Royal Vopak
Annual Report 2004

Key data

Net turnover
EUR 642.1 million

Net profit
EUR 88.6 million

Net earnings
per ordinary share
EUR 1.37

Employees
3,428

Tank terminals
72

Royal Vopak
Annual Report 2004

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

Copies of the Dutch and English versions of this annual report can be obtained from Royal Vopak, Corporate Communication & Investor Relations:
Telephone: +31 10 4002778
Fax : +31 10 4047302
E-mail : investor.relations@vopak.com

The annual report is also available on the internet:
www.vopak.com

Koninklijke Vopak N.V. (Royal Vopak)
Westerlaan 10, 3016 CK Rotterdam, the Netherlands
P.O. Box 863, 3000 AW Rotterdam, the Netherlands
Telephone: +31 10 4002911
Fax : +31 10 4139829
E-mail : info@vopak.com
Internet : www.vopak.com

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Contents

Profile

Professionals in liquid bulk logistics

Royal Vopak is a global independent tank terminal operator specialising in the storage and handling of liquid and gaseous chemical and oil products. Upon request, Vopak can provide complementary logistics services for customers at its terminals. Vopak operates 72 terminals with a storage capacity of more than 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 which Vopak stores a large variety of products destined for a wide range of industries.

Vopak is organised by market regions. Its terminals in Rotterdam/Antwerp, Houston and Singapore are key hubs in the worldwide logistics industry for chemical and oil products. At these hubs, Vopak offers all terminal functions, including the transhipment and storage of products exported to other countries or regions and imported for distribution on the local market. The other locations specialise in just one of these functions. In addition, Vopak operates industrial terminals at a number of locations. These terminals are integrated into large chemical complexes or refineries to support local logistics and import/export activities, with terminal functions being outsourced to Vopak under long-term contracts.

Vopak's strength lies in a combination of factors:

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

Vopak's strategy is to strengthen its global market leadership through the further expansion and optimisation of its tank terminal network and the provision of coherent customer-specific logistics concepts.

Policy

Policy highlights

Key features

- High quality, professional services
- Safety, health and the environment as critical success factors
- Focus on tank terminals and complementary logistics services for customers at the terminals
- Decisive organisation with attractive career opportunities
- Long-term relationships with customers
- Strategic alliances with other professional service providers
- Equitable balance between the interests of the various stakeholders
- Sustainability through respect for people, the environment and society

Financial objectives

- Return on average capital employed (ROCE) of 16%
- Net debt : EBITDA maximised at 2.5 : 1.0
  after 2004 maximised at 3 : 1

Tank Terminal-Plus Strategy

- Expand and optimise the terminal network
- Expand and optimise existing terminals
- Selective acquisitions
- Focus on industrial terminals
- Offering integrated logistics concepts

2002
- 300,000 cbm additional capacity at Fujairah, United Arab Emirates
- 100,000 cbm additional capacity at Sebarok terminal, Singapore
- Start of product specialisation at Botlek and Europoort terminals, the Netherlands
- Start of construction of Shanghai industrial terminal
- Alliance with Bröstrom for ocean-going shipping
- Interstream Barging established for inland shipping of oil products

2003
- 61,000 cbm additional capacity in Thailand in 2003/2004
- Acquisition of Shell's terminal interest in Tianjin, China
- Addition of ethylene tank to capacity acquired at Tianjin terminal, China
- Conversion of Europoort terminal to increase fuel oil capacity
- Start of new jetty construction for barges at Europoort, the Netherlands
- Construction of stainless steel tanks in Vlaardingen, the Netherlands 11,000 cbm
- Acquisition of HCI/Brenntag's terminals in Venezuela and Colombia and an interest in a terminal in Ecuador
- Acquisition of Dow Chemical terminal in Long Beach, California, USA
- Alliance with Stolt Nielsen in Asia

2004
- Acquisition of terminal and additional capacity in Tallinn, Estonia, of 34,000 cbm plus construction rights for expansion of 55,000 cbm
- 17,000 cbm additional chemical capacity at Santos, Brazil
- Completion of the Europoort terminal conversion to increase fuel oil capacity
- New barging jetty brought into use at Europoort terminal, the Netherlands
- 7,500 cbm additional chemicals capacity in Antwerp, Belgium
- Acquisition of terminal in Malmö, Sweden
- Part of the first phase of the Shanghai industrial terminal of 66,000 cbm on stream
- Start of terminal construction in Darwin, Australia
- Start of terminal construction in Banyan, Singapore
- Joint venture with Cosco in China for land-based chemical logistics

Improve financial ratios

- Reduce net debt from EUR 820 million to at most EUR 700 million
- Dividend 25% to 40% of net profit
- Reduce the cost base
- Sell less profitable non-core activities

2002
- Net interest-bearing debt EUR 782.7 million
- Sale of Clarkson
- Sale of COSM
- Sale of interest in Bröstrom
- Dividend: 28.7% of net profit for holders of ordinary shares
- 2002 capital expenditure lower than depreciation

2003
- Net interest-bearing debt EUR 608.5 million
- Sale of Chemgas
- Sale of interest in Van Ommeren Clipper Shipholdings
- Sale of interest in Dockwise Transport, Dutch P&I and Dutch Shipping Defence
- Optional dividend: 30% of net profit for holders of ordinary shares
- Completion of head office rationalisation

2004
- Net interest-bearing debt EUR 500.7 million
- Sale of Vopak Chemical Tankers
- Sale of Swiss mineral oil shipping activities
- Sale of chemical warehouses in Rotterdam and Antwerp
- Proposed optional dividend: 36% of net profit for holders of ordinary shares
- Cumulative financing preference shares restructured
- Early repayment of a specific part of long-term debt

Key figures

in EUR millions	2004	2003
Results		
Net turnover	**642.1**	749.6
EBITDA including profit of participating interests	**235.3**	307.2
EBIT	**146.9**	192.2
Net profit	**88.6**	104.5
Net profit for holders of ordinary shares	**81.7**	97.6
Net cash flow from operating activities	**141.6**	203.4
Investments		
Net investments in tangible and financial fixed assets and group companies	**- 14.1**	46.9
Average gross capital employed	**2,048.7**	2,302.6
Average capital employed	**1,112.5**	1,336.0
Proposed profit appropriation		
Dividend:		
Cumulative financing preference shares	**6.9**	6.9
Ordinary shares*	**30.5**	30.0
Capital and financing		
Shareholders' equity	**545.0**	521.2
Long-term liabilities	**581.4**	695.5
Net interest-bearing debt	**500.7**	608.5
Ratios		
ROCE	**13.2%**	14.4%
Current assets : current liabilities	**1.3**	1.4
Net debt : EBITDA	**2.17**	2.42
Interest cover (EBITDA : net interest)	**5.0**	5.6
Key figures per share		
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

* *Optional in cash or shares*

Report of the Supervisory Board

Financial statements

We have the pleasure of presenting the 2004 financial statements of Royal Vopak as prepared by the Executive Board. In anticipation of the application of International Financial Reporting Standards (IFRS) with effect from 1 January 2005, the notes on pages 77 to 83 include comparative figures prepared in accordance with current IFRS guidelines.

The financial statements have been audited by the external auditors, PricewaterhouseCoopers Accountants N.V., and discussed with them on the basis of their report. The unqualified auditors' report is included on page 84. We approved the financial statements at our meeting on 3 March 2005 and recommend that you adopt them.

We approve the Executive Board's proposal to distribute, after the distribution on the cumulative financing preference shares, EUR 30.5 million in cash or in shares as dividend to holders of ordinary shares and to add the remaining EUR 51.2 million to other reserves.

Corporate Governance

In consultation with the Executive Board, we made certain changes in the Corporate governance structure last year that were discussed at the Annual General Meeting held in May 2004. In December 2004 we approved amendments to the Articles of Association of Koninklijke Vopak N.V., the Articles of Association of Stichting Administratiekantoor Financieringspreferente Aandelen Vopak (the 'Foundation') and the Foundation's administration conditions. We did so in part to incorporate the various provisions of the Dutch Corporate Governance Code (the 'Code') and the Act of 9 July 2004 to amend Book 2 of the Dutch Civil Code into the Articles of Association and in part to formalise the limited continuation of the cumulative financing preference shares.

The main points of Vopak's Corporate governance structure have been further refined and are considered in a separate section of this report. The structure will also be considered as a separate agenda item at this year's Annual General Meeting.

This report on the Supervisory Board's performance and work in the past year and in the period up to the publication of this annual report has been prepared in accordance with the provisions of the Code.

In our opinion, the Supervisory Board's composition satisfies the independence criteria set in the Code's Best Practice provisions. As is known, however, Mr M. van der Vorm does not satisfy all the Code's independence criteria. Mr van der Vorm is also Chairman of the Executive Board of HAL Holding N.V., which company has an interest in Koninklijke Vopak N.V. The information on the members of the Supervisory Board required by the Code is presented on page 87 of this annual report.

Supervision

The Supervisory Board met on five occasions during the year in accordance with a prearranged timetable. None of the Supervisory Board members was frequently absent from the Supervisory Board meetings.

Within the framework of the Supervisory Board's supervision, these meetings discussed the company's operational and financial objectives and considered in detail the strategy (including the associated preconditions), budget, financing, internal quarterly, half-year and annual financial reports and the progress made with ongoing projects. The external auditor was present during the consideration of the annual results; the audit report issued by the external auditor was also discussed at that meeting. The minutes of the Audit Committee meetings were discussed at the following Supervisory Board meeting.

The Supervisory Board also discussed the amendment to the Articles of Association of Koninklijke Vopak N.V., the Articles of Association of the Foundation and the Foundation's administration conditions and the related limited continuation of the cumulative financing preference shares subject to more flexible conditions. To avoid one member of the Supervisory Board having a possible conflict of interest, we approved the conditions set for the limited continuation of the cumulative financing preference shares, such in compliance with the Code's Best Practice provisions III.6. The amended Articles of Association of Koninklijke Vopak N.V. and the Foundation and the Foundation's amended administration conditions are available from the corporate governance section of the company's website, www.vopak.com.

In addition, the Supervisory Board considered Vopak's policy on Safety, Health and Environmental issues (SHE), Human Resources and the ICT strategy and was briefed by the relevant members of staff. The Supervisory Board further considered proposals for various investment and alliance projects in among others Asia, Australia and North America and the sale of non-core activities.

Finally, the Supervisory Board and the Executive Board together discussed the corporate strategy and the associated risks and the results of the Executive Board's review of the design and operation of the internal risk management and control systems. To familiarise themselves with Human Resource Planning, several members of the Supervisory Board attended various sessions of the annual Corporate Management meeting.

At a meeting not attended by the Executive Board, the Supervisory Board evaluated its own performance and that of the Executive Board and the individual members of both bodies. The Supervisory Board also considered its required profile, composition and competences.

Core committees

During the 2004 financial year, the Supervisory Board had an Audit Committee, a Selection and Appointment Committee and a Remuneration Committee. The composition of these committees is presented on page 87 of this annual report.

Audit Committee

The Audit Committee met on five occasions in 2004. Four of the meetings were attended by the external auditor. The Audit Committee's core tasks included extensive reviews of financial reports before they were considered at plenary meetings of the Supervisory Board, the debt structure, the introduction of IFRS, currency management, the risks attached to the company's operational, commercial and financial activities and the design and operation of the related internal risk management and control systems. In addition, the Committee considered the engagement awarded to the external auditor and the allocation of tasks between the internal and the external auditors.

Selection and Appointment Committee

The Selection and Appointment Committee met on three occasions to consider the re-appointment of a member of the Supervisory Board, the appointment of a new member of the Supervisory Board and the size and composition of both the Supervisory Board and the Executive Board.

Remuneration Committee

The Remuneration Committee met on three occasions during the year. During the meetings it set the Executive Board's bonus for 2003, agreed personal targets with the members of the Executive Board for 2004 and set out the existing financial targets in greater detail in the 2004 Bonus Plan. Finally, a proposal was made to change the remuneration policy currently in place for the members of the Executive Board and proposals were prepared regarding the fixed and variable salary components for Messrs De Kreij and Broeders for 2005. All the Committee's proposals on the above points were considered and approved by the full Supervisory Board.

Main points of the remuneration report

The Annual General Meeting adopted the remuneration policy for the first time in May 2004. The remuneration report prepared by the Remuneration Committee and adopted by the Supervisory Board on 3 March 2005 explains how the remuneration policy was implemented in the 2004 financial year and also outlines the Supervisory Board's proposals for the remuneration policy for the year 2005 and subsequent financial years. The remuneration report has been placed on the company's website.

In accordance with the remuneration policy, we agreed Mr Broeders' total remuneration package in anticipation of his appointment to the Executive Board at the 2004 Annual General Meeting. His package consists of a fixed salary, a short-term variable component not exceeding 50% of the fixed salary, option rights to 20,000 shares and a defined contribution pension scheme with a retirement age of 62. Should a severance payment become payable, it will be calculated in accordance with the Code's provision.

At year-end 2004 we revised the fixed salary components of two members of the Executive Board for the 2005 financial year on the recommendation of the Remuneration Committee. These components now amount to EUR 390,000 for Mr J.P. de Kreij and EUR 270,000 for Mr J.P.H. Broeders. In making these changes to the fixed components, we kept in mind that the Executive Directors' remuneration should remain appropriate to their work and responsibilities as graded by the Hay Group Job Evaluation Scheme. In accordance with the remuneration policy, we awarded Messrs De Kreij and Broeders a short-term variable component of EUR 100,000 and EUR 60,000 respectively in respect of their performance in 2004.

In accordance with their employment contracts, in 2004 we granted Messrs De Kreij and Broeders 25,000 and 20,000 option rights respectively with exercise prices of EUR 15.05 and EUR 13.75 respectively. Mr Van den Driest's remuneration package for the 2004 financial year was unchanged.

We propose that the policy regarding both the short-term and the long-term variable components of the Executive Board's remuneration be changed in respect of 2005 and subsequent financial years. The new remuneration policy will be submitted to the Annual General Meeting for adoption. For 2005, we propose that the financial performance criteria for the short-term variable component be revised and the maximum bonus be increased to 60% of the fixed gross salary component. The financial criteria include an increase in earnings per share of between 8% and 12% in comparison with the previous year. If these criteria are met, the variable salary component will increase pro rata from 0% to at most 20% of the fixed gross salary. In addition, if the ROCE is at least 13%, 2.5% of the fixed gross salary will be payable. This variable payment will rise pro rata to a maximum of 20% of gross fixed salary if the absolute ROCE is 16% or higher. On the realisation of the personal targets agreed each year, each member of the Executive Board can receive a further 20% of his gross fixed salary.

The long-term variable component is currently related to the increase in share price and has two variants. In accordance with their employment contracts, two members of the Executive Board are granted option rights that cannot be exercised within three years of their being granted. Under the second variant, the Executive Board's Chairman has been granted a right to 0.5% of the increase in market capitalisation as from his appointment on 1 July 2002 (with a minimum of EUR 200,000 and a maximum of EUR 1 million).

We also propose that the current long-term variable component be replaced with a new scheme in which the long-term remuneration component is a cash distribution based on the development of earnings per share over a three year period with settlement in the fourth year. Should earnings per share increase by at least 25% during the three-year period, in the fourth year the members of the Executive Board will receive 60% of their average fixed salaries during the three-year period. The percentage can rise to 120% should earnings per share increase by 35% or more during the period. Since the long-tem variable payment made to the Chairman of the Executive Board ends on 1 July 2005, the short-term and long-term variable remuneration components for the members of the Executive Board will also be applicable pro rata to Mr Van den Driest as of that date.

Composition of the Supervisory Board

At his own request Mr J.M. Hessels will stand down at the forthcoming Annual General Meeting in order to comply with the Code's provisions regarding the maximum number of supervisory directorships a person may hold. We are extremely grateful to Mr Hessels for the valuable contribution he has made over nearly 13 years to the development of the company and its predecessor in title. Following the appointment of Mr F.J.G.M. Cremers in 2004, the Supervisory Board will again consist of five members as from the forthcoming Annual General Meeting.

Finally, we would like to express our sincere gratitude to the Executive Board and all members of staff for their dedication and the results they achieved in the past year.

Rotterdam, 3 March 2005

On behalf of the Supervisory Board

J.D. Bax
Chairman

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

Executive Board, left to right:
Carel van den Driest
John Paul Broeders
Jack de Kreij

Although operating profit declined from EUR 192.2 million in 2003 to EUR 146.9 million in 2004, we again made progress with our core activities in 2004. With the exception of the chemical storage operations in North America and the Netherlands, all core activities turned in higher results. The terminal network was enlarged with additional capacity in Estonia, Brazil, Sweden, China and Belgium. We have a healthy cash flow, the debt position has been further reduced and the foundations for growth have again been strengthened. We also took steps throughout the company to implement the SHE policy, and with good result.

Results

The year 2004 was coloured by the absence of global economic recovery, high oil prices, a weaker dollar and disappointing output volumes in the chemical industry. At EUR 152.9 million, operating profit on core activities excluding exceptional items remained at a healthy level. After adjustment for currency translation differences, in particular the weaker dollar, the figure was 10% higher. Net profit came to EUR 88.6 million (2003: EUR 104.5 million).

The growing structural imbalance on world oil markets led to record throughputs of fuel oil in Rotterdam and Singapore. In addition, the Oil Europe, Middle East & Africa division's results were lifted by record volumes in Tallinn. With the industrial terminals in Asia performing particularly strongly, the Asia division again reported growth despite the weakness of the dollar and dollar-related currencies against the euro.

Results in Latin America, too, were higher. In North America and the Netherlands, however, chemical storage results were lower. On the North American market, volumes came under pressure from low production and the chemical industry's strong focus on cost control and efficiency gains. In the Netherlands, Vopak was affected by a decline in the storage of commodity chemicals on the spot market.

On course

Our divestment programme for non-core activities neared completion in early 2004 with the sale of the chemical tankers. With our sharp focus, clear direction and solid financial base, we can now concentrate fully on sustainable growth. The goal is to strengthen the position in regions in which we are already active by expanding existing capacity, making selective acquisitions and constructing new facilities. Our strategy is to anticipate market developments by seeking out the best locations at the right moment. There are more than enough promising opportunities to realise controlled growth in this way.

With industrial growth in Asia reaching unprecedented levels, the opportunities to develop our industrial terminal concept are particularly promising on that continent. We have already introduced the concept in Singapore, Malaysia, Thailand and Pakistan and are investing in the construction of such a terminal in China (Shanghai). Part of the first phase came on stream at the end of 2004. We also entered into a joint venture with Cosco Logistics Company Limited for land-based chemical logistics in China. This is a good example of how we are implementing our Tank Terminal-Plus strategy of offering customers complementary services.

In Australia, we concluded 20-year contracts with three oil companies for the new terminal we are building in Darwin. Latin America, too, is an interesting growth market, particularly in view of our prominence there as a prestigious tank terminal operator. The acquisition of four terminals in 2003 gave us near complete coverage in Latin America. Last year we increased our capacity in Brazil (Santos).

There is a structural geographical imbalance between production and consumption in the oil markets. This is vividly illustrated by the increased consumption of fuel oil in China. The volume of fuel oil passing through the transit port of Rotterdam has tripled in recent years. There has also been strong growth in the Rotterdam and Singapore bunker markets. We have made significant investments in additional storage, loading and unloading capacity at the Rotterdam Europoort terminal in recent years to handle the growing volumes of fuel oil and we intend to increase the storage capacity in the coming year by a further 300,000 cbm. We have also strengthened our position in the oil market through the acquisition of terminals in Tallinn (Estonia) and Malmö (Sweden).

In addition to growth, we maintain our focus on cost management and quality improvements. In the Benelux we launched a series of programmes in 2004 to improve the efficiency and effectiveness of operational processes.

Entrepreneurship and quality

Profitable growth is a product of commercial and operational excellence. Critical success factors in a dynamic, demanding market with multinational and local customer profiles are entrepreneurship, service, quality, and safety, health and environment (SHE). Our divisional organisation is based on local market conditions. The personal customer approach brought about by such decentralisation is recognised and appreciated throughout the market. The terminals themselves are interlinked members of a strong network organisation in which SHE, Technique, HR, Operations, Marketing and Finance are firmly embedded to ensure the development of best practices. We recognise the importance of knowledge and continuously invest in the development and exchange of know-how at all levels and in all regions. To this end, a growing number of the managers at our terminals outside the Netherlands are local employees. SHE policy is also an integral part of our operations and line managers have a direct responsibility for it. In 2004 we developed new initiatives to arrive at even higher safety standards. We systematically communicated our 'Vopak Fundamentals on Safety' to all members of staff worldwide. Continuous good performance makes Vopak an excellent company and also gives us a competitive edge.

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.

We are on course and will continue to make progress in 2005, step by step and driven by entrepreneurship. In doing so, we are extremely grateful for the support of everyone who is working with us on achieving our goal: our customers, our employees, our shareholders and our partners.

Rotterdam, 3 March 2005

Carel van den Driest
Chairman of the Executive Board
Royal Vopak

Report

Report of the Executive Board

Financial performance

Accounting standards

Vopak will prepare its financial statements in accordance with International Financial Reporting Standards (IFRS) with effect from the 2005 financial year. Comparative figures for the 2004 financial year will also be based on applicable IFRS. The financial statements in this report have been prepared and presented in accordance with the current Guidelines for Annual Reporting in the Netherlands and also include an explanation of the consequences for the financial reporting of the application of IFRS. The information in this section is based on the figures according to current Guidelines for Annual Reporting in the Netherlands.

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 globally. 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.

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 fourth 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.

Turnover

Vopak realised net turnover of EUR 642.1 million in 2004. Net turnover in 2003 was EUR 749.6 million, including EUR 117.4 million from non-core activities that have since been sold. After adjustment for currency translation differences (EUR 21.1 million) and disposals, net turnover increased by EUR 31.0 million in comparison with 2003.

The Chemicals Europe, Middle East & Africa division's net turnover for 2004 was EUR 245.4 million, virtually the same as that for 2003 (EUR 243.3 million). Currency translation differences had little effect on this division's turnover (EUR 1.1 million positive). The Rotterdam chemical terminals suffered from adverse conditions for the storage of spot commodity chemicals in the first six months of the year. A marked recovery in market conditions in the fourth quarter led to a pronounced increase in turnover.

The Oil Europe, Middle East & Africa division's net turnover developed favourably in 2004 and came to EUR 128.9 million (2003: EUR 115.7 million). Currency translation differences had a minimal effect on the division's turnover. The oil terminals in Rotterdam had an excellent year, thanks mainly to the sharp rise in the storage and throughput of fuel oil. New records were set for throughput and occupancy rates especially in the second half of the year. The terminal in Tallinn (Estonia) again succeeded in increasing its throughput in 2004.

The Asia division's net turnover was reduced by negative currency translation differences of EUR 6.1 million to EUR 92.2 million in 2004 (2003: EUR 93.8 million). The turnover comprises revenue from the group companies in Australia, Singapore and Lanshan (China). All other tank terminal activities in Asia are carried out by joint ventures. Their results are recognised under profit of participating interests. The average occupancy rate at both the oil and the chemical terminals was above 90%.

Turnover in North America was stable in local currency. When translated into euros, net turnover came to EUR 96.6 million (2003: EUR 104.8 million), the currency translation effect was EUR 12.1 million negative. Occupancy rates fell due to uncertainty in the chemical industry but this was more than offset by higher throughput volumes.

In Latin America, turnover developed favourably thanks to the terminals acquired in Venezuela and Colombia in 2003. Despite negative currency translation differences of EUR 3.9 million, net turnover increased to EUR 45.9 million (2003: EUR 40.1 million).

Net turnover

In EUR millions	2004	2003
Chemicals Europe, Middle East & Africa	245.4	243.3
Oil Europe, Middle East & Africa	128.9	115.7
Asia	92.2	93.8
North America	96.6	104.8
Latin America	45.9	40.1
Other	1.6	0.8
Core activities	610.6	598.5
Discontinuation of operating activities	31.5	151.1
Total	642.1	749.6

Group operating profit excluding exceptional items and EBITDA

In EUR millions	2004	2003
Chemicals Europe, Middle East & Africa	34.5	36.8
Oil Europe, Middle East & Africa	48.7	41.5
Asia	57.0	56.3
North America	15.4	21.6
Latin America	16.6	14.3
Other	- 19.3	- 22.2
Group operating profit core activities excluding exceptional items	152.9	148.3
Discontinuation of operating activities	- 2.0	18.4
Group operating profit excluding exceptional items	150.9	166.7
Exceptional items	- 4.0	25.5
Group operating profit (EBIT)	146.9	192.2
Depreciation and amortisation	88.4	115.0
Group operating profit before depreciation and amortisation (EBITDA)	235.3	307.2

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

In EUR millions	2004	2003
Profit of participating interests in tank storage (on a 100% 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 net profit of participating interests		
Tank terminals	**32.7**	28.6
Other results of participating interests	**- 0.9**	8.6
Result 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 (on a 100% basis)		
Assets	**657.7**	611.3
Liabilities	**- 45.2**	- 39.3
Capital employed	**612.5**	572.0
Vopak's share in net equity of participating interests		
Tank terminals	**166.3**	145.4
Net equity of other participating interests	**11.4**	14.9
Total net equity of participating interests	**177.7**	160.3
Financial ratios of participating interests in tank storage (on a 100% basis)		
Interest cover	**24.4**	16.7
Net debt : EBITDA	**1.3**	1.3

Profit of participating interests

The profit of non-consolidated participating interests fell by EUR 10.9 million to EUR 31.6 million (2003: EUR 42.5 million). The decline was due entirely to the disposal of non-core activities. After adjustment for negative currency translation differences (EUR 2.6 million), non-consolidated participating interests increased their profit on core activities by EUR 6.3 million in comparison with 2003. Higher volumes and occupancy rates at the participating interests in Estonia and Asia made a positive contribution.

To provide a good view of the results of participating interests in tank terminals, the table on this page shows their key figures on a 100% basis.

Disposals

As part of its Tank Terminal-Plus strategy, Vopak sold its interests in Vopak Chemical Tankers, the chemical warehouses in Rotterdam and Antwerp and the mineral oil shipping activities in Switzerland in 2004. On balance, these disposals raised EUR 139.1 million and reduced the number of employees by 543.

The sale of several smaller non-core activities planned for 2005 will complete the disposal programme launched under the Tank Terminal-Plus strategy in 2003.

Exceptional items

Operating profit for 2004 includes EUR 4.0 million in net exceptional expenses (2003: EUR 25.5 million exceptional income). The main elements were the net result of EUR 3.8 million on the sale of discontinued operating activities, impairments in the value of uncompleted disposals of EUR 5.9 million, provisions formed for anniversary bonuses of EUR 2.3 million and insurance benefits received of EUR 1.1 million.

Group operating profit and return on average capital employed

Group operating profit amounted to EUR 146.9 million (2003: EUR 192.2 million). The difference was due partly to the recognition of non-recurring income in 2003 relating to the release of a provision in respect of a guarantee issued to Univar (EUR 33.2 million). In addition, group operating profit on non-core activities fell by more than EUR 20 million as a result of divestments. Group 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 attributable in part to favourable market developments in the fourth quarter of 2004. Improved operating profits at the Oil EMEA, Asia and Latin America divisions more than offset the combined drop in operating profit reported by the North America and Chemicals EMEA divisions. After adjustment for currency translation differences (EUR 8.7 million), operating profit on core activities excluding exceptional items rose by EUR 13.3 million (10%). Average capital employed amounted to EUR 1,112.5 million (2003: EUR 1,336.0 million). This produced a ROCE including exceptional items and discontinued operating activities of 13.2% (2003: 14.4%).

Interest

Net interest expense for 2004 amounted to EUR 46.8 million (2003: EUR 47.9 million). Despite penalty interest of EUR 6.4 million for early repayment, this was EUR 1.1 million lower than in 2003. The average rate of interest on Vopak's long-term liabilities is 7.7% and the average remaining term 4.8 years. Total long-term liabilities at year-end 2004 amounted to EUR 581.4 million (2003: EUR 695.5 million) and net interest-bearing debt amounted to EUR 500.7 million (2003: EUR 608.5 million).

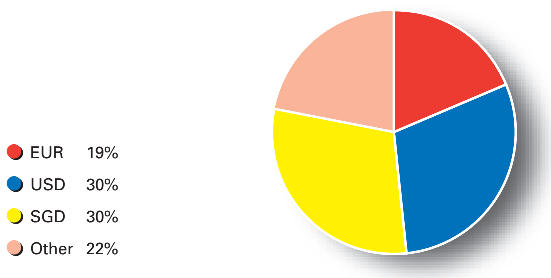
Taxation

Vopak recognised a net tax credit of EUR 1.1 million in 2004 (2003: a charge of EUR 27.4 million). This was attributable partly to a non-recurring tax credit of EUR 14.1 million owing to the settlement of tax positions of previous years. Revaluation of deferred tax liabilities and lower tax rates also had a beneficial effect. Excluding these items, the tax burden on the profit on ordinary activities was 20.3% (2003: 19.7%). After adjustment for tax-exempt income from participating interests, the tax burden was 27.0% (2003: 26.7%).

Net profit

Net profit amounted to 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).

EBIT in 2004 by currency



Group operating profit and ROCE

In EUR millions	EBIT	Average capital employed	ROCE
Chemicals Europe, Middle East & Africa	32.7	399.2	8.2%
Oil Europe, Middle East & Africa	48.6	122.4	39.7%
Asia	60.7	270.5	22.4%
North America	15.0	171.2	8.8%
Latin America	16.3	87.7	18.6%
Other	- 20.3	11,8	negative
Group operating profit core activities including exceptional items	153.0	1,062.8	14.4%
Discontinued activities	- 6.1	49.7	negative
Group operating profit including exceptional items	146.9	1,112.5	13.2%
Exceptional items	- 4.0		
Group operating profit excluding exceptional items	150.9		
Discontinued activities excluding exceptional items	- 2.0		
Group operating profit core activities excluding exceptional items	152.9		

Net investments by division

In EUR millions	2004	2003
Chemicals Europe, Middle East & Africa	44.4	33.1
Oil Europe, Middle East & Africa	23.3	15.1
Asia	42.6	30.0
North America	9.5	18.8
Latin America	10.5	16.9
Other	- 2.5	4.2
	127.8	118.1
Discontinuation of operating activities	- 141.9	- 71.2
Net investments	- 14.1	46.9

Investments

In EUR millions	2004	2003
Investments		
Tangible fixed assets	125.7	106.5
Financial fixed assets	25.1	22.5
Group companies	–	16.7
Subtotal	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
Subtotal	164.9	98.8
Net investments	- 14.1	46.9

Dividend

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

Goodwill

Vopak's balance sheet includes only a limited amount of goodwill (EUR 3.2 million). This intangible asset relates to acquisitions made since 2001 and is being amortised over a maximum period of 20 years. Goodwill to an amount of EUR 0.2 million was received in 2004 and goodwill amortisation of EUR 2.6 million was charged to the profit and loss account. A further EUR 0.6 million was deconsolidated in respect of disposals.

Cash flow and investments

Proceeds from disposals of EUR 164.9 million and cash flow from operating activities of EUR 141.6 million were applied mainly for investments in tangible fixed assets and participating interests of EUR 150.8 million (2003: EUR 145.7 million), for the redemption of cumulative financing preference shares to an amount of EUR 50.3 million and for the repayment of long-term and short-term debt of EUR 127.3 million. The main investment projects in 2004 related to the new terminals in Darwin (Australia) and Banyan (Singapore), the fuel oil project at the Europoort terminal (Rotterdam), the expansion of the Santos terminal (Brazil) and the contribution for the 50% interest in Shanghai (China).

Abridged cash flow statement

In EUR millions	2004	2003
Gross cash flow from operating activities	114.1	154.4
Movements in working capital and effect of changes in exchange rates	27.5	49.0
Net cash flow from operating activities	141.6	203.4
Investments	- 150.8	- 145.7
Disposals	164.9	98.8
Net investments	14.1	- 46.9
Net cash flow from financing activities	- 181.0	- 149.2
Net cash flow	- 25.3	7.3

Funding and financing ratios

The balance of net cash flow from operating activities and net divestments was applied in part to reduce the net interest-bearing debt position to EUR 500.7 million (year-end 2003: EUR 608.5 million). The ratio of net debt to EBITDA as defined in the loan agreements, the interest cover (defined as EBITDA/net interest) and the development of the minimum shareholders' equity required are the most important ratios for long-term funding in the form of private placements. Agreement was reached with the noteholders in 2004 that the maximum permitted ratio of net debt to EBITDA would be raised from 2.75 to 3.0 for the period from 1 July 2004 to 30 June 2007. For more details please refer to page 61 and 62 of this annual report.
Vopak remained comfortably within the margins set in the loan agreements with respect to these ratios.

Exchange rates

per EUR 1.00	USD		SGD	
	2004	2003	2004	2003
Average exchange rate	1.24	1.13	2.10	1.97
Average exchange rate after hedging (translation rate for profit and loss account)	–	1.10	–	1.94
Year-end exchange rate (translation rate for balance sheet)	1.36	1.26	2.21	2.14

Funding

In EUR millions	2004	2003
Cash at bank and in hand	116.3	152.4
Long-term liabilities	- 581.4	- 695.5
Current portion of long-term liabilities	- 29.4	- 28.4
Amounts owed to banks	- 6.2	- 37.0
Net interest-bearing debt	- 500.7	- 608.5
Credit replacement guarantees	- 19.1	- 26.3
Cash at bank and in hand not readily available	14.7	15.9
Net debt for ratio calculations	- 505.1	- 618.9
Net debt : EBITDA	2.17	2.42
Interest cover	5.0	5.6

Quality of the organisation

An important pillar in Vopak's Tank Terminal-Plus strategy is operational and commercial excellence. The Vopak brand is a guarantee of high service standards that satisfy the demands of the petrochemical and oil industries. Health, safety, stimulating working conditions and the prevention of environmental damage are high on the agenda and were further embedded in policy, rules and control instruments in 2004. In addition to safety, the environment and ICT, Vopak recognises that its staff is a critical success factor and pays a great deal of attention to them. Through the bottom-up approach, activities in these areas are implemented at local level by the divisions and operating companies, with the corporate departments playing a coordinating, facilitating and supporting role.

Safety, health and environment (SHE)

Vopak's Safety, Health & Environment (SHE) policy reflects the high priority and care the group pursues in these areas. The main objectives of the SHE policy are to avoid incidents and prevent damage to local surroundings and the environment, to manage and minimise the risks inherent in the operating activities and to continuously improve business processes so that they remain safe and manageable. To retain its licence to operate, Vopak must respect people and the environment, observe the growing and exacting body of legislation and regulations in virtually all countries in which it operates and minimise incidents and underlying near-incidents.

Vopak Fundamentals on Safety

SHE policy is an integral part of the operations. Prevention has highest priority. Vopak's aim is to prevent incidents and avoid damage to the environment. Everyone who works at a Vopak location must be able to go home at the end of the working day without having suffered or caused any harm to human health or the environment. SHE policy is increasingly focusing on human behaviour as a risk factor. Following analysis of historical risks and the exchange of best practices in the field of SHE, Vopak's Executive Board communicated the 'Vopak Fundamentals on Safety' at the end of 2003 to optimise the main operational rules of conduct for Vopak's terminals. This code of conduct represents the top level of an internal programme of requirements that all managers and staff must observe in their day-to-day work. An assessment in mid-2004 found that 92% of the requirements were being satisfied.

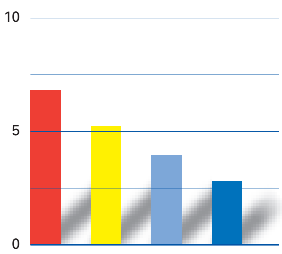
Training and awareness

The 'Fundamentals on Safety' programme was systematically communicated and implemented at all Vopak terminals in 2004. All managers and members of staff are aware of the new procedures and the operational and technical implications have been explained during training courses. A vital element in the implementation is to increase safety awareness among all members of staff. Awareness is the key to realising a fundamental change in staff behaviour.

Design, construction and maintenance of the terminals

In addition to promoting safety awareness among staff, the condition of the terminals and facilities is critical. It contributes to Vopak's recognisable, unequivocal global quality and its improved safety performance. Vopak incorporates its experience in the operation and maintenance of facilities and

LTIR performance*



- 2001
- 2002
- 2003
- 2004

* *LTIR = number of accidents with absenteeism per 1 million hours worked*

equipment into its designs in order to improve the construction of new facilities. This optimises the costs over the facilities' lives.

Audit and performance

An important aspect of Vopak's SHE policy is the periodic compliance audit at all terminals to ensure that safety measures are in line with the Vopak policy and local legislation and regulations. In addition to existing assessments such as the CDI (Chemical Distribution Institute) Terminal audits agreed by the chemical industry, a standardised Vopak SHE Audit was developed in 2004. It considers both generic environmental and safety standards and Vopak's specific minimum standards programme. This audit standard will be rolled out in the organisation in 2005 and the first results are expected in the course of the year. As well as these internal audits, public authorities, insurers and customers regularly inspect Vopak's terminals to check that business processes meet their requirements.

An important barometer for the effectiviness of the SHE policy is the Lost Time Injury Rate (LTIR). This indicator reports the number of accidents that led to lost time per one million hours worked. Vopak has made considerable improvements since 1999. In the past six years the LTIR has fallen by 80% to 2.8 in 2004. Last year, the number of lost time accidents fell to 29, a reduction of 30% in comparison with 2003. Despite our best efforts, however, a subcontractor was unfortunately fatally injured at a Vopak terminal in China in 2004. Vopak always investigates such accidents internally using the TRIPOD method. This internationally accepted method reveals the root causes of an incident. Where necessary, measures are drawn up and introduced at the terminals to prevent an incident reoccurring.

ISPS

As part of the SHE policy, special attention was paid to the International Ship and Port Facility Security (ISPS) requirements in 2004. These international laws to combat terrorism came into force on 1 July 2004 and place stringent demands on security and security procedures at port facilities. All Vopak terminals comfortably satisfied the new regulations on time and have since been certified.

Organisation and staff

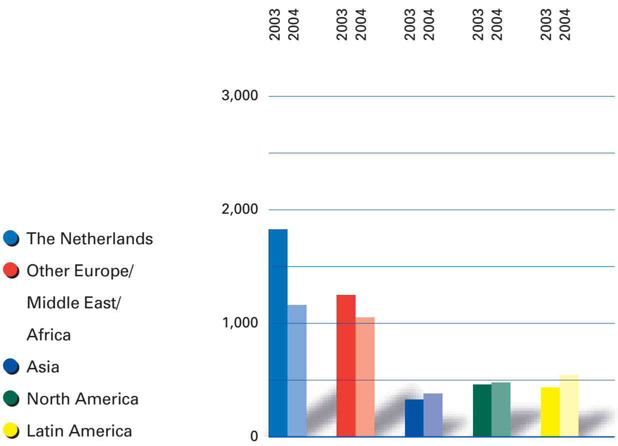
Vopak's Human Resources policy is designed to attract, retain and further develop highly qualified, entrepreneurial employees who meet the short and long-term requirements and profiles formulated by the divisions. In the pursuit of operational and commercial excellence, it is of vital importance that the

Corporate staff, photo taken in front of Vopak's new head office in Rotterdam, from left to right:

Cees Vletter	*Treasury*
Paul Runderkamp	*Legal and Corporate Secretary*
Monty Blom	*Internal Audit*
Henk Mol	*External Reporting & Compliance*
Niek Verbree	*SHE & Asset Management*
Wim Rietveld	*Information Services*
Hugo Brink	*Tax & Insurance*
Michiel van Ravenstein	*Human Resources*
Michiel Gilsing	*Control & Business Analysis*
Dick Richelle	*Communication & Investor Relations*

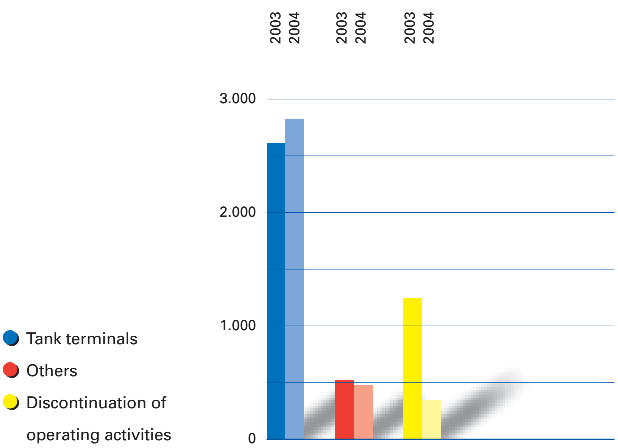
Employees by region

Average over the year



Employees by activity

Average over the year



staff everywhere in the Vopak organisation have the same core competences. Education and training therefore enjoy high priority in the HR policy.

Network organisation

The transformation of Vopak's structure into a network organisation is supporting the effectiveness of the HR policy. The organisation has been moving towards greater decentralisation since 2002. This policy was continued in the past year. Within the regional divisional structure, the operating companies enjoy more freedom to formulate their own policies subject to the Vopak strategy. This encourages them to be more entrepreneurial and enables them to respond more flexibly to local market conditions while observing Vopak's high standards and norms. The divisions support the operating companies in the fields of SHE, ICT, HR, finance, marketing and the quality of the processes.

Vopak is also improving the exchange of best practices by promoting the principle of the network organisation. Regional experts in SHE, Engineering, HR, ICT and other disciplines periodically meet to share their experiences. Meetings are also held between the divisions and between the divisions and specialists at corporate level, in part by means of the recently appointed Global Boards. Five of these Boards are already active within Vopak: SHE and Technical, HR, Operations, Marketing, and Finance. The Boards also have a policy-making function and develop proposals for the strategic committee (the Executive Board together with the Division Presidents).

Management Development and Performance Management

For many years Vopak has been organising special training programmes both internally and in cooperation with the Rotterdam School of Management for the further development of talented members of staff. Vopak was in frequent contact with universities and colleges in 2004 to raise the Vopak name among relevant groups of students at home and abroad. As an international company, Vopak also develops locally recruited employees in all regions in which it operates. Vopak has three Management Development programmes: one for young employees with management potential, one for senior management and one for executive management.

An important aspect of the Management Development programme on the agenda of the Executive Board and Division Presidents is succession planning. It is implemented in the form of job rotation and the international transfer of managers and potential managers between divisions and operating companies. Not only does this broaden the staff's international

managerial and intercultural experiences, it also strengthens the network organisation.
The Performance Management system introduced in 2003 to appraise senior management was rolled out further in 2004. Vopak appraises five management competencies and seven selected Leadership Effectiveness Analysis (LEA®) dimensions. The remuneration structure is linked to the outcome of the annual appraisal and comprises a fixed base salary and a variable component based on the achievement of personal targets and the financial results of the relevant business unit. The new appraisal and performance cycle is being embedded in the organisation by means of Performance Management workshops and training courses.

Number of employees and worker participation

At year-end 2004 Vopak had a workforce of 3,428 (2003: 4,004). This 14% decline was attributable largely to the disposal programme nearing completion in 2004. Vopak reached agreement with the central works council in the Netherlands on the formation of a European consultative platform in accordance with the European works council provisions. Vopak also worked closely with the divisional works councils in managing the social consequences of the disposals in 2004.

Information and communication technology (ICT)

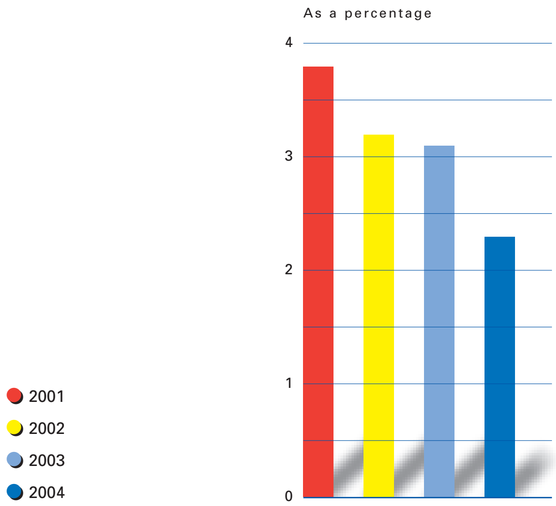
A robust ICT infrastructure is essential to optimise Vopak's operations. It increases the quality of business processes, enables electronic data interchange with customers and underpins the customer services. The ICT model is based on central ICT support for the decentralised divisional structure. The programme and the implementation are laid down by the ICT Board, which consists of the five Division Presidents, the corporate staff director ICT and the Executive Board. The size of the ICT department has been significantly reduced in the past two years as the PEPI project organisation has been phased out.

Vopak's ERP system, Packaged Enabled Process Improvement (PEPI), fully integrates the group's operational and financial processes. It processes all transactions from the conclusion of a contract and operational performance to billing and financial settlement. It optimises control of all operational and financial processes within Vopak. System implementation was completed at nearly all the terminals in Vopak's global network in 2004.

Communication with customers

As well as integrating Vopak's own business processes, PEPI improves the exchange of information with customers.

Sickness absenteeism



The MySpace@Vopak application, an internet interface that displays a particular customer's stock movements on-line, is successfully being used by a large number of customers. Far less information is circulated on paper and requests for information are dealt with faster.

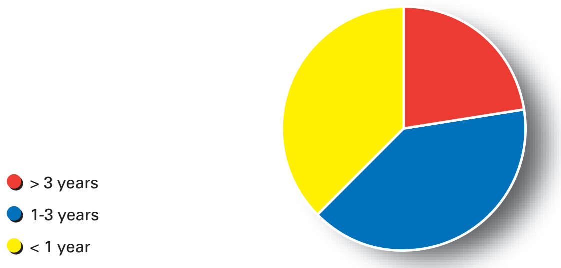
The next step in the communication with customers is to link the PEPI system to the customers' ERP systems. This will integrate Vopak's business processes with those of its customers. In concrete terms, an order entered in a customer's system is received in Vopak's PEPI system and then processed automatically. This cuts the volume of paperwork, accelerates processing and reduces the risk of errors. Vopak worked on further refinements to the system as part of the VECTOR project in 2004. Customers have responded favourably and Vopakis currently in discussion with many of them to link their systems to PEPI.

Review by division

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)	32.7	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%

Revenues by contract duration Chemicals Europe, Middle East & Africa



The Chemicals Europe, Middle East & Africa division operates 21 terminals (tanks and loading and unloading facilities), 18 in Europe, two in the Middle East and one in South Africa, with a total storage capacity of 3.8 million cbm. Rotterdam/ Antwerp is one of the main market regions in the network and a hub location with nearly 2 million cbm storage capacity. A further terminal at Vlaardingen (the Netherlands) has 425,000 cbm capacity to store and handle vegetable oils and oleochemicals. In Vlissingen (the Netherlands), Vopak operates the largest independent storage terminal for LPG and chemical gases in Northwest Europe with a capacity of 130,000 cbm. In addition, Vopak has a fleet of 38 chemical barges.

Market developments

For the chemical industry, the persistently high price of oil led to considerably higher feedstock prices, which could not be passed on in full to customers. Spot storage of commodity chemicals fell sharply, particularly in the first half of the year. Driven by cost savings, the industry took measures to optimise the supply chain and reduced its demand for tank storage. The impact was most marked at the terminals in Rotterdam.

Production picked up at the end of the third quarter, creating more leeway for manufacturers to charge their customers firmer prices and increase their margins. As manufacturers increased their stock positions, the chemical industry's demand for storage capacity increased and throughputs rose. The decline in risks encouraged traders to become more active on the spot market. The recovery continued in the fourth quarter.

Operational strategy

The Chemicals EMEA division has given priority to organic growth through the optimisation and rationalisation of the existing terminal network and expansion at locations where new production and storage centres are emerging. The chemical industry has undergone considerable consolidation in recent years and the number of market players per product group has declined. Furthermore, the development of new production and storage centres for basic chemicals in the Middle East and Asia is changing world trade flows and Europe is increasingly becoming an importer of basic chemicals.

The division's strategy is highly product/market oriented, with its infrastructure and service standards tailored to specific market segments. This is illustrated by the shared user concept, in which the stock of a particular product is stored jointly for several customers in a single, dedicated tank. This concept considerably cuts costs for Vopak's customers, makes more efficient use of storage capacity and increases the throughput. The more intensive use of automated storage facilities also reduces costs.

The Chemicals EMEA division continued to decentralise in 2004 by setting up a separate regional group, Chemicals Benelux, that comprises all chemical terminals in the ARA area (Amsterdam, Rotterdam and Antwerp). This change will encourage entrepreneurship at the Antwerp and Rotterdam terminals so that they can respond more decisively to specific developments in this region.

Results

Lower storage volumes for the Rotterdam basic chemicals spot market led to lower margins, particularly in the first half of the year. A recovery in the fourth quarter led to a marked increase in turnover and results. Turnover at the terminals in Belgium, the United Kingdom, Finland and South Africa was lifted by higher throughputs and higher occupancy rates. The Vlissingen gas terminal in the Netherlands turned in good results, while the Vlaardingen (the Netherlands) vegetable oil terminal performed reasonably well.

Costs were increased by several non-recurring items for further decentralisation within Chemicals EMEA. Costs were incurred for various projects that Vopak launched in the Benelux in 2004 to improve the efficiency and effectiveness of operational processes. The first results of these improvements will be seen in the course of 2005.

In the ARA region (Amsterdam-Rotterdam-Antwerp) Vopak is successfully conducting a policy of terminal specialisation by product group and transport mode. Antwerp, for example, specialises in the storage and distribution of high quality chemicals. To meet the growing demand for high grade storage capacity and efficient discharge facilities, Vopak has built new tanks with a total capacity of 7,500 cbm and a fully automated loading station. The stainless steel tanks are perfectly suited to store the high quality chemicals, require less maintenance, are easier to clean and therefore friendlier for the environment. The loading points are also state-of-the-art: each one is linked directly to a dedicated product tank and to Vopak's information systems so that it is virtually impossible to load the wrong product. Product integrity is therefore guaranteed.

Division Management, left to right:

Rien de Jong	*Human Resources*
Eddy van Rhede van der Kloot	*Finance & Control*
Frank Erkelens	*Benelux*
*Kees van Seventer**	*President*

**Kees van Seventer took over this position per 1/2/2005 from Bert Jaski*

Inland shipping fees came under pressure from the increase in total capacity on the market. Vopak's turnover on inland shipping was virtually unchanged.

Terminals

The Rotterdam terminals were affected by adverse conditions for the storage of spot commodity chemicals, particularly in the first half of the year. Conditions improved in the second half but on balance the result for 2004 was lower than that for 2003. Positive was the winning of several highly promising contracts. Better results were achieved on the storage of vegetable oils and oleochemicals in Vlaardingen (the Netherlands), thanks in part to the contribution from the first phase of the programme to invest in stainless steel tanks. The gas terminal in Vlissingen (the Netherlands) had a good year. Demand for storage from the chemical industry is continuing to rise. Vopak also made substantial investments to improve operational performance in Rotterdam, especially in land-based logistics. These investments will be completed in 2005.

Vopak's terminals in Antwerp, which concentrate more on speciality chemicals, turned in good results. As in 2003, the occupancy rate exceeded 90%, mainly on account of long-term contracts. In addition, chemical storage in Antwerp is continuing to increase. Against this background, Vopak will build a new terminal on the left bank of the River Scheldt.

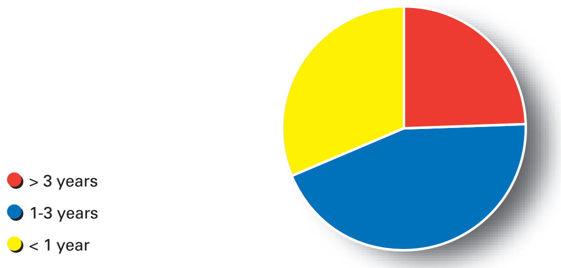
Results in the United Kingdom were satisfactory. The outlook for the Teesside terminal is good as the world's largest polyethylene factory is being built in the region. This will lead to higher imports and exports of basic chemicals and thus to greater demand for storage.

The Finnish activities achieved a good financial performance. Both terminals are specialised in exports from Russia. In Sweden, Vopak strengthened its position in chemical storage with the acquisition of an adjacent terminal in the Port of Malmö. At the Hamburg terminal, turnover and results were virtually unchanged. In Spain, additional capacity came on stream and made a direct contribution to results. The South African terminal reported a strong development in turnover with high throughput.

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%

Revenues by contract duration Oil Europe, Middle East & Africa



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

Vopak operates four terminals at the Rotterdam hub and one in Amsterdam. At other locations in Europe and the Middle East – in Estonia, Germany, Switzerland, Scandinavia and the United Arab Emirates – Vopak operates eight terminals with a more regional function.

To transport oil products on inland waterways in Europe, Vopak participates in a joint venture, Interstream Barging. With 30 barges, it is one of the largest inland barge charterers for mineral oil products in the Netherlands, Belgium and the German Rhine region.

Market developments

The market was again characterised by the geographical imbalance in various types of oil product. The most marked was the continued increase in the supply of fuel oil from Russia, while demand for fuel oil is growing mainly in Asia and Western Europe. Fuel oil is used in power stations, as a raw material in refineries and as a fuel for ships. There were also imbalances on the kerosene, diesel and gasoline markets during the year. Europe has a surplus of gasoline, whereas demand for it is growing in the United States owing to the shortage of local refinery capacity. In this situation, European ports, especially Rotterdam, are important hubs for storage, the bunker market and onward shipping. The imbalance is increasingly becoming structural. The effect is being magnified by the growth in product diversity as a consequence of the diverse legal and regulatory requirements for high and low sulphur products. This differentiation is also leading to increased segregation in tank storage.

Operational strategy

Vopak has identified excellent growth opportunities in the structural geographical imbalances and the increasing product diversity. Vopak's strategy is directed at enlarging existing terminals both through new construction and the conversion of crude oil storage capacity into oil product capacity. Since the distinctive quality assurance and customer focus are an important aspect of the group's market proposition, Vopak has invested in a series of operational excellence programmes to further improve its infrastructure and operational processes. The results will gradually be seen as from 2005.

Results

The growing demand for crude oil and fuel oil storage capacity led to higher occupancy rates and throughputs at the terminals in Rotterdam, Tallinn (Estonia) and Hamburg. Operating expenses were increased by higher staff costs and pension contributions and by one-off expenses for improvement programmes. On balance, both turnover and operating profit for the year were significantly higher. The proportion of long-tem contracts in the total portfolio increased further. Thanks to higher turnover Vopak Agencies' contribution to the result increased.

Terminals

The Rotterdam terminals had an extremely good year partly because of the strong increase in fuel oil storage and throughput. The additional capacity created by Vopak was also fully utilised, mainly to carry out long-term contracts. This additional capacity was created by converting 240,000 cbm for the storage of fuel oil. Furthermore, the infrastructure in Rotterdam was improved through additional jetty capacity and pipelines to overcome operational bottlenecks in the infrastructure. New records were set for throughput and occupancy rates, particularly in the second half of the year. The average occupancy rate in Rotterdam was higher than 90% in 2004. The Tallinn terminal again reported higher throughput. During the year Vopak initiated an increase in storage capacity and rail handling capacity in order to respond adequately to the

Vopak first identified opportunities for Rotterdam in the growing fuel oil market in 2000. Fuel oil from Russia is shipped in relatively small vessels to the strategically located Port of Rotterdam for storage and onward shipping to other regions. The port is well equipped for both small and large ocean-going vessels. The various grades of fuel oil are sold on the local bunker market or shipped to Asia in larger vessels. The logistics process needs dedicated storage, loading and unloading capacity and high service standards. Vopak responded by enlarging its capacity and converting existing tanks at the Europoort terminal.
Vopak took its first steps in 2001 by building a new jetty for fuel oil and converting a 40,000 cbm tank. Together with the Port of Rotterdam, it then drew up a 'fuel oil plan' to overcome the bottlenecks and increase capacity further. Most of the pieces were in place by the first quarter of 2005 and a new phase has now been initiated. The result: more flexibility and higher service standards, which have raised Vopak Oil Netherlands' profile throughout the world as a physical marketplace for fuel oil. In 1999, three million tonnes of fuel oil were imported; by 2004 the figure had nearly trebled.

continuing growth in the export of crude oil and fuel oil from Russia. The Hamburg terminal, too, profited from the growing supply of oil products from local refineries. The sharp increase in container shipping also drove up storage volumes in Hamburg. Performance at the Gothenburg (Sweden) and Basel (Switzerland) terminals was disappointing, partly because of the poor results on the storage of gasoline in the first half of 2004. Vopak has since taken measures to improve results.

In Fujairah in the United Arab Emirates, better use was made during 2004 of the additional capacity that came on stream in 2003. Vopak signed a long-term contract to store bunker oil in Fujairah. A new jetty will be built at the terminal for this contract.

Division Management, left to right:

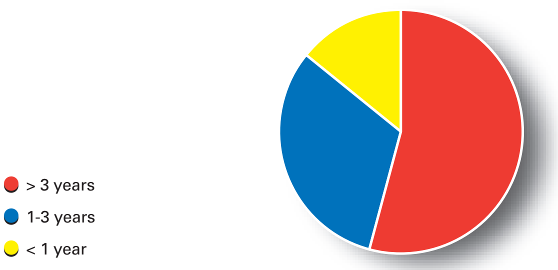
Jeroen Wijtenburg	*Operations & Human Resources*
Ard Huisman	*Finance & Control*
Piet Hoogerwaard	*Agencies*
Ted van Dam Merrett	*President*
Rob Nijst	*Netherlands*

Absent: Hari Dattatreya, Sales & Marketing

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%

Revenues by contract duration Asia



Vopak operates in seven countries in Asia: Singapore, Malaysia, Thailand, Korea, China, Japan and Pakistan. The activities in Australia are also part of the Asia division. The services include tank storage for oil products, gases and chemicals, with complementary logistics services being provided for the products in storage. Vopak's customers are manufacturers, traders and distributors, mainly global multinationals.
The terminals in Asia can be divided into two types: import and distribution terminals, which principally have a regional function, and the industrial terminals in Singapore, China, Malaysia, Thailand and Pakistan that carry out logistics activities for customers at chemical complexes. Alongside Rotterdam/Antwerp and Houston, Singapore is one of Vopak's hub locations performing a combination of functions: import, export and regional distribution activities.

Market developments

The oil market in Asia is characterised by growing demand for energy to meet the rapid economic growth and the related flood of investments. China is emerging as a particularly important player. The growing demand is increasing the transport of oil products largely from the Middle East and within Asia itself. Singapore has an important hub function in these transport flows. It stores oil, brings it on specification on request and organises transport to countries in the region. Volumes were very high in the past year.
The Asian chemical industry is growing substantially as strong economic growth is driving up demand for products and multinational chemical groups are expanding their regional production capacity. At the same time, the sharp increase in import volumes is increasing the demand for the storage of chemicals.

Operational strategy

Vopak's strategy in Asia is to expand in line with the economic growth and growing demand for oil and chemicals. On the one hand, Vopak is building storage and redistribution terminals at central locations and, on the other, the growth strategy recognises the importance of industrial terminals. These terminals provide logistics services to customers at chemical complexes or refineries largely on the basis of long-term contracts. They are a persuasive proposition to the chemical industry since they enable customers to control logistics costs and concentrate on their core activities.
Vopak has been offering this concept in Singapore, Thailand, Malaysia and Pakistan. In addition, it provides complementary services on request in Asia, such as organising the transport of hazardous chemicals from port terminals to factories in the hinterland. Vopak is an attractive service partner for both local and international customers owing to its stringent safety standards.
China is a country with enormous potential for Vopak. In a short period of time, capacity has been increased through acquisitions, joint ventures and new construction. One of the latest expansion projects is the construction of the industrial terminal in Shanghai. Part of this terminal's first phase has already been taken into operation and the whole first phase is scheduled to come on stream in early 2006.

Results

Vopak's results in Asia were excellent across a broad front in 2004. The average occupancy rate at both the oil and chemical terminals was above 90%. Some terminals even reported 100% occupancy rates. Throughput volumes were very high, especially at the Singapore oil terminal. The combination of high occupancy rates and high throughput led to a sharp rise in turnover in local currency. Operating margins also increased, partly on account of the higher turnover and favourable cost developments and partly on account of the release of some provisions.

Terminals

The Sebarok terminal in Singapore (oil storage) had a record year with a high occupancy rate and a very high throughput.

Asia

Vopak as network builder

Vopak has been operating in Asia for more than 20 years. In that time, it has built up a powerful network of 16 terminals. The network consists largely of joint ventures with leading local companies. It's a win-win situation based on each partner's strengths. Vopak profits from the local know-how and contacts, and its partners profit from Vopak's international customer base, sophisticated know-how and quality reputation.
From the very beginning, Vopak has pursued a clear Regional Network Strategy based on shared principles with regard to SHE standards, people, commercial approach, operations and services. These principles are anchored very systematically in the day-to-day operations. Colleagues in the same region work with each other and share knowledge and information on customers, product flows and product handling. This is the essence of the network and the platform for success.
A growing number of customers are now using several terminals in the Vopak Asia network.

Division Management, left to right:

C.G. Tan	*China*
Chris Badenhorst	*Business Development*
Wim Samlal	*Finance & Control*
Paul Govaart	*President*
Lee Marn-Seng	*Human Resources*
Rob Dompeling	*Singapore*

The Sakra chemical terminal again had a good year thanks to a large number of long-term contracts. The Penjuru terminal, also for chemical storage, performed reasonably well. Vopak has started to construct a terminal at Banyan, its fourth in Singapore, for the storage of oil and chemical products. In China, Vopak concentrates on the chemical market. The terminals in Ningbo, Tianjin and Lanshan performed well.

In the field of chemical logistics, Vopak concluded a joint venture agreement with the Chinese company Cosco. The joint venture will provide logistics management services to Vopak's terminal customers in China so that they can deliver their products safely and cost effectively. For the time being, the contribution to profits will be limited. The joint venture is principally of strategic value. The terminal in Xiamen performed better than in the previous year despite strong competition in the regional oil storage market. Vopak intends to improve its position by diversifying into other product groups.

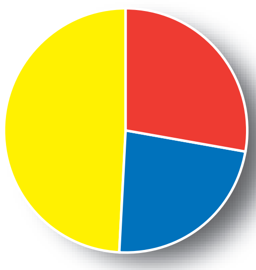
The oil terminal in Australia performed well and Vopak started to construct a new oil terminal in Darwin in 2004. A long-term contract has been concluded for it with three local oil companies. Chemical storage in Australia had a moderate year as fees came under pressure from the rationalisation of the supply chain in the Australian chemical industry.

The terminals in Korea, Malaysia and Thailand turned in better results thanks to higher volumes. Vopak is expanding its capacity further in Thailand. Japan recovered in 2004 from a disappointing 2003 following the bankruptcy of an important customer. Higher LPG and phosphoric acid volumes led to further growth at the Engro terminal in Pakistan.

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%

Revenues by contract duration
North America



> 3 years
1-3 years
< 1 years

In North America, Vopak operates nine strategically located terminals, seven in the United States and two in Canada, that are used principally for chemical storage. Vopak is engaged in oil storage only at the Los Angeles terminal. In total, Vopak has 2.4 million cbm storage capacity in North America, equal to 17% of North America's total chemical storage capacity. Like Rotterdam/Antwerp and Singapore, Houston with its Deer Park and Galena Park terminals is one of Vopak's hub locations. The other terminals are used for import and distribution.
In addition to tank storage, Vopak offers complementary logistics services such as wastewater treatment, railcar cleaning and the management of large numbers of railcars. In total, these activities account for about 20% of turnover. Vopak is one of the top four players in wastewater treatment and the largest independent player in the railcar cleaning market in the United States.

Market developments
Although the US economy picked up in the past year and the chemical industry realised higher margins, the upturn was not reflected in higher demand for storage. Many chemical companies paid more attention to optimising their supply chains, which actually reduced demand for storage capacity. There was also uncertainty in the sector about the robustness of the economic recovery in the United States. In the fourth quarter of 2004, however, the prospects looked slightly firmer.

A more structural trend is the general deterioration of the North American chemical industry's competitiveness compared with Asia and the Middle East. This is mainly a consequence of the relatively high prices for basic chemicals in the United States. Product flows are accordingly changing. In the storage market, a shift is expected from export to import-related products. Since Vopak's terminals, including those in Houston, serve the internal American market, this shift offers Vopak opportunities. The stricter requirements being imposed by the US government are also focusing minds on safety at all terminals in the United States and additional investments are being made to meet the requirements.

Operational strategy
Vopak's policy will remain geared to stable organic growth and selective acquisitions. In the short term, priority will be given to structurally reducing operating expenses and enhancing operating processes and efficiency. With its strict SHE policy, Vopak satisfies not only the requirements of its customers in the chemical industry but also the government's environmental and safety requirements. Special attention was paid to the ISPS requirements (International Ship and Port Facility Security) that the government introduced for port terminals.

Results
Turnover in North America in local currency remained stable in 2004. Occupancy rates were lower owing to the uncertainty in the chemical industry but higher throughputs provided ample compensation. Furthermore, turnover from railcar cleaning operations rose sharply. The level of costs, however, was disappointing, mainly on account of higher insurance premiums and increased personnel costs. The stricter safety requirements also entailed additional costs. The higher expenses exerted considerable pressure on the North America division's operating margin. Vopak has launched a number of improvement programmes to raise efficiency and reduce operating expenses. Vopak expects to see the first benefits of these programmes in 2006.

Terminals
The important Vopak terminals in Houston reported a lower average occupancy rate in 2004. With customers in the chemical industry running down their stock positions, the import and storage of basic chemicals through Houston came under pressure. Vopak expects the situation to reverse quickly once its customers become more confident about the US economic recovery and build up their stocks again. In anticipation, two new tanks were brought into use at the

North-America

Vopak as recognisable standard

Nearly all the large chemical manufacturing companies in North America are members of the American Chemistry Council (ACC). Many of them are also customers of Vopak. They work to the strict environmental and safety standards laid down in the Responsible Care Programme, a global initiative for corporate social responsibility in the chemical industry.
Vopak North America committed itself to this global standard by joining the Responsible Care Partnership programme. The ACC closely oversees implementation of the programme and compliance. Members commit themselves not only to continuously improving their environmental and safety performance but also to communicating with the wider world.
Independent authorities certify that the members satisfy the requirements. To date, large chemical companies carried out their own Responsible Care audits of the tank terminals they worked with. But with the Chemical Distribution Institute (CDI), ACC and other terminal operators, Vopak has developed a standard audit procedure based on the CDI Terminals audit that can be used by everyone. This cost saving initiative is ardently supported by the chemical industry and forms a springboard for continuous improvement.

Division Management, left to right:

Michael Dilick	*Industrial Services*
Gene Sabatier	*President*
Jim Dubose	*Operations*
Michael Chieco	*Finance & Control*
Rolf Brouwer	*Commercial Development*
John J. Baker	*Sales & Marketing*

Houston Deer Park terminal during the year. Performance at the Savannah terminal was better than in the previous year. The Long Beach terminal in California developed positively and achieved a higher occupancy rate. There was a sharp increase in ethanol storage at the terminal. To meet the higher demand, Vopak is converting four tanks to store ethanol. Vopak has also identified ethanol opportunities at other terminals in anticipation of the increased use of environmentally friendly fuel components in North America.
The two Canadian terminals were fully utilised. Vopak therefore aims to expand capacity in both Montreal and Hamilton. In Hamilton it is doing so by building several new tanks.

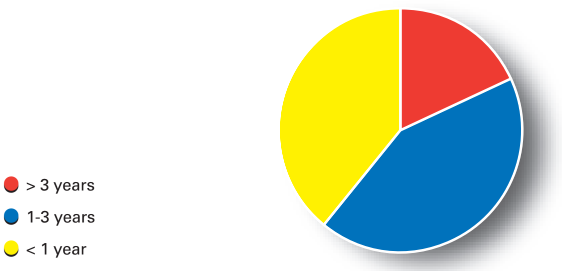
Complementary logistics services

The railcar cleaning market showed clear signs of recovery after several disappointing years. Consolidation in the sector and more frequent government inspections of railcar transport prompted a sharp rise in fees. Vopak's turnover from this activity was higher than in 2003 and the prospects for 2005 are also good. The wastewater treatment activities also performed satisfactorily. Additional treatment capacity was brought into use in Houston in 2004.

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%

Revenues by contract duration Latin America



Vopak operates 13 terminals in Latin America, the majority of which store chemicals and vegetable oils. Mineral oil storage is currently limited to Peru. Since the markets in Latin America are still relatively small, the terminals usually store several product groups such as chemicals, vegoils and even dry bulk. Vopak's customers are large regional players and multinationals. Vopak's strengths in this region are its presence across the continent, its mixed customer base, its independence and its high SHE standards.

Market developments

The economies of Latin America grew strongly in 2004. They were lifted by the high price of, amongst other things, oil, soya, copper and gold, with many countries in Latin America profiting from higher export revenues. This led to a higher throughput of bulk and fine chemicals, alcohol and vegoils. Not only multinationals but also regional conglomerates were active players. Some ports are expanding to handle the higher volumes. Vopak's response is to expand its current facilities and make acquisitions where possible. Liberalisation of the Latin American oil market is progressing with difficulty. New players are reluctant to enter the market because governments are keeping consumer prices, for example for gasoline, artificially low. They are able to do so because many countries in the region can meet their own energy needs. If oil prices were structurally lower, foreign investment would increase.

Operational strategy

As in Asia, Vopak has identified promising opportunities in Latin America. With the acquisition of the terminals in Colombia, Venezuela and Ecuador in 2003, an important step was taken towards complete coverage of the continent. In addition, Vopak intends to expand its existing terminal network through new construction projects and selective acquisitions in order to build on its market leadership and profit from the structural increase in goods flows. As the market leader, Vopak is aware of its technical, environmental and safety advantages. The successful implementation of the Vopak standards, for example at the terminals acquired, boosts the confidence multinational and large regional customers place in Vopak as an organised service supplier.

Results

The results for 2004 benefited from the performance of the terminals acquired in Venezuela, Colombia and Ecuador in 2003. Turnover and results from existing terminals also developed positively. With the overall occupancy rate remaining high and throughput increasing by more than 10%, turnover in local currency was higher. Only the oil activities in Peru were disappointing owing to falling oil imports. Expenses in Brazil were adversely affected by the appreciation of the Brazilian real.

Terminals

The terminals in Brazil operated at virtually full capacity. Particularly good performance was reported on the storage of vegoils. Further growth is expected in the Brazilian market. In anticipation, Vopak expanded capacity at the Santos terminal by 10%. The activities in Mexico again realised a strong improvement in comparison with the previous year. The occupancy rate rose to above 85% owing to higher storage volumes for chemicals, the export of molasses and higher imports of vegoils and alcohol.
In the first full year under the Vopak flag since their acquisition, the results of the terminals in Venezuela, Colombia and

Latin America

Vopak as organised service supplier

Finding interesting locations, investing at the right moment and simultaneously actively developing the market are the hallmarks of Vopak's strategy. In Latin America, for example, Vopak believed there were promising openings in several countries in which it was not yet represented. In 2003 it enlarged its geographical network in Latin America by acquiring four terminals in Venezuela, Colombia and Ecuador. The terminals are strategically located in the main ports close to important production or consumption markets.
Since their acquisition, the terminals have undergone a true metamorphosis. Within six months, the facilities had been upgraded to satisfy the Vopak SHE standards, safety procedures had been introduced and the terminal operators were familiar with the SHE standards. The terminal in Venezuela has since been ISO certified and the terminal in Ecuador is at an advanced stage of certification. Follow-up investments in the infrastructure to raise customer services to an even higher level are progressing on plan. Vopak has thus laid the foundations for its familiar and recognisable quality.
The market has been developed through pro-active marketing and sales backed up by Vopak's excellent reputation. And not without result. Within a year, the terminals were running at nearly full capacity. Thanks to this approach, Vopak has become the market leader in the bulk storage of liquid oil and chemical products. These terminals show that the successful implementation of the Vopak standards inspires confidence among multinational and large regional customers in Vopak's ability as an organised service supplier.

Division Management, left to right:

Osvaldo Caparelli	*Brazil*
Casper Pieper	*Mexico*
Dick Oskam	*Business Development*
Martijn Notten	*Colombia, Ecuador, Venezuela*
Pieter Bakker	*President*
Bert Vermeer	*Finance & Control*

Ecuador were above expectations. A strong increase in veg-oils export volumes and higher imports of chemicals lifted the occupancy rate at the Venezuelan terminal to above 90%. The activities in Chile also performed well and the occupancy rate was increased.

For the activities in Peru, 2004 was a disappointing year. The high international oil price and the slow liberalisation of the national oil market deterred oil traders from operating in Peru. Oil imports remained at a low level.

The world of Vopak
72 terminals in 29 countries

A hub terminal is where large flows of products merge. These activities are clustered in order to realise economies of scale in logistics. Vopak operates three different hub locations: Houston, Rotterdam/Antwerp and Singapore.

This type of terminal is used for storing products that are to be exported by local companies or imported and shipped to end users. Furthermore these terminals can be used in the distribution of local production.

The industrial terminal forms an integrated part of an industrial chemical complex. The companies operating in the complex are connected by means of pipelines. Vopak is responsible for the logistics activities at the complex. Vopak is mainly active with this type of terminal in Asia, for example in Singapore, Malaysia and China.

Tank terminals	Number	Total capacity in cbm
Africa	1	129,000
Asia	15	3,346,689
Australia	1	142,830
Europe	30	11,272,097
Latin America	13	807,838
Middle East	3	2,121,000
North America	9	2,372,027
Total	**72**	**20,191,481**


Hub Terminal
Import/Distribution/Export Terminal
Industrial Terminal
Vopak

Risks and risk management

Like all companies, Vopak is exposed to market, operational and financial risks that are inherent in its day-to-day operations. These are mitigated by the company's entrepreneurial style, which is characterised by an effective professional organisation, high service standards and special procedures as the need arises.

Vopak's dedication to perfecting its risk management procedures in recent years has culminated in a mature Enterprise Risk Management Framework (ERMF). Relevant best practices from the original 1992 COSO model were used as references. The procedures have been tightened up with the aid of the COSO Enterprise Risk Management model, which was updated in 2004. Within the ERMF, the Executive Board works closely with the managers of the divisions and operating companies. It also involves the non-consolidated interests. Cooperation with local management is of critical importance to strengthen the involvement of every single member of staff in risk management. Local managers are responsible for translating risk management into practical case studies for their staff, paying attention to differences in culture due to Vopak's geographical spread. The internal audit department is responsible for reviewing the framework.

Vopak constantly seeks a good balance between risk management and effective business. The ERMF is designed to identify as early as possible uncertainties that represent a risk or might constitute a threat and to control the causes and consequences as effectively as possible.

Market risks

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

Vopak believes the balance provided by the global network of 72 terminals helps mitigate market risks. The network is made up of various types of terminal: industrial terminals, hub terminals and import/distribution/export terminals. Furthermore, Vopak is active in several sectors: the storage of a highly diverse range of chemicals and oil products on their way to many different industries. In addition, its activities are spread geographically across five continents. The political risks are limited by spreading the activities, investments and revenues over 29 countries. Contract durations are also spread. The charts show what proportion of the contracts at each division has a duration of less than one year, between one and three years and more than three years.

Vopak's logistics activities generally reflect the volume of activity in the oil and chemical industries. Fluctuations in these industries have a mixed impact on the company's results.

Oil

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

Chemicals

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

Operating risks

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

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

Vopak's high environmental and safety standards are closely aligned to market developments. The section on Quality of the organisation (page 18) expands further on Vopak's approach to these risks. Apart from the technical and operating measures designed to reduce risks, the main risks relating to company property and liability are covered by insurance.

The robust ICT infrastructure is crucial for all processes within the company. Vopak has invested heavily in a global, uniform system to support the tank terminal companies' commercial, operating and financial processes. The system has been introduced at most terminals and should be rolled out in full in 2005. The objectives are to standardise the information system (both internally and with customers and suppliers), to introduce best practices worldwide and to realise efficiency gains in the operational and ICT organisations. The system will also make it easier to implement Vopak's working methods rapidly and at relatively low cost at start-up companies and acquisitions. Related to ICT, clear agreements are in place within Vopak regarding availability, security, data integrity, data file backups, alternative computer capacity, communication structures and manual emergency procedures. Internal and external auditors periodically review the design and operation of these measures.

In the event of a failure at the central data centre, a backup facility can take over the core systems' processing and communication functions without any noteworthy disruption to production. The current ICT infrastructure is designed so that there are no single points of failure. If a technical facility malfunctions, there is always a second one to guarantee availability.

Credit risks

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

Financial risks

Vopak is a capital-intensive company. In recent years its policy has been to reduce the capital tied up in its activities and to dispose of non-core activities. This process has now been largely completed. The financing policy is directed at establishing and maintaining an optimal financing structure that takes due account of the current asset base and the investment programme. Vopak seeks access to the capital markets and flexibility at acceptable funding costs.

The current debt position is determined mainly by the US Private Placements made in 2001, which have a long-term, fixed rate of interest and are subject to strict financial covenants. Details on the net debt position, the financial ratios and the other conditions are provided on page 61 and 62.

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

Interest and currency risks

Vopak is exposed to various market risks including the effects of movements in exchange rates and interest rates and interest rate surcharges. The interest rate and currency policy is designed to manage the effects of such risks on cash flows, equity and results. Vopak uses derivatives solely to manage these risks. Vopak does not take speculative positions. The use of financial derivatives and their valuation is explained on page 62 and 63 and in the accompanying summary of financial instruments at 31 December 2004.

Interest rate risks

Vopak's policy on interest rate risks is designed to manage the sensitivity of the cost of debt to movements in market rates of interest. Interest rate swaps and options may be used to achieve the required interest rate profile. On the split-off of the distribution activities to Univar in 2002, all existing loans remained with Vopak and the cash released was applied in so far as possible to repay variable-rate loans. The current interest-bearing debt therefore consists largely of the remaining fixed-rate debt. In 2004, USD 100 million of the fixed-rate debt was converted into variable-rate debt by means of interest rate swaps. Taking account of the interest rate swaps, at 31 December 2004 75% of the entire interest-bearing debt, amounting to EUR 617.0 million (2003: EUR 760.9 million), was financed at a fixed rate with remaining terms of up to 12 years.

Currency risks

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

Since operating income and operating expenses are denominated largely in the same currencies, the risks associated with foreign currency transaction positions as part of Vopak's operations are limited. Any material net transaction positions are hedged in full by means of forward exchange contracts and currency options. The most important currency risk to Vopak is translation risk, the risk that exchange differences arise upon the translation of the results and balance sheets of group companies into euros, Vopak's reporting currency.

Translation risk

Net investments in operating companies are in principle hedged by means of loans in the same currency. The amount of the hedge is determined mainly by the expected net cash flow from the operating companies in the coming years. In certain situations it may be decided to hedge the cash flow for the coming years in full. In such situations, the nominal value of the hedge might exceed the carrying value of the underlying asset. At 31 December 2004 no net hedges exceeded the carrying value of the underlying assets.

In exceptional circumstances, the risk with regard to the translation of the net results of foreign group companies into euros can be selectively hedged. In view of the sensitivity of the financing ratios to exchange rate movements, extreme falls in important translation positions were partially hedged in 2004. At 31 December 2004 no hedges had been concluded for 2005. Vopak's translation risk was determined by positions in the Singapore dollar (SGD), the American dollar (USD) and USD-related currencies. The sensitivity to these currencies is as follows:

A 10 dollar cent movement in the EUR/USD exchange rate would have the following approximate effect on Vopak's figures (based on 2004 figures):

- Total turnover would be EUR 11.5 million higher or lower;
- EBIT would be EUR 3.5 million higher or lower;
- Net profit would be EUR 2.7 million higher or lower.

A 10 dollar cent movement in the EUR/SGD exchange rate would have the following approximate effect on Vopak's figures (based on 2004 figures):

- Total turnover would be EUR 3.7 million higher or lower;
- EBIT would be EUR 2.1 million higher or lower;
- Net profit would be EUR 1.2 million higher or lower.

Liquidity risks

To finance investments and potential acquisitions and to repay long-term debt, Vopak has long-term stand-by credit facilities in the Netherlands. They may be drawn in various currencies to an amount of EUR 205 million. At year-end 2004 no amounts had been drawn on these facilities.

Management reporting

To be an effective business that accounts fully for its performance, Vopak continuously strives for the balanced and practical implementation of guidelines, standards and personal responsibilities.

The Tank Terminal-Plus strategy and the associated transparent business model contribute to the effective monitoring of the strategic, operational and financial development of the activities at local, regional and global level. Vopak's Enterprise Risk Management Programme is integrated wherever possible into the regular operational, financial and management processes. Responsibility for designing, implementing, monitoring, reviewing and reporting on our internal risk management and control systems is clearly laid down at all levels in the organisation. Risk analyses of operational and financial targets, the Code of Conduct, the various manuals and procedures and the monitoring and reporting system are important instruments in this process.

As the Executive Board, we are responsible for taking appropriate measures for the design and operation of the internal risk management and control systems and ensuring that these systems are consistent with Vopak's operations. The systems have been designed to detect opportunities and risks on a timely basis, to manage significant risks and to facilitate the realisation of strategic, operational and financial targets. The systems also support compliance with applicable legislation and regulations.

We have based the design on relevant criteria for internal risk management and control systems as defined by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 1992 and 2004. These COSO models strengthen best practices to ensure the quality of internal and external reports and risk management and control systems. No matter how well such systems are designed, however, they can never provide absolute assurance that the strategic, operational and reporting targets will be met or that laws and regulations will always be observed. In view of the nature and scope of the decisions and activities that the staff take and carry out every day in their work, human errors, poor judgement and mistakes can have serious consequences and it cannot be ruled out that laws and rules will be deliberately ignored or transgressed. These general restrictions also apply to Vopak. An inherent aspect of business, moreover, is that taking risks and implementing controls must always be preceded by a consideration of the costs and benefits.

To fulfil our responsibilities, we systematically analysed, evaluated and, where necessary, extended the organisation's internal risk management and control processes during the past year. We also increased the instruments used to verify the effective operation of the internal risk management and control systems. The Executive Board regularly considered these issues and discussed all significant aspects with the Division Presidents and Corporate staff directors. In addition, Corporate Internal Audit carried out specific work in this area.

Given the dynamism of our service-oriented storage and handling activities in 29 countries, we are alert to internal and external developments that might be of relevance to our companies so that we can refine and optimise the design of these systems where necessary and relevant.

A description in detail of the system is given in the risk management section on pages 36 to 38 of this annual report. The Executive Board regularly discusses all its activities regarding the evaluation of the internal risk management and control systems, including changes and planned improvements, with the Audit Committee and the Supervisory Board.

With due regard to the afore-mentioned restrictions inherent in Enterprise Risk Management, in our opinion the company's internal risk management and control systems enable us to declare with a reasonable (but not absolute) degree of certainty that:

- we have sufficient insight into the extent to which the company's strategic and operational targets will be realised;
- the organisation observes applicable legislation and regulations;
- internal and external financial and other reports are reliable.

Rotterdam, 3 March 2005

The Executive Board

C.J. van den Driest
J.P.H. Broeders
J.P. de Kreij

Information for shareholders

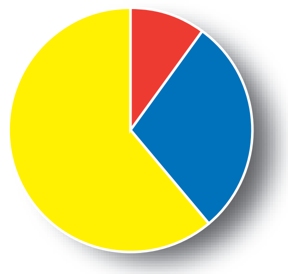
Figures per ordinary share of EUR 1.00

	2004	2003
Net profit	**1.37**	1.67
Net profit excluding exceptional items	**1.26**	1.28
Cash flow	**2.86**	3.37
Shareholders' equity *	**7.87**	6.77
Dividend **	**0.50**	0.50
Pay-out ratio **	**36%**	30%

* *Net of shareholders' equity relating to cumulative financing preference shares*

** *Optional in cash or in shares*

Distribution of Vopak shares



Number of shares outstanding

	2004	2003
Weighted average	**59,429,967**	58,313,375
Weighted average, fully diluted	**59,460,305**	58,461,497
At year end	**61,011,307**	59,927,972

Major holdings

Pursuant to the Major Holdings in Listed Companies Act, a shareholding of 5% or more in a Dutch company must be disclosed. Vopak has received the following notifications concerning such holdings of ordinary shares and financing preference shares.

Royal Vopak shareholders

	Ordinary share-holdings [1]	Total share-holdings [2]	Voting rights [3]	Date of notification
HAL Holding N.V.	47.52%	39.22%	44.52%	24-6-2002
ING Groep N.V.	7.66%	11.68%	7.18%	28-8-2000
CGU plc./ Delta Lloyd	6.48%	8.99%	6.07%	12-11-1999
Ducatus N.V.	< 5%	5.52%	< 5%	4-11-1999
Fortis Utrecht N.V.	< 5%	5.52%	< 5%	27-11-2003
Stichting Administratiekantoor Financieringspreferente aandelen Vopak			6.33% [4]	
Total ordinary shareholdings exceeding 5% of ordinary shares in Vopak	61.66%			
Freefloat	38.34%			

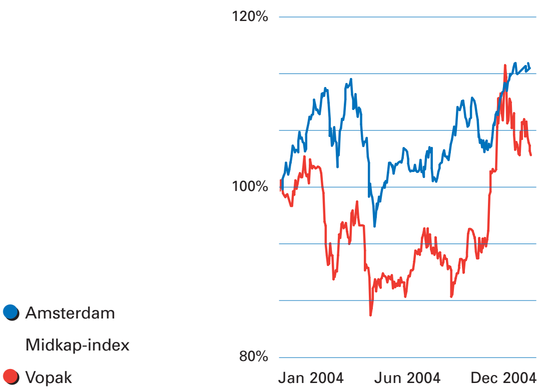
[1] *Number of ordinary shares divided by total number of ordinary shares outstanding*

[2] *Number of ordinary shares and financing preference shares divided by the total number of ordinary shares and financing preference shares outstanding*

[3] *Number of ordinary shares divided by the total number of votes of ordinary and financing preference shares outstanding*

[4] *See also the section on Corporate Governance (page 41 to 43)*

Weekly closing price Vopak
versus AMX index 2004



Financial calendar 2005

4 March 2005	-	Publication of annual results 2004
28 April 2005	-	Annual General Meeting
	-	Publication of first quarter results 2005
25 May 2005	-	Dividend payable
26 August 2005	-	Publication of half-year results 2005
28 October 2005	-	Publication of third quarter results 2005

Investor Relations policy

Vopak conducts an open information policy for investors and other parties interested in the financial status of the company. The purpose is to inform these stakeholders as fully and as timely as possible about the company's policies and changes within the company. The guidelines Vopak follows are available from the Investor Relations section on the website, www.vopak.com.

This annual report is one of the media used in the Investor Relations policy. All other relevant information, such as half-year results, quarterly results, press releases and background information is available on the website, www.vopak.com.

Vopak holds a press conference to coincide with the publication of the annual and half-year results. Following the publication of the annual and half-year results, Vopak holds a number of meetings with stock market analysts. The information presented at those meetings is published immediately thereafter on the company's website. In addition, with effect from 2005, Vopak will record analysts meetings relating to the annual and half-year results by means of webcasting. Investors and their advisers can put their questions directly to Dick Richelle, Director Corporate Communication & Investor Relations, telephone: +31 10 4002777, e-mail: dick.richelle@vopak.com.

Corporate Governance

Introduction

The 2004 Annual General Meeting considered the section in the 2003 annual report on the Corporate governance structure and Corporate governance policy. We are pleased to confirm that Vopak satisfies most of the Principles and Best Practices laid down in the Dutch Corporate Governance Code (the 'Code').

The Extraordinary General Meeting held on 22 December 2004 approved a number of amendments to Vopak's Articles of Association, in part to formalise various provisions laid down in the Code. The amendments were effected on 30 December 2004.

With regard to the financing preference shares, which were partially renewed as of 1 January 2005 subject to the new conditions following the amendment of the Articles of Association and of the administration conditions of Stichting Administratiekantoor Financieringspreferente Aandelen Vopak (the 'Foundation'), the voting right on these shares is based on the fair market value of the capital contribution and the Foundation's Board for the administration of these shares is now made up of three members who are independent of the company.

In comparison with the previous annual report, the number of exceptions from the Code's Principles and Best Practice provisions has been further reduced and this annual report again includes an explanation of the internal risk management and control systems.

Structure and policy

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

Vopak confirms that the principles reflected in the Code are echoed in those applied by Vopak.

The Executive Board is responsible for the management of the company and thus for the realisation of Vopak's strategic goals, its strategy and policy and the attendant development of results. The Supervisory Board is responsible for supervising the Executive Board's policy and the general performance of the company and its affiliated companies and advises the Executive Board.

The members of the Executive Board and the Supervisory Board are appointed by the Annual General Meeting on the basis of a non-binding recommendation by the Supervisory Board. The Annual General Meeting also has the power to suspend and dismiss members of the Executive Board and the Supervisory Board. Since Vopak qualifies as an international holding company within the meaning of the Dutch Large Companies Act, it is exempted from the provisions of that Act.

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

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

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

In addition to the power to appoint, suspend and dismiss the members of the Executive Board and the Supervisory Board, the Annual General Meeting can pass resolutions on amendments to the Articles of Association, legal mergers and split-offs and the adoption of the financial statements and the profit appropriation. In addition, the Annual General Meeting sets and reviews the remuneration policy for the Executive Board and determines the remuneration of the members of the Supervisory Board.

The remuneration of the members of the Executive Board is agreed by the Supervisory Board based upon a proposal by the Remuneration Committee and in accordance with the remuneration policy as adopted by the 2004 Annual General Meeting and with any changes therein. Share and share option schemes for members of the Executive Board and significant changes in such schemes are submitted to the Annual General Meeting for approval.

Vopak currently does not grant shareholders the option of distance voting. The experience of several listed companies that permit distance voting via Stichting Communicatiekanaal Aandeelhouders indicates that only a relatively small number of shareholders make use of this option. The costs, however, are still considerable. Legislation is currently being prepared to facilitate distance voting and to make it more transparent and cost efficient. When the new legislation is in place, Vopak will consider the possibility of shareholder distance voting. Vopak has allowed proxy voting for some time. Vopak makes use of the option provided for in its Articles of Association to set a registration date for the exercise of voting and attendance rights.

The Dutch Corporate Governance Code (the 'Code')

Vopak has evaluated its Corporate governance in the light of the Code's Principles and Best Practice provisions and concluded that it satisfies the Principles and Best Practice provisions in so far as they are applicable to it. The following exceptions, however, still apply, and will provisionally continue to apply. There is at present no reason to assume that additional exceptions will arise in the near future. Vopak therefore satisfies the Code.

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

The terms of Messrs Van den Driest's and De Kreij's employment contracts do not agree with this provision. The contracts were concluded before the Code took effect; acquired rights may not be impaired.

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

Unconditional options granted to the current members of the Executive Board in the past did not make reference to performance criteria. These options may not be exercised within three years of their being granted. The Supervisory Board has decided not to amend the conditions applicable to options already granted since they are existing contractual agreements.

Best Practice provision II.2.7 (maximum severance pay)

The employment contract between Vopak and Mr De Kreij is not in agreement with this provision. In the event of his dismissal, Mr De Kreij will be contractually entitled to at least two years' salary. The contract was concluded before the Code took effect; acquired rights may not be impaired.

Regulations

Vopak has several sets of regulations to govern the operation of its various bodies and to implement the rules applicable within Vopak. These regulations have been amended in line with the Code. They are available from the Corporate governance section on the company's website, www.vopak.com. They are:
- Regulation on Executive Board;
- Regulations of the Audit Committee of the Supervisory Board;
- Regulations of the Remuneration Committee of the Supervisory Board;
- Regulations of the Selection and Appointment Committee of the Supervisory Board;
- Regulations of the Executive Board;
- Regulations on Executive Board Members and Supervisory Board Members Investments and Insider Trading;
- Regulations on Suspected Irregularities ('whistle blower regulation').

The website also contains:

- Profile of the Supervisory Board;
- Retirement schedule for the Supervisory Board Members;
- Information on the members of the Executive Board and the Supervisory Board and the membership of the core committees;
- Code of Conduct;
- Remuneration report, containing the main points of the remuneration policy;
- Report of Stichting Administratiekantoor Financieringspreferente Aandelen Vopak.

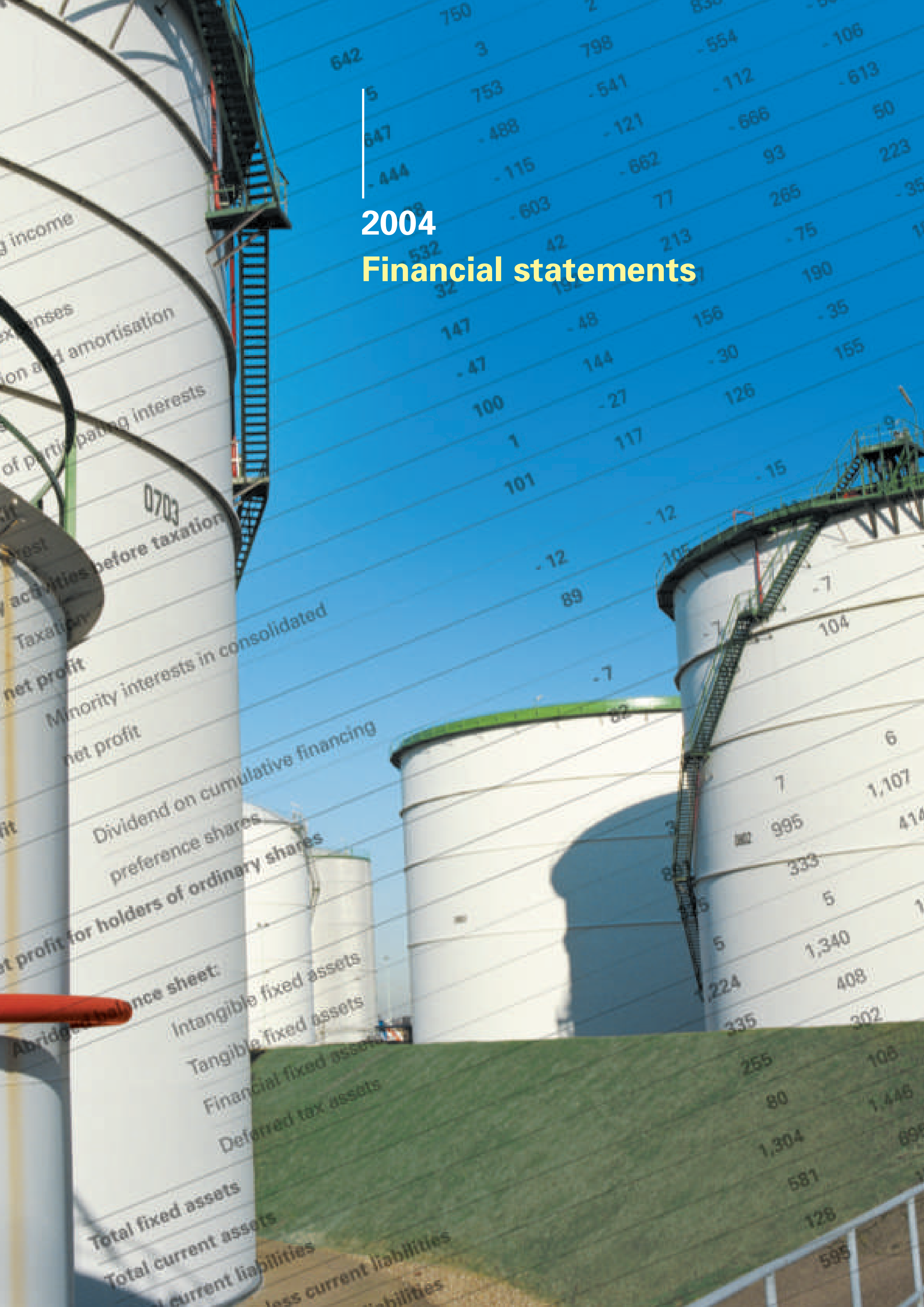
Anti-takeover measures

Vopak's principal defence against hostile takeover is its ability to issue cumulative preference shares ('defensive preference shares') to Stichting Vopak. Defensive preference shares will be issued should Stichting Vopak exercise its option right. At the Annual General Meeting of 18 October 1999, the shareholders resolved to grant Stichting Vopak the right to obtain defensive preference shares up to a maximum amount equal to 100% of the share capital placed with third parties in the form of ordinary and financing preference shares, less one ordinary share. Vopak and Stichting Vopak formalised their relationship with regard to the option right in an option agreement dated 1 November 1999, which option agreement was amended on 5 May 2004, whereby the put option originally granted to Vopak was cancelled. The granting of the option has been entered in the Company Registry and is disclosed in this annual report. Stichting Vopak's objects are to promote the interests of Vopak and of the enterprises which are carried on by Vopak and by Vopak group companies in such a way that the interests of Vopak and of those companies including all those involved in those companies are safeguarded to the greatest possible extent and, to the best of its ability, to resist influences that might impair, contrary to those interests, the independence and/or continuity and/or identity of Vopak and those companies as well as to carry on all that which is related or conducive hereto. The Board of Stichting Vopak therefore determines whether and when it is necessary to issue the defensive preference shares.

The anti-takeover measures described here will be exercised in a takeover situation if, for example, it is in Vopak's interests to determine its position vis-à-vis the hostile party and its plans, and to create opportunities to seek alternatives. The anti-takeover measures will not be applied to protect the position of the Executive Board.


consolidated
Group operating
Consolidated
04

2004
Financial statements



Consolidated financial statements

Consolidated profit and loss account

In EUR millions	Note		2004		2003
Net turnover	2	**642.1**		749.6	
Other operating income		**5.4**		3.0	
Total operating income			**647.5**		752.6
Wages, salaries and social security charges	3	**229.1**		262.6	
Depreciation and amortisation	4	**88.4**		115.0	
Other operating expenses	5	**214.7**		225.3	
Total operating expenses			**532.2**		602.9
Operating profit			**115.3**		149.7
Profit of participating interests	6		**31.6**		42.5
Group operating profit	7		**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
Taxation	8		**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	9		**1.37**		1.67
Fully diluted earnings per share	9		**1.37**		1.67
Earnings per share (excluding exceptional items)	1, 9		**1.26**		1.28
Fully diluted earnings per share (excluding exceptional items)	1, 9		**1.26**		1.28

Consolidated balance sheet at 31 December, before proposed profit appropriation

In EUR millions	Note		2004		2003
Intangible fixed assets	10	**3.2**		6.6	
Tangible fixed assets	11	**890.6**		994.8	
Financial fixed assets	12	**325.5**		333.1	
Deferred tax assets	13	**5.0**		5.4	
Total fixed assets			**1,224.3**		1,339.9
Stocks		**0.9**		1.7	
Debtors	14	**195.1**		232.2	
Prepayments and accrued income		**22.6**		17.9	
Securities		**0.4**		4.1	
Cash at bank and in hand	15	**116.3**		152.4	
Total current assets			**335.3**		408.3
Amounts owed to banks	16	**6.2**		37.0	
Current portion of long-term liabilities	18	**29.4**		28.4	
Trade creditors and other liabilities	17	**209.3**		225.1	
Pensions and other employee benefits	20	**4.6**		4.9	
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	18		**581.4**		695.5
Pensions and other employee benefits	20	**9.9**		16.9	
Provision for deferred tax liabilities	21	**89.9**		118.0	
Other provisions	22	**28.1**		36.8	
Total provisions			**127.9**		171.7
Minority interests in consolidated shareholders' equity	23	**50.4**		57.5	
Shareholders' equity	24	**545.0**		521.2	
Group equity			**595.4**		578.7
Total			**1,304.7**		1,445.9

Consolidated cash flow statement

In EUR millions	Note		2004		2003
Net profit		88.6		104.5	
Adjustments for:					
- Depreciation and amortisation	4	82.5		99.9	
- Write downs and impairments	4	5.9		15.1	
- Movements in provisions		- 44.6		- 49.6	
- Movements in minority interests		- 3.9		5.8	
- Distributed profit of non-consolidated participating interests	12	22.2		23.5	
- Share in profit of non-consolidated participating interests	6	- 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	11	- 125.7		- 106.5	
Acquisitions (including goodwill):					
- Financial fixed assets	12	- 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	12	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	18	- 69.4		- 50.4	
- New long-term liabilities		–		3.7	
- Financing preference shares cancelled	24	- 50.3		–	
- Movements in short-term financing		- 57.9		- 68.0	
- Dividend paid in cash	24	- 4.1		- 29.2	
- Dividend paid on preference shares		- 8.5		- 6.9	
- Options exercised	24	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 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	15		- 36.1		- 0.6

Group accounting policies

Basis of consolidation

The consolidated financial statements include the financial statements of Royal Vopak and its subsidiaries. Subsidiaries are those companies in which the Group directly or indirectly has more than half of the voting rights or over whose policies the Group directly or indirectly exercises control. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is obtained until the date on which control ends. The minority interests are disclosed separately in the profit and loss account and the balance sheet.

Equity-accounted companies are those companies over whose financial and operating policies the Group has significant influence. This is generally the case if the Group has between 20% and 50% of the voting rights. For these companies, equity accounting is used from the date on which the significant influence begins until the date on which it ceases. If the share in the losses exceeds the net book value of an equity-accounted company, the net book value is written down to nil and (to the extent that the Group has not undertaken any further commitments relating to the company in question) no further losses are allocated to the Group.

All transactions between group companies, balances and unrealised profits and losses on transactions between group companies are eliminated.

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

Discontinuation of operating activities

As part of the strategic reappraisal of non-tankstorage related activities, in 2004 Vopak disposed of its interests in Vopak Chemical Tankers, the warehouses in Rotterdam and Antwerp for storing packaged chemicals and the shipping activities related to mineral oils in Switzerland.

It had been decided in 2003 to dispose of the forwarding activities, the interest in VOTG (tankcontainer activities) and the shipping activities related to vegoils. It is expected that this decision will be effectuated in 2005. It was also decided in 2004 to terminate the activities of Cableship Contractors Holding.

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

In 2003, the interests in Chemgas gasshipping, the Asian LPG tankers, Van Ommeren Clipper Shipholdings, Dutch P&I Services, Dutch Shipping Defence and Dockwise Transport were disposed of.

Accounting policies

General

These financial statements are prepared under the historical cost convention. Departures if any from historical cost rules are mentioned separately. Income and expenses are accounted for in accordance with the accruals concept.

Profits are recognised when realised and losses are accounted for as soon as they are foreseen.

Assets are depreciated or amortised evenly over their expected useful economic lives. The depreciation periods are disclosed under tangible fixed assets.

Tax is computed on the profit shown in the financial statements in accordance with local tax legislation in the countries concerned, taking into account permanent differences between the profit for tax and for financial reporting purposes.

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

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

Definitions
Profit is determined on the basis of the definitions below.

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

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

Profit of participating interests relates to the Group's share in the net profit of participating interests over which it exercises significant influence, downward value adjustments, results on sales and other profits and losses.

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

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

The depreciation periods of the main assets are as follows:

- buildings	10 - 40 years
- main components of tank storage terminals	10 - 40 years
- main components of inland vessels	10 - 30 years
- hardware IT	3 - 5 years
- software	3 - 7 years
- machinery, equipment and fixtures	3 - 10 years

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

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

Financial fixed assets

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

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

The profit of non-consolidated participating interests represents a material share of Vopak's activities. The net share of the profit of these non-consolidated participating interests is presented as part of group operating profit.

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

Impairment of fixed assets

Fixed assets are tested for impairment if events or new circumstances call for this. For testing purposes, the assets are grouped as cash-generating units. If the value of the asset concerned is permanently less than its net book value, the difference is taken to the profit and loss account as an impairment. Assets to be disposed of are carried at their estimated realisable value.
Impairments of intangible and tangible fixed assets are presented in the profit and loss account under depreciation and amortisation. Impairments of non-consolidated participating interests under financial fixed assets are presented under profit of participating interests. Impairments of loans under financial fixed assets are presented under interest.

Current assets

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

Deferred tax assets and liabilities

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

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

Pensions and other employee benefits

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

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

The pension charges for defined benefit plans are based on actuarial calculations, specifically the projected unit credit method. The effect of this method is that the charges are spread fairly even over the service years of employees in accordance with the valuation recommendations of the actuaries. These recommendations are requested annually.

The pension charges for defined benefit plans comprise the relevant part of the movement in the present value of the pension entitlements granted, the interest to be allocated, the expected income on plan assets and refund entitlements, the actuarial results