | **End 2010** | Divested | Added | **End Q3 2011** | Under construction | **End 2014** |
|---|---|---|---|---|---|---|---|
| **28.7** | 0.1 | **28.8** | - 3.5 | 1.9 | **27.2** | 6.2 | **33.4** |

**Main events third quarter 2011**

- On 8 July 2011, Vopak acquired the Indian company CRL Terminals Pvt. Ltd. The company operates 261,600 cbm for the storage of chemicals and edible oil products and is located in Kandla, one of the busiest ports in India.
- On 11 August 2011, Vopak completed the sale of the Buckeye Class B units and Buckeye LP units. The total monetized value of the sale of all units, including dividend received, amounted to USD 101 million. The sale of Vopak's 20% equity stake in BORCO generated total cash proceeds of USD 291 million, which will be used to fund Vopak's global growth strategy.
- On 1 September 2011 the joint venture Gate terminal commenced operations. Gate (Gas Access To Europe) terminal is located on the Maasvlakte in Rotterdam and is the first import terminal for liquefied natural gas (LNG) in the Netherlands. The 540,000 cbm import terminal has been developed by Royal Vopak (42.5%) and N.V. Nederlandse Gasunie (42.5%).
- On 13 September 2011 the joint venture of Vopak (60%) and Enagas (40%) successfully completed the acquisition of the LNG import terminal (300,000 cbm) in Altamira, Mexico.

**Subsequent events:**

- On 5 October 2011, Vopak Terminal Amsterdam Westpoort commenced operations. The terminal has an initial storage capacity of 620,000 cbm, which was delivered on time and within budget. After completion of additional storage capacity of 570,000 cbm in phases up to the third quarter of 2012, the storage capacity will increase to nearly 1.2 million cbm.

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**Forward-looking statements**

This document contains statements of a forward-looking nature, based on currently available plans and forecasts. Given the dynamics of the markets and the environments of the 31 countries in which Vopak renders logistics services, the company cannot guarantee the accuracy and completeness of such statements.

Unforeseen circumstances include, but are not limited to, exceptional income and expense items, unexpected economic, political and foreign exchange developments, and possible changes to IFRS reporting rules.

Statements of a forward-looking nature issued by the company must always be assessed in the context of the events, risks and uncertainties of the markets and environments in which Vopak operates. These factors could lead to actual results being materially different from those expected.

**Financial calendar**

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

On 11 November 2011, Vopak is hosting a Capital Markets Day including several presentations by Vopak board members and senior executives. The presentations can be downloaded on the same date at www.vopak.com. Next to the presentations a terminal visit to the recently inaugurated Vopak Terminal Amsterdam Westpoort will be organized.

**Profile**

Royal Vopak is the world's largest independent tank storage service provider, specializing in the storage and handling of bulk liquid chemicals, gasses and oil products. Vopak operates 83 terminals with a storage capacity of more than 27 million cbm in 31 countries. These terminals are strategically located for users along the major shipping routes. The majority of its customers are companies operating in the chemical and oil industries, for which Vopak stores a large variety of products destined for a wide range of industries.

**For more information**

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The analysts' presentation will be given in an on-demand audio broadcast on our corporate website www.vopak.com from 10.00 a.m. on 9 November 2011. Press photos of Vopak's Executive Board, new terminals and activities can be downloaded from http://www.vopak.com/media-downloads/media-downloads.html.

**Enclosures:**

1. Growth perspective
2. Breakdown of Group operating profit
3. Breakdown of occupancy rate
4. Financial position
5. Exchange rates

## Enclosure 1: Growth perspective *

During the year 2011 new capacity was commissioned at Maasvlakte Olie Terminal (MOT, the Netherlands), Europoort (the Netherlands), Barcelona (Spain), Caojing (China) and Aratu (Brazil). These expansions increased the capacity in total by 731,500 cbm, of which 581,500 cbm was commissioned in Q3 2011. Furthermore the capacity increased in Q3 2011 by 1,101,600 cbm due to the acquisitions of an LNG terminal in Mexico and the Kandla Terminal in India and the opening of Gate terminal. In February this year, Vopak sold its 20% equity stake in BORCO, resulting in a reduction of the total storage capacity by 3.4 million cbm. Furthermore the Ipswich terminal (UK) was partly returned to the port authorities and partly sold. Since the end of 2010 our worldwide capacity has decreased by 1.6 million cbm from 28.7 million cbm to 27.2 million cbm per the end of September 2011.

| **Capacity developments 2011** | | | |
|---|---|---|---|
| **Country** | **Terminal** | **Products** | **Capacity (cbm)** |
| **Expansions** | | | |
| The Netherlands | MOT | Oil products | 360,000 |
| The Netherlands | Europoort | Oil products | 160,000 |
| Spain | Barcelona | Oil products | 155,200 |
| China | Caojing | Chemicals | 30,000 |
| Brazil | Aratu | Chemicals | 26,300 |
| **New terminals** | | | |
| Netherlands | Gate Rotterdam; 12 billion cbm transmission capacity p.a. | LNG | 540,000 |
| Mexico | Altamira; 7.4 billion cbm transmission capacity p.a. | LNG | 300,000 |
| India | Kandla | Chemicals/vegetable oils | 261,600 |
| **Divestments** | | | |
| Bahamas | Bahamas | Oil products | - 3,400,000 |
| UK | Ipswich | Oil products | - 56,000 |
| **Others** | | | |
| Various | Net change at various terminals including decommissioning | Various | - 17,400 |
| **Net total capacity decrease YTD Q3 2011:** | | | **- 1.6 million cbm** |

All projects currently under construction will add 6.2 million cbm of storage capacity in the period up to and including 2014. During the third quarter of 2011 a 95,000 cbm storage capacity expansion project was approved at Vopak Terminal Banyan (Singapore), which will be pipeline-connected to a neighboring chemical producer.

| **Projects under construction for the period up to and including 2014** | | | |
|---|---|---|---|
| **Country** | **Terminal** | **Products** | **Capacity planned (cbm)** |
| **Existing terminals** | | | |
| U.A.E. | Fujairah | Oil products | 606,000 |
| Singapore | Banyan | Chemicals | 95,000 |
| China | Zhangjiagang | Chemicals | 55,600 |
| The Netherlands | Vlaardingen | Vegetable oils/biofuels | 38,100 |
| The Netherlands | Chemiehaven - Rotterdam | Chemicals | 20,000 |
| China | Caojing | Chemicals | 16,000 |
| Mexico | Altamira | Chemicals | 15,800 |
| Thailand | Map Ta Phut | Chemicals | 15,000 |
| Belgium | ACS - Antwerp | Chemicals | 7,500 |
| **New terminals** | | | |
| China | Hainan | Oil products | 1,350,000 |
| Malaysia | Pengerang | Oil products | 1,284,000 |
| The Netherlands | Amsterdam Westpoort | Oil products | 1,190,000 |
| The Netherlands | Eemshaven | Oil products | 660,000 |
| Spain | Algeciras | Oil products | 403,000 |
| China | Tianjin | Chemicals and LPG | 335,300 |
| China | Dongguan | Chemicals | 153,000 |
| **Total capacity expansion in the period up to and including 2014:** | | | **6.2 million cbm** |

On 5 October 2011, Vopak Terminal Amsterdam Westpoort commenced operations. The terminal was officially opened on 26 October 2011. The terminal has an initial storage capacity of 620,000 cbm and has been delivered on time and within budget. After completion of additional storage capacity of 570,000 cbm in phases up to the third quarter of 2012, the storage capacity will grow to 1.2 million cbm.

**Developments and studies for growth**
Vopak's strategy is aimed at growth, operational excellence and customer leadership. In our analysis of growth opportunities, we explore different expansion possibilities.
Our growth plans consist of capacity expansions in existing locations, but we also look for locations where our services would be needed and for new business concepts which fit our strategy. This is often supported by keen interest from our customers. Therefore, we are currently investigating various expansion opportunities, both at existing terminals and at new locations.
These opportunities, amongst others, include possibilities for an oil storage terminal in Bahia Las Minas (Panama), a terminal in Perth Amboy (New Jersey, VS), an LPG terminal in West Java (Indonesia), and an LNG terminal in Fos-sur-Mer (France).



* *unaudited and also not reviewed by external auditor*

## Enclosure 2: Breakdown of Group operating profit *

| *In EUR millions* | Q3 2011 | Q3 2010 | ▲ |
|---|---|---|---|
| Chemicals Europe, Middle East & Africa | **24.1** | 22.3 | 8% |
| Oil Europe, Middle East & Africa | **41.7** | 42.0 | - 1% |
| Asia | **45.0** | 42.7 | 5% |
| North America | **8.0** | 10.1 | - 21% |
| Latin America | **7.0** | 6.6 | 6% |
| Non-allocated | **- 4.5** | - 8.9 | |
| *of which LNG* | ***2.8*** | *- 2.1* | |
| **Group operating profit (EBIT) -excluding exceptional items-** | **121.3** | **114.8** | **6%** |
| Exceptional items | **-** | - 1.0 | |
| **Group operating profit (EBIT)** | **121.3** | **113.8** | **7%** |
| **Group operating profit before depreciation and amortization (EBITDA) -excluding exceptional items-** | **163.5** | **154.8** | **6%** |

| *In EUR millions* | YTD 2011 | YTD 2010 | ▲ |
|---|---|---|---|
| Chemicals Europe, Middle East & Africa | **65.6** | 72.2 | - 9% |
| Oil Europe, Middle East & Africa | **114.1** | 119.3 | - 4% |
| Asia | **138.6** | 119.5 | 16% |
| North America | **24.9** | 35.4 | - 30% |
| Latin America | **20.7** | 21.0 | - 1% |
| Non-allocated | **- 24.7** | - 29.6 | |
| *of which LNG* | ***- 0.8*** | *- 4.3* | |
| **Group operating profit (EBIT) -excluding exceptional items-** | **339.2** | **337.8** | **0%** |
| Exceptional items | **117.5** | - 1.1 | |
| **Group operating profit (EBIT)** | **456.7** | **336.7** | **36%** |
| **Group operating profit before depreciation and amortization (EBITDA) -excluding exceptional items-** | **458.8** | **452.1** | **1%** |

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* *unaudited and also not reviewed by external auditor*

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## Enclosure 3: Breakdown of occupancy rate *

| | Q3 2011 | Q3 2010 | ▲ |
|---|---|---|---|
| Chemicals Europe, Middle East & Africa | **91%** | 90% | 1pp |
| Oil Europe, Middle East & Africa | **95%** | 95% | - |
| Asia | **92%** | 90% | 2pp |
| North America | **93%** | 94% | - 1pp |
| Latin America | **85%** | 90% | - 5pp |
| **Vopak** | **93%** | **92%** | **1pp** |

| | YTD 2011 | YTD 2010 | ▲ |
|---|---|---|---|
| Chemicals Europe, Middle East & Africa | **90%** | 90% | - |
| Oil Europe, Middle East & Africa | **94%** | 95% | - 1pp |
| Asia | **94%** | 92% | 2pp |
| North America | **92%** | 95% | - 3pp |
| Latin America | **90%** | 91% | - 1pp |
| **Vopak** | **93%** | **93%** | **-** |

## Enclosure 4: Financial position *

| | 30 September 2011 | 31 December 2010 |
|---|---|---|
| Net debt : EBITDA ratio | **2.61** | 2.63 |

## Enclosure 5: Exchange rates *

| *In EUR* | 30 September 2011 | 30 September 2010 |
|---|---|---|
| Average US dollar | **1.41** | 1.32 |
| Average Singapore dollar | **1.75** | 1.82 |

* *unaudited and also not reviewed by external auditor*