HY1 2010

Royal Vopak
First Half Year Report 2010

Vopak
Beyond capacity

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First Half Year Report 2010

Content

Interim Management Report

Business highlights first half year 2010

- In the first half year of 2010, Vopak continued to experience a healthy demand for tank storage services, resulting in a robust occupancy rate of 93% (HY1 2009: 95%).
  Group operating profit -excluding exceptional items- increased 21%, from EUR 184.2 million in HY1 2009 to EUR 223.0 million in HY1 2010.
- In the first half year of 2010 Vopak's worldwide storage capacity grew by 0.3 million cbm to 28.6 million cbm in total. Vopak Terminal Jakarta, the first independent import and distribution terminal for oil products in Jakarta, Indonesia, was officially opened on 12 April 2010.
- Vopak announced the final investment decisions to build new tank terminals or to expand existing capacity at the following locations:
  - Expansion of the terminal for the storage of oil products already under construction in Amsterdam Westpoort (Netherlands) with another 570,000 cbm.
  - Expansion of the existing terminal in Fujairah (U.A.E.) with 606,000 cbm for the storage of oil products.
  - Construction of a new terminal for storage of oil products in Algeciras (Spain) with an initial capacity of 403,000 cbm.
  - Construction of a new terminal for storage of chemical products in Dongguan (China) of 153,000 cbm.
  - Construction of a new terminal for storage of chemical products in Tianjin (China) of 95,300 cbm.

In addition the following formal transactions have been published:

- At the Annual General Meeting of Shareholders on 27 April 2010, a resolution was adopted, amongst others, to amend the articles of association of the company to allow for a 1:2 split of all share classes. The share split came into effect on Monday 17 May 2010 after close of trading.
- Vopak has purchased 300,000 of its own shares in the period from 28 April 2010 until 10 June 2010 at an average share price of EUR 30.66. These shares are intended to cover future obligations as a result of the Long Term Incentive Plan for the Executive Board and senior management.

Sustainability

Sustainability is a fundamental cornerstone of our business, whereby we aim for continuous improvement. We report on our progress in Vopak's Sustainability Report 2009, which was published in April 2010.

Over HY1 2010 safety of employees and contractors, as measured by the rate of accidents ('Total Injury Rate' - TIR), improved to 3.7 incidents per million work hours (from 5.9 HY1 2009), below our target of 5.0. However, the rate of accidents with lost time ('Lost Time Injury Rate' - LTIR) increased to 1.8 incidents per million work hours (from 1.7 in HY1 2009), as a result of an increased rate of contractor LTI's offsetting a decreased rate of own staff LTI's. Process safety, as measured by the number of spills, improved slightly in the first half of 2010 to 41 incidents (from 44 in HY1 2009).

The continuous effort on energy efficiency has resulted in a reduction of energy consumption, even though harsher winter conditions occurred relative to previous winters in the Northern hemisphere. Vopak added its support to community projects, such as scholarships in the Bahamas and the Water for Growth project, which delivers drinking water projects in third world countries.

People

Human capital is a vital part of our company. We want to achieve growth and need the best people to facilitate it. This means we have to further enhance the quality of our employees by systematic coaching and training. In total 1,350 employees/managers worldwide will participate in training programs related to the new Global Performance & Development system, as well as the Vopak Leadership Fundamentals. In addition, we want to be the company of choice for new managerial and operational talent. Over the past half year we have employed many new people in order to manage our ongoing growth.

Market developments

In the first half of 2010, Vopak continued its focus on the structural trends, which positively affect demand for storage of bulk liquid products.

Our business model is primarily aimed at supporting customers in their need for physical transport and storage services of products. The increasing geographical imbalances and increasing number of product specifications lead to a robust demand for storage and handling services for oil products at strategic locations, such as Rotterdam, the Bahamas, Fujairah, Tallinn, and Singapore, which play an essential role in the transhipment of oil products. The increased focus of the major oil companies on upstream activities and related possible closures and divestments of less efficient refineries, will further shape the oil storage market.

Demand for storage and handling of chemical products showed further signs of recovery in the first half of 2010. Following lower demand for chemical products due to the economic turbulence last year, some major chemical producers had decreased their output and started to redesign their supply chains. Where chemical volumes decreased, alternative products such as biofuels and oil products are stored at some of Vopak's chemicals terminals. Besides a structural recovery of the world economy, the investments in the chemicals industry in the Middle East will have a lasting impact on the global logistics flows of chemical products. Vopak's worldwide tank terminal network is in an excellent position to address these new opportunities.

The challenge for Vopak is to translate these developments pro-actively into customer-specific solutions at strategic locations around the world. This is a combination of:
- meeting different customer needs by increasing flexibility, offering fast ship turnaround, setting high quality and safety standards, and offering specific services such as blending;
- offering the highest quality infrastructure, a wide array of tank types and sizes, jetty capacity, truck and rail loading stations and blending capacity;
- offering deep water access, inland connections, land availability and operating permits for handling a variety of oil products and chemicals.

Growth continues

Our expansion program resulted in a growth of worldwide storage capacity by 0.3 million cbm in the first half of 2010. Since the end of June 2009, worldwide capacity increased from 27.9 million cbm to 28.6 million cbm per the end of June 2010. In this period 1.0 million cbm was added to the network at various locations, while a terminal of 345,600 cbm in Basle (Switzerland) was divested in 2009. Based on an agreement with the Hamburg Port Authority in 2007, almost all storage capacity at the Waltershof site in Hamburg (Germany) is now decommisioned and partially rebuilt at another site of Vopak in Hamburg. With the commissioning of 250,000 cbm at Vopak Terminal Jakarta the first independent oil storage terminal in Jakarta, Indonesia was inaugurated. Furthermore, storage capacity has been commissioned at Zhangjiagang (China), Alemoa (Brazil) and Banyan (Singapore).

Expansions first half 2010			
Existing terminals			
Country	**Terminal**	**Products**	**Capacity added (cbm)**
China	Zhangjiagang	Chemicals	74,500
Brazil	Alemoa	Chemicals	38,600
Singapore	Banyan	Chemicals	7,500
China	Lanshan	Chemicals	3,700
Germany	Waltershof	Chemicals	-99,400
Various	Net change at various terminals including decommissioning	Various	-7,000
New terminals			
Indonesia	Jakarta	Oil products	250,000
Net total capacity increase HY1 2010:			**0.3 million cbm**

In the first half year of 2010, various new projects have been announced. Storage capacity for oil products will be expanded at the existing terminal in Fujairah (U.A.E.), at the terminal already under construction in Amsterdam (Netherlands), and the construction of a new terminal in Algeciras (Spain). Furthermore two new terminals for storage of chemicals will be built in Dongguan and Tianjin (both China). One of the larger projects under construction is Gate terminal, the first Dutch LNG terminal, which is well on its way to be completed on time and within budget. All projects currently under construction, will add 4.0 million cbm of storage capacity in the period until the end of 2012.

Announced expansion plans for the period until the end of 2012			
Existing terminals			
Country	**Terminal**	**Products**	**Capacity planned (cbm)**
U.A.E.	Fujairah	Oil products	606,000
Netherlands	MOT	Oil products	360,000
China	Zhangjiagang	Chemicals	114,700
Netherlands	Europoort	Oil products	160,000
Spain	Barcelona	Oil products	155,200
Estonia	Tallinn	Oil products	75,000
Netherlands	Vlaardingen	Vegetable oils/biofuels	38,100
China	Coajing	Chemicals	30,000
Brazil	Aratu	Chemicals	26,300
Sweden	Gothenburg	Oil products	20,000
Germany	Hamburg	Chemicals	8,900
Mexico	Coatzacoalcos	Chemicals	8,400
China	Ningbo	Chemicals	5,500
New terminals			
Netherlands	Amsterdam Westpoort	Oil products	1,190,000
Netherlands	Gate Rotterdam; 12 billion cbm transmission capacity p.a.	LNG	540,000
Spain	Algeciras	Oil products	403,000
China	Dongguan	Chemicals	153,000
China	Tianjin	Chemicals	95,300
Chile	Mejillones	Chemicals	10,000
Under construction in the period until the end of 2012: 4.0 million cbm			

Developments and studies for growth

Vopak's strategy is aimed at growth leadership, customer leadership and operational efficiency 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 studies, among others, include possibilities for an oil terminal in Hainan (China), an LNG terminal in Fos-sur-Mer (France), and a feasibility study with a joint venture partner, into a storage terminal for oil products in Pengerang, Johor (Malaysia).

Outlook

- Projects under construction will add 4.0 million cbm of storage capacity in the years 2010, 2011 and 2012. The total investment for Vopak and partners in these projects involves capital expenditure of around EUR 1.9 billion, of which Vopak's total remaining cash spend will be around EUR 0.5 billion.
- For 2010 Vopak expects a Group operating profit before depreciation and amortization (EBITDA) of at least EUR 585 million (previously: EUR 560 million).
- Based on its growth strategy and the positive developments in 2010 Vopak could potentially achieve its 2012 guidance of EUR 625-700 million Group operating profit before depreciation and amortization one year earlier.

Risks and uncertainties

In our Annual Report 2009 (on pages 56 to 60) we have extensively described certain risk categories and risk factors which could have a material adverse effect on our strategic objectives, our financial position and results. Those risk categories and risk factors are deemed incorporated and repeated in this report by reference. For the remainder of 2010, we expect that the same risks will still be valid. Although we regularly review our internal and external risk profile, additional risks currently not known to us or believed to be not material, could potentially impact materially.

Financial review

Revenues
In the first six months of 2010, Vopak's revenues were EUR 543.9 million, an increase of 11% compared with the first half of 2009 (EUR 492.1 million), including a positive currency translation effect of EUR 17.3 million.

All divisions contributed to this revenues increase. Besides the currency translation effect, the improved results were driven by new capacity coming on stream and a higher revenue per cbm, partly offset by a slower take up of new capacity at certain terminals.

Group operating profit
The total operating expenses increased by EUR 19.1 million, mainly caused by negative currency translation effects (EUR 10.2 million) and higher depreciation/amortization (EUR 10.6 million).

Our divisions were able to maintain their margins, through a combination of business and operational efficiency improvements. Net expenses not allocated to the divisions, amounted to EUR 20.7 million (HY1 2009: EUR 20.2 million). These expenses include primarily headquarter costs and expenses related to other interests like real estate interests in Rotterdam, our interest in Gate terminal (under construction), and studies to explore other development activities for the storage of LNG.

Group operating profit rose by 21.0% to EUR 222.9 million (HY1 2009: EUR 184.3 million), of which EUR 8.2 million was caused by currency translation.

Net finance costs
The net finance costs amounted to EUR 30.1 million (HY1 2009: EUR 22.5 million). The increase is mainly attributable to the issue of new senior unsecured notes in the Asian and US Private Placement market, during the second half year of 2009.

The average interest rate amounted to 5.4% (HY1 2009: 4.5%). The fixed-to-floating ratio of the long-term interest-bearing loans, including interest rate swaps, amounted to 85% : 15% per 30 June 2010 (30 June 2009: 55% : 45%).

Income tax
The income tax expense for HY1 2010 amounted to EUR 42.5 million (HY1 2009: EUR 34.1 million). The effective tax rate increased from 21.1% for HY1 2009 to 22.0% for HY1 2010 mainly as a result of the release in 2009 of the deferred tax liability of Singapore due to a tax rate reduction and as a result of changes in statutory rates and country shares.

Net profit attributable to holders of ordinary shares
Net profit for the first half year 2010 amounted to EUR 150.3 million and rose by EUR 22.6 million compared to HY1 2009.

The net profit attributable to the holders of financing preference shares increased from EUR 0.6 million in HY1 2009 to EUR 4.1 million in HY1 2010 due to the issuance of new financing preference shares on 31 August 2009.

Net profit attributable to holders of ordinary shares -excluding exceptional items- rose by 15.2% to EUR 132.4 million (HY1 2009: EUR 114.9 million).

Earnings per ordinary share -excluding exceptional items- grew by 13.0% to EUR 1.04 (HY1 2009: EUR 0.92). The weighted average number of outstanding ordinary shares was 127,418,773 for HY1 2010 (HY1 2009: 125,320,740).

Non-current assets
Total non-current assets increased to EUR 3,170.5 million (31 December 2009: EUR 2,730.0 million), mainly due to investments and currency translation effects. For a specification of the movements of intangible assets, property, plant & equipment and financial assets, we refer to note 3 to the condensed interim consolidated financial statements.

Total investments in property, plant and equipment during the first half of 2010 was EUR 170.0 million (HY1 2009: EUR 161.0 million), of which EUR 96.9 million (HY1 2009: EUR 106.3 million) was invested in the expansion of existing terminals and the construction of new terminals.

Please see the growth table on page 5 for further details of the approved plans.

Shareholders' equity
Shareholders' equity rose by EUR 68.1 million in the first half of the year to EUR 1,320.3 million (31 December 2009: EUR 1,252.2 million). The increase mainly came from the addition of the net profit for the first half year, less a dividend payment in cash of EUR 82.4 million. A detailed breakdown is given in the condensed statement of changes in equity on page 18.

Net interest-bearing debt
Net interest-bearing debt increased from EUR 1,017.7 million at 31 December 2009 to EUR 1,426.2 million at 30 June 2010, mainly due to the capital expenditure program, the cash dividend payment and unfavourable exchange rate differences offset by the net cash flow from operating activities. The increased net debt position will lead to higher financing costs.

The Net debt/EBITDA ratio of 2.70 as at 30 June 2010 (31 December 2009: 2.23) is well below the maximum ratio agreed with lenders.

A breakdown of the net interest-bearing debt is given in note 5 on the condensed interim financial statements.

Cash flow
The net cash flows from operating activities in HY1 2010 amounted to EUR 129.1 million and was nearly on the same level as in HY1 2009 (EUR 128.2 million). The increase of the operating cash inflows due to profit improvement was offset by negative realized value adjustments of derivative financial instruments of EUR 63.4 million (HY1 2009: inflow of EUR 14.7 million).

The cash out flow from investing activities increased from EUR 219.7 million in HY1 2009 to EUR 263.0 million in HY1 2010.

The cash out flow from financing activities of EUR 31.9 million (HY1 2009: inflow of EUR 52.7 million) includes the dividend payment of EUR 82.4 million.

Coverage Dutch pension scheme
The expected net periodic pension charge and the impact of employer's contribution on cash flow for 2010, are described on page 129 of the annual report 2009. About 83% of Vopak's pension obligations for defined benefit plans relate to pensions for former and present Dutch employees. The coverage of this scheme decreased from 108% at the end of 2009 to 103% at 30 June 2010, mainly due to the declining interest rate during the first half year 2010 and an additional pension liability of 3.5%, with respect to an increase in life expectancy. Based on this cover ratio, a recovery to the minimum required level within the legal period is still well within range.

The decrease in coverage ratio has neither consequences for the employer's contribution to the Dutch pension scheme nor impact on the net periodic pension charges for 2010.
The employer's contribution for 2010 remains at the maximum of 30% of total salaries, based on the financial agreement between Vopak and the Dutch pension scheme. The impact of changes on the pension liabilities will only become apparent under IFRS in the pension charges for 2011 via the amortization of net actuarial gains and losses not yet recognized (after taking into account the corridor).

Joint ventures and associates
Joint ventures and associates are an important part of the Group for which equity accounting is applied. In the enclosure to this first half year report the effects on the statement of financial position and statement of income of the Group are shown on application of the proportionate consolidation method to the joint ventures and associates, to the extent that tank storage activities are concerned.

Review by Division

Chemicals Europe, Middle East & Africa (CEMEA)

In EUR millions	**HY1 2010**	**HY1 2009**	**Δ%**
Revenues	**163.1**	152.0	**+ 7.3**
Group operating profit before depreciation and amortization (EBITDA)	**71.8**	59.0	**+ 21.7**
Group operating profit (EBIT)	**49.9**	40.5	**+ 23.2**
Group operating profit -excluding exceptional items-	**49.9**	40.3	**+ 23.8**
Average gross capital employed	**974.5**	813.6	**+ 19.8**
Average capital employed	**557.5**	439.9	**+ 26.7**
Return On Capital Employed (ROCE)	**17.9%**	18.4%	
Storage capacity (in million cbm, end of period)	**4.3**	4.2	
Occupancy rate	**90%**	96%	

In HY1 2010, CEMEA (Chemicals Europe, Middle East & Africa) revenues increased by 7% to EUR 163.1 million, mainly driven by capacity expansions in the Netherlands in 2009. Indexation of contract rates and improvement of throughput levels compensated for the lower average occupancy rate. The occupancy rate decreased from 96% in HY1 2009 to 90% in HY1 2010.
While the occupancy rate at CEMEA is not yet back at pre-crisis levels, the activities showed an encouraging recovery in the past months. The currency translation effect on revenues was EUR 1.7 million positive for the reporting period.

CEMEA operating profit -excluding exceptional items- improved to EUR 49.9 million in HY1 2010, compared with the HY1 2009 result of EUR 40.3 million, mainly as a result of capacity additions, tariff improvements, higher throughput-related services income, and a currency translation gain of EUR 0.6 million.

Storage capacity in CEMEA remained more or less stable at 4.3 million cbm during the first half year 2010.

Review by Division (continued)

Oil Europe, Middle East & Africa (OEMEA)

In EUR millions	**HY1 2010**	**HY1 2009**	**Δ%**
Revenues	**139.1**	132.8	**+ 4.7**
Group operating profit before depreciation and amortization (EBITDA)	**90.1**	77.6	**+ 16.1**
Group operating profit (EBIT)	**75.4**	65.1	**+ 15.8**
Group operating profit -excluding exceptional items-	**75.4**	65.1	**+ 15.8**
Average gross capital employed	**734.8**	659.9	**+ 11.4**
Average capital employed	**441.5**	399.6	**+ 10.5**
Return On Capital Employed (ROCE)	**34.2%**	32.6%	
Storage capacity (in million cbm, end of period)	**10.9**	11.2	
Occupancy rate	**95%**	95%	

Revenues of the OEMEA division rose by 5% to EUR 139.1 million (HY1 2009: EUR 132.8 million), driven by overall robust market conditions for storage and handling of oil products. Positive currency translation effects had an impact of EUR 1.4 million on the OEMEA revenues in HY1 2010.

The occupancy rate remained stable at 95%.

Operating profit -excluding exceptional items- increased 16% to EUR 75.4 million (HY1 2009: EUR 65.1 million). Improved revenues, higher result of the joint ventures and reduced operating expenses contributed to the increase in operating profit. The currency translation effect in the HY1 2010 operating result was EUR 0.4 million positive.

In April 2010 Vopak acquired 80% of the shares in the Spanish company Alpetrol, enabling the development of a liquid bulk storage terminal (initial capacity 403,000 cbm) in the port of Algeciras, Spain. Furthermore, Vopak Horizon Fujairah commenced construction of phase VI (606,000 cbm).

Review by Division (continued)

Asia

In EUR millions	HY1 2010	HY1 2009	Δ%
Revenues	**127.3**	100.2	**+ 27.0**
Group operating profit before depreciation and amortization (EBITDA)	**102.5**	81.3	**+ 26.1**
Group operating profit (EBIT)	**78.6**	62.0	**+ 26.8**
Group operating profit -excluding exceptional items-	**78.7**	64.5	**+ 22.0**
Average gross capital employed	**1,279.5**	1,015.4	**+ 26.0**
Average capital employed	**884.4**	696.1	**+ 27.1**
Return On Capital Employed (ROCE)	**17.8%**	17.8%	
Storage capacity (in million cbm, end of period)	**6.8**	6.3	
Occupancy rate	**92%**	95%	

Asian revenues in HY1 2010 rose by 27% to EUR 127.3 million, fueled by large capacity additions in among others Singapore in 2009 and a significant positive currency translation effect on revenues of EUR 9.6 million.

In the first half 2010, the occupancy rate was with 92% lower than in the same period last year (HY1 2009: 95%). In certain local markets, such as Indonesia, it has proved challenging to fully market new capacity.

Increased storage capacity, higher revenues and enhanced economies of scale benefits led to a 22% better operating profit of EUR 78.7 million. Especially the four Singapore terminals had a significant contribution to this profit improvement. Operating profit -excluding exceptional items- of the Asia division includes a currency translation gain of EUR 5.8 million.

In the first half of 2010 the new 250,000 cbm Jakarta terminal was inaugurated, while in Zhangjiagang (China) 74,500 cbm was commissioned, together with a further 7,500 cbm in Banyan (Singapore).

Review by Division (continued)

North America

In EUR millions	**HY1 2010**	**HY1 2009**	**Δ%**
Revenues	**69.0**	68.1	**+ 1.3**
Group operating profit before depreciation and amortization (EBITDA)	**32.7**	28.9	**+ 13.1**
Group operating profit (EBIT)	**25.3**	22.6	**+ 11.9**
Group operating profit -excluding exceptional items-	**25.3**	22.6	**+ 11.9**
Average gross capital employed	**440.0**	401.6	**+ 9.6**
Average capital employed	**267.2**	246.1	**+ 8.6**
Return On Capital Employed (ROCE)	**18.9%**	18.3%	
Storage capacity (in million cbm, end of period)	**5.7**	5.3	
Occupancy rate	**96%**	96%	

In our North America division, revenues for the first half year amounted to EUR 69.0 million, up 1% compared with HY1 2009 (EUR 68.1 million), and primarily driven by a favorable currency translation effect of EUR 1.1 million.

The occupancy rate in the first half of 2010 was stable at 96%.

Operating profit -excluding exceptional items- rose 12% to EUR 25.3 million (HY1 2009: EUR 22.6 million). This increase is largely attributable to Vopak Terminal Bahamas. The currency translation effect is positive with EUR 0.3 million impact on the operating profit.

In the first half of 2010, no additional capacity was commissioned within the division North America.

Review by Division (continued)

Latin America

In EUR millions	**HY1 2010**	HY1 2009	**Δ%**
Revenues	**43.5**	37.4	**+ 16.3**
Group operating profit before depreciation and amortization (EBITDA)	**22.4**	15.6	**+ 43.6**
Group operating profit (EBIT)	**17.2**	11.9	**+ 44.5**
Group operating profit -excluding exceptional items-	**14.4**	11.9	**+ 21.0**
Average gross capital employed	**207.9**	143.4	**+ 45.0**
Average capital employed	**141.7**	93.9	**+ 50.9**
Return On Capital Employed (ROCE)	**24.3%**	25.4%	
Storage capacity (in million cbm, end of period)	**0.9**	0.9	
Occupancy rate	**91%**	89%	

In Latin America revenues showed an 16% rise to EUR 43.5 million (HY1 2009: EUR 37.4 million), which is primarily the result of capacity expansions in Brazil (Alemoa) and Colombia (Cartagena), as well as EUR 3.5 million favorable exchange rate variances.

The occupancy rate in Latin America improved to 91% for the first half compared with 89% in the same period last year.

Fueled by the added earnings capability of the commissioned expansion projects, the Group operating profit -excluding exceptional items- improved to EUR 14.4 million in HY1 2010, 21% better than the same period of the previous year (HY1 2009: EUR 11.9 million). The impact of foreign exchange accounted for EUR 1.4 million of the improvement.

At Alemoa (Brazil) 38,600 cbm of extra capacity was inaugurated in the first quarter.

Statement by the Executive Board

In accordance with the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht)*, section 5:25d, paragraph 2 sub c, we confirm that, to the best of our knowledge:

- the condensed interim consolidated financial statements for the six months ended on 30 June 2010 have been prepared in accordance with IAS 34 (*Interim Financial Reporting)* as adopted by the European Union and give a true and fair view of the assets, liabilities, financial position and profit or loss of Koninklijke Vopak N.V. and its consolidated companies (jointly referred to as the 'Group'); and
- the interim management report for the six months ended at 30 June 2010 gives a fair review of the information required pursuant to section 5:25d, subsections 8 and 9 of the Dutch Financial Markets Supervision Act.

Rotterdam, 26 August 2010

The Executive Board

John Paul Broeders (Chairman)
Jack de Kreij (CFO)
Frits Eulderink

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.

Condensed interim consolidated financial statements

Consolidated statement of income *

In EUR millions		**HY1 2010**		**HY1 2009**
Revenues	**543.9**		492.1	
Other operating income	**3.2**		8.1 [2)]	
Total operating income		**547.1**		**500.2**
Personnel expenses	**139.9**		138.1	
Depreciation, amortization and impairment	**74.4** [1)]		61.7	
Other operating expenses	**149.3**		144.7	
Total operating expenses		**363.6**		344.5
Operating profit		**183.5**		**155.7**
Result of joint ventures and associates, using the equity method		**39.4**		28.6 [3)]
Group operating profit (EBIT)		**222.9**		**184.3**
Interest and dividend income	**2.7**		4.0	
Finance costs	**- 32.8**		- 26.5	
Net finance costs		**- 30.1**		- 22.5
Profit before income tax		**192.8**		**161.8**
Income tax		**- 42.5**		- 34.1
Net profit		**150.3**		**127.7**
Attributable to:				
Holders of ordinary shares	**131.8**		113.8	
Holders of financing preference shares	**4.1**		0.6	
Non-controlling interests	**14.4**		13.3	
Net profit		**150.3**		**127.7**
Earnings per ordinary share		**1.04**		**0.91**
Diluted earnings per ordinary share		**1.04**		**0.91**

** unaudited and also not reviewed by external auditor*

1) including exceptional items of EUR - 0.1 million
2) including exceptional items of EUR 5.9 million
3) including exceptional items of EUR - 5.8 million

Consolidated statement of comprehensive income *

In EUR millions		HY1 2010		HY1 2009
Net profit for the period		**150.3**		**127.7**
Exchange differences and effective portion of hedges on net investments in foreign activities	**54.8**		1.9	
Effective portion of changes in fair value of cash flow hedges	**1.5**		0.4	
Use of effective portion of cash flow hedges to statement of income	**- 1.1**		- 0.6	
Effective portion of changes in fair value of cash flow hedges joint ventures	**- 18.0**		3.5	
Other comprehensive income for the period, net of tax		**37.2**		**5.2**
Total comprehensive income for the period		**187.5**		**132.9**
Attributable to:				
Holders of ordinary shares	**153.7**		119.9	
Holders of financing preference shares	**4.1**		0.6	
Total comprehensive income attributable to shareholders		**157.8**		**120.5**
Non-controlling interests		**29.7**		**12.4**
Total comprehensive income for the period		**187.5**		**132.9**

** unaudited and also not reviewed by external auditor*

Condensed consolidated statement of financial position *

In EUR millions	Note	30/06/10		31/12/09	
Assets					
Intangible assets	3	**54.6**		41.0	
Property, plant and equipment	3	**2,329.8**		2,050.7	
Financial assets	3	**568.1**		496.7	
Deferred taxes		**5.9**		5.6	
Derivative financial instruments		**27.2**		9.3	
Pensions and other employee benefits		**105.7**		98.0	
Other non-current assets		**79.2**		28.7	
Total non-current assets			**3,170.5**		**2,730.0**
Trade and other receivables		**257.6**		182.2	
Financial assets	3	**13.2**		11.0	
Prepayments		**47.2**		20.9	
Derivative financial instruments		**30.8**		2.5	
Cash and cash equivalents	5	**75.5**		189.4	
Total current assets			**424.3**		**406.0**
Total assets			**3,594.8**		**3,136.0**
Equity					
Shareholders' equity	4	**1,320.3**		1,252.2	
Non-controlling interests		**96.0**		80.6	
Total equity			**1,416.3**		**1,332.8**
Liabilities					
Interest-bearing loans	5	**1,205.8**		1,165.2	
Derivative financial instruments		**4.2**		19.8	
Pensions and other employee benefits		**40.1**		43.6	
Deferred taxes		**192.7**		161.5	
Other provisions		**21.7**		22.0	
Total non-current liabilities			**1,464.5**		**1,412.1**
Bank overdrafts	5	**62.3**		16.8	
Interest-bearing loans	5	**233.6**		25.1	
Derivative financial instruments		**27.9**		18.1	
Trade and other payables		**327.1**		280.8	
Taxes payable		**23.2**		25.3	
Pensions and other employee benefits		**17.4**		2.9	
Other provisions		**22.5**		22.1	
Total current liabilities			**714.0**		**391.1**
Total liabilities			**2,178.5**		**1,803.2**
Total equity and liabilities			**3,594.8**		**3,136.0**

** unaudited and also not reviewed by external auditor*

Condensed statement of changes in equity *

In EUR millions	Share capital	Share premium	Treasury shares	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
	Equity attributable to owners of parent							
Balance at 1 January 2009	**81.9**	**165.2**	**- 3.3**	**- 21.2**	**710.4**	**933.0**	**76.0**	**1,009.0**
Total comprehensive income for the period				**6.1**	**114.4**	**120.5**	**12.4**	**132.9**
Issuance of new shares	1.5	48.6				50.1		50.1
Dividend paid in cash					- 19.7	- 19.7	- 7.0	- 26.7
Dividend paid in stock		- 14.6			- 35.4	- 50.0		- 50.0
Repurchase of shares for the long-term incentive plan			- 2.9			- 2.9		- 2.9
Measurement of equity-settled share-based payment arrangements					0.3	0.3		0.3
Treasury shares issued to option holders			0.1			0.1		0.1
Movement revaluation reserve assets				- 0.3	0.3			
Total transactions with owners	**1.5**	**34.0**	**- 2.8**	**- 0.3**	**- 54.5**	**- 22.1**	**- 7.0**	**- 29.1**
Balance at 30 June 2009	**83.4**	**199.2**	**- 6.1**	**- 15.4**	**770.3**	**1,031.4**	**81.4**	**1,112.8**
Balance at 1 January 2010	**84.6**	**281.2**	**- 5.7**	**- 15.4**	**907.5**	**1,252.2**	**80.6**	**1,332.8**
Total comprehensive income for the period				**21.9**	**135.9**	**157.8**	**29.7**	**187.5**
Dividend paid in cash					- 82.4	- 82.4	- 18.6	- 101.0
Repurchase of shares for the long-term incentive plan			- 9.2			- 9.2		- 9.2
Measurement of equity-settled share-based payment arrangements					1.9	1.9		1.9
Non-controlling interest movement due to acquisition							4.3	4.3
Movement revaluation reserve assets				- 0.6	0.6			
Total transactions with owners	**-**	**-**	**- 9.2**	**- 0.6**	**- 79.9**	**- 89.7**	**- 14.3**	**- 104.0**
Balance at 30 June 2010	**84.6**	**281.2**	**- 14.9**	**5.9**	**963.5**	**1,320.3**	**96.0**	**1,416.3**

** unaudited and also not reviewed by external auditor*

Condensed consolidated statement of cash flows *

In EUR millions	HY1 2010		HY1 2009	
Cash flows from operating activities (gross)	**181.3**		170.4	
Interest received	**1.8**		3.3	
Dividend received	**0.9**		0.4	
Net finance costs paid	**- 37.6**		- 24.8	
Income tax paid	**- 17.3**		- 21.1	
Cash flows from operating activities (net)		**129.1**		**128.2**
Intangible assets	**- 3.7**		- 2.7	
Property, plant and equipment	**- 170.0**		- 161.0	
Joint ventures and associates	**- 17.6**		- 21.9	
Loans granted	**- 4.2**		- 18.7	
Other non-current assets	**- 43.6**		- 7.1	
Acquisition of subsidiaries including goodwill	**- 17.3**		- 1.2	
Acquisition of joint ventures and associates	**- 6.6**		-7.1	
Total investments		**- 263.0**		**- 219.7**
Intangible assets	**-**		0.1	
Property, plant and equipment	**0.3**		5.2	
Loans granted	**-**		32.1	
Total disposals		**0.3**		**37.4**
Cash flows from investing activities		**- 262.7**		**- 182.3**
Repayment of interest-bearing loans	**-**		- 15.1	
Proceeds from interest-bearing loans	**62.0**		93.4	
Dividend paid in cash	**- 79.6**		- 18.5	
Repurchase of own shares	**- 9.2**		- 2.9	
Dividend paid on financing preference shares	**- 2.8**		- 1.2	
Options exercised	**-**		0.1	
Movements in short-term financing	**- 2.3**		- 3.1	
Cash flows from financing activities		**- 31.9**		**52.7**
Net cash flows		**- 165.5**		**- 1.4**
Exchange differences		**5.9**		0.3
Net change in cash and cash equivalents due to (de)consolidations		**0.2**		0.1
Net change in cash and cash equivalents (including bank overdrafts)		**- 159.4**		**- 1.0**
Net cash and cash equivalents (including bank overdrafts) at 1 January		**172.6**		**- 24.6**
Net cash and cash equivalents (including bank overdrafts) at 30 June		**13.2**		**- 25.6**

** unaudited and also not reviewed by external auditor*

Segmentation *

Revenues

In EUR millions	HY1 2010	HY1 2009	Δ%
Chemicals Europe, Middle East & Africa	163.1	152.0	7.3
of which the Netherlands	*90.3*	*85.4*	*5.7*
Oil Europe, Middle East & Africa	139.1	132.8	4.7
of which the Netherlands	*102.5*	*93.1*	*10.1*
Asia	127.3	100.2	27.0
of which Singapore	*92.8*	*74.2*	*25.1*
North America	69.0	68.1	1.3
Latin America	43.5	37.4	16.3
Non-allocated	1.9	1.6	
Revenues	**543.9**	**492.1**	**10.5**

Result of joint ventures and associates

In EUR millions	HY1 2010	HY1 2009	Δ%
Chemicals Europe, Middle East & Africa	0.5	0.8	- 37.5
of which the Netherlands	*0.2*	*- 0.2*	-
Oil Europe, Middle East & Africa	18.1	15.9	13.8
of which the Netherlands	*0.8*	*0.8*	-
Asia	16.7	15.5	7.7
of which Singapore	-	-	
North America	4.6	2.1	119.0
Latin America	0.3	0.5	- 40.0
Non-allocated	- 0.8	- 0.4	
Result of joint ventures and associates -excluding exceptional items-	**39.4**	**34.4**	**14.5**
Exceptional items:			
- Asia	-	- 3.3	
- Non-allocated	-	- 2.5	
Result of joint ventures and associates	**39.4**	**28.6**	**37.8**

** unaudited and also not reviewed by external auditor*

Segmentation (continued) *

Group operating profit

In EUR millions	HY1 2010	HY1 2009	Δ%
Chemicals Europe, Middle East & Africa	49.9	40.3	23.8
of which the Netherlands	*29.1*	*22.1*	*31.7*
Oil Europe, Middle East & Africa	75.4	65.1	15.8
of which the Netherlands	*50.9*	*40.7*	*25.1*
Asia	78.7	64.5	22.0
of which Singapore	*53.4*	*42.4*	*25.9*
North America	25.3	22.6	11.9
Latin America	14.4	11.9	21.0
Non-allocated	- 20.7	- 20.2	
Group operating profit -excluding exceptional items-	**223.0**	**184.2**	**21.1**
Exceptional items:			
- Asia	- 0.1	- 2.6	
- Latin America	2.8	-	
- Non-allocated	- 2.8	2.5	
- Chemicals Europe, Middle East and Africa	-	0.2	
Group operating profit (EBIT)	**222.9**	**184.3**	**20.9**

Total assets

In EUR millions	30/06/10	31/12/09	30/06/09
Chemicals Europe, Middle East & Africa	736.3	691.5	686.5
of which the Netherlands	*383.3*	*368.4*	*362.0*
Oil Europe, Middle East & Africa	801.3	685.1	606.1
of which the Netherlands	*488.0*	*425.2*	*356.5*
Asia	1,112.3	948.6	910.0
of which Singapore	*505.6*	*443.5*	*436.7*
North America	373.3	300.1	290.2
Latin America	265.8	178.9	146.9
Non-allocated	305.8	331.8	209.4
Total assets	**3,594.8**	**3,136.0**	**2,849.1**

** unaudited and also not reviewed by external auditor*

Notes to the condensed interim consolidated financial statements

1. General

Koninklijke Vopak N.V. ('Vopak') is a listed company registered in the Netherlands with activities in 31 countries. The condensed interim consolidated financial statements for the first half of 2010 include the figures of Vopak and its subsidiaries (jointly referred to as the 'Group') and the Group's interests in joint ventures and associates, using the equity method.

These condensed interim consolidated financial statements were approved by the Executive Board and the Supervisory Board on 26 August 2010. The consolidated half-year figures have not been audited and reviewed by an external auditor.

Basis of preparation

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34 *Interim financial reporting.* It does not contain all the information required for full financial statements and should be read in conjunction with the audited financial statements included in the 2009 Annual Report.

Accounting policies

The accounting policies and measurement principles used to prepare these condensed interim consolidated financial statements are the same as those used for the balance sheet at 31 December 2009 and the 2009 income statement, except for the adoption of the following amendments.

(a) Accounting for business combinations

The revised standard IFRS 3 *(Business Combinations)* became effective and has been applied by Vopak prospectively for all business combinations as of 1 January 2010. Since there were no significant acquisitions during the first half of 2010, the change did not have a material impact on the consolidated financial statements for the first half of 2010.

The significant changes are: (i) All payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the statement of income; (ii) The acquirer can elect to measure any non-controlling interest on a transaction-by-transaction basis, either at fair value as of the acquisition date or at its proportionate interest in the identifiable assets and liabilities of the acquiree; (iii) When an acquisition is achieved in successive share purchases (step acquisition), the identifiable assets and liabilities of the acquiree are recognized at fair value when control is obtained. A gain or loss is recognized in profit or loss for the difference between the fair value of the previously held equity interest in the acquiree and its carrying amount; and (iv) All acquisition-related costs should be expensed.

(*b) Accounting for acquisitions of non-controlling interests Revised IAS 27*

From 1 January 2010 the Group has applied the revised standard IAS 27 *(Consolidated and Separate Financial Statements)* in accounting for transactions with non-controlling interests. The change has been applied prospectively, and as there were no transactions with non-controlling interests there was no impact on the consolidated financial statements for the first half year 2010.

The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognized in profit or loss.

(c) Accounting for non-current assets held-for-sale and discontinued operations

The amendment *to IFRS 5 (Non-current assets held-for-sale and discontinued operations)* became effective and has been applied by the Group as of 1 January 2010. Since there were no disposal sale plans there was no impact on the consolidated financial statements for the first half year 2010.

The amendment clarifies that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control. Relevant disclosures should be made for this subsidiary if the definition of a discontinued operation is met.

(d) Other amendments and new interpretations

Other amendments to existing standards and new interpretations have been published and are mandatory for the Group's accounting periods beginning on 1 January 2010. These amendments in standards and new interpretations are effective as from 1 January 2010 and are applied by the Group but have no significant impact on the Group's basis of consolidation and disclosure requirements.

Estimates

The preparation of the condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim consolidated financial statements, the significant estimates and judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to consolidated financial statements as at and for the year ended 31 December 2009, except for the following:

(a) Taxes

Taxes on income in the condensed interim consolidated financial statements are accrued using the tax rates that would be applicable to expected annual profit before income tax.

(b) Impairment of goodwill and intangible assets

The Group performs its annual impairment test on goodwill, intangible assets with indefinite useful life and intangible assets that are not yet available for use, in the fourth quarter of each year.

2. Consolidation changes

There were no important changes in the composition of the consolidated Group in the first half year 2010. On 28 April 2010 we acquired a 80% stake in Alpetrol for the construction of a Greenfield terminal in the Bay of Algeciras (Spain). The acquisition price amounted to EUR 17.3 million and has been accounted for using the purchase method of accounting, resulting in no recognition of goodwill.

The acquisition is deemed immaterial in respect of IFRS disclosures. The purchase price is mainly attributed to intangible assets and property, plant and equipment.

Acquisition-related costs of EUR 0.2 million are included in the income statement.

For a list of the principal subsidiaries we refer to page 162 of the Annual Report 2009.

3. Intangible assets, property, plant & equipment and financial assets

In EUR millions	Intangible assets	Property, plant & equipment	Financial assets
Carrying amount at 1 January 2010	**41.0**	**2,050.7**	**507.7**
Acquisitions	11.5	9.7	6.6
Additions	3.7	170.0	17.6
Disposals		- 0.5	
Amortization and depreciation	- 3.5	- 70.9	
Share in profit joint ventures and associates			39.4
Fair value changes of derivative financial instruments at joint ventures			- 18.0
Loans granted			4.2
Dividends received			- 37.3
Exchange differences	1.9	170.8	61.1
Carrying amount at 30 June 2010	**54.6**	**2,329.8**	**581.3**
Non-current	54.6	2,329.8	568.1
Current			13.2
Carrying amount at 30 June 2010	**54.6**	**2,329.8**	**581.3**

4. Issued capital, share premium and treasury shares

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

	Numbers				Amounts		
	Issued ordinary shares	Financing Preference shares	Total shares	Treasury shares	Issued capital	Share premium	Treasury shares
Balance at 1 January 2009	**124,901,312**	**38,902,000**	**163,803,312**	**- 240,000**	**81.9**	**165.2**	**- 3.3**
Issuance ordinary shares	2,934,118		2,934,118		1.5	48.6	
Dividend paid in stock						- 14.6	
Repurchase of own shares				- 190,000			- 2.9
Issued to option holders				20,000			0.1
Balance at 30 June 2009	**127,835,430**	**38,902,000**	**166,737,430**	**- 410,000**	**83.4**	**199.2**	**- 6.1**
Balance at 1 January 2010	**127,835,430**	**41,400,000**	**169,235,430**	**- 360,000**	**84.6**	**281.2**	**- 5.7**
Repurchase of own shares				- 300,000			- 9.2
Balance at 30 June 2010	**127,835,430**	**41,400,000**	**169,235,430**	**- 660,000**	**84.6**	**281.2**	**- 14.9**

(a) Split of shares
Following the resolution of the Annual General Meeting of Shareholders held on 27 April 2010 the articles of association were amended on 17 May 2010 resulting in a 1:2 split of all share classes. Each ordinary share, each cumulative preference share and each cumulative finance preference share with a nominal value of EUR 1.- each are splitted into two shares of the same class having a nominal value of EUR 0.50 each. In the above statement the comparable numbers of shares have been restated as well.

(b) Treasury shares
During the Annual General Meeting held in April 2010 the new long-term variable income plan for the members of the Executive Board has been approved. The new plan provides for a reward of which 50% will be in shares and 50% in cash. The value of the reward will depend on growth in earnings per share and share price developments during a four-year performance period (2010 through 2013).

Under this new plan 101,690 shares and the countervalue of 101,690 shares in cash were conditionally awarded to the members of the Executive Board and other senior managers of the company in the first six months of 2010.

During the period under review Vopak repurchased 300,000 own shares to cover future obligations as a result of the Long Term Incentive Plans for the Executive Board and senior management. The shares will be granted if specific financial performance criteria are met. The average purchase price is EUR 30.66 per share.

5. Net interest-bearing debt

The net interest-bearing debt is specified as follows:

In EUR millions	**30/6/10**	**31/12/09**
Non-current portion of interest-bearing loans	- 1,205.8	- 1,165.2
Current portion of interest-bearing loans	- 233.6	- 25.1
Total interest-bearing loans	**- 1,439.4**	- 1,190.3
Cash and cash equivalents	75.5	189.4
Bank overdrafts	- 62.3	- 16.8
Net interest-bearing debt	**- 1,426.2**	**- 1,017.7**

The increase of the interest-bearing loans by EUR 249 million is mainly caused by exchange rate differences (EUR 189 million) and a drawdown from the credit facility (EUR 62 million).

Of the EUR 1 billion credit facility EUR 938 million is available for further growth at 30 June 2010.

6. Investment commitments undertaken

The investment commitments undertaken amounted to EUR 215.3 million as at 31 December 2009 and have increased to approximately EUR 277 million as at 30 June 2010 mainly due to expansion of the capacity of Westpoort Terminal (the Netherlands). The 620,000 cubic meters of storage capacity provided by phase 1, which is already under construction, will be increased by a further 570,000 cubic meters.

7. Related party disclosures

There has been no major change in the companies and individuals comprising related parties of Vopak and its subsidiaries (note 37 of the Annual Report 2009). During the Annual General Meeting of Shareholders on 27 April 2010 Mr F.Eulderink has been appointed as a member of the Executive Board with effect of 28 April 2010 and Mr C.J. van den Driest, member of the Supervisory Board, has been reappointed. Both appointments are for the maximum term of office of 4 years.

There have been no significant related party transaction.

8. Subsequent events

Subsequent events have been evaluated by the Group until 26 August 2010, which is the issuance date of this interim report 2010.

On 23 August 2010, the Supervisory Board of Royal Vopak N.V. announced the departure of its current Chairman of the Executive Board, John Paul Broeders, who will leave Vopak because he has accepted an offer to become Chairman of the Executive Board of SHV Holdings. The Board has decided to appoint Eelco Hoekstra, the current President of Vopak's Asia Division, as his successor. On November 11, 2010 an Extraordinary Meeting of Shareholders will be held in respect of this nomination. A formal announcement of this meeting including the agenda and the explanatory notes thereof will be published in due time.

Enclosure

Vopak consolidated including proportional consolidation of joint ventures in tank storage activities *

In EUR millions	**HY1 2010**	**HY1 2009**
Statement of income		
Revenue	**669.0**	601.7
Operating profit before depreciation and amortization (EBITDA)	**331.4**	278.2
Group operating profit (EBIT)	**237.2**	199.5
Net profit attributable to shareholders	**135.9**	114.4
Net profit attributable to holders of ordinary shares	**131.8**	113.8
Statement of financial position		
Non-current assets	**3,642.9**	2,815.9
Current assets	**530.2**	428.3
Total assets	**4,173.1**	3,244.2
Non-current liabilities	**1,919.4**	1,538.7
Current liabilities	**837.4**	592.7
Total liabilities	**2,756.8**	2,131.4
Total equity	**1,416.3**	**1,112.8**
Financial ratios		
Interest cover	**9.3**	8.8
Net debt : EBITDA	**2.74**	2.50

** unaudited and also not reviewed by external auditor*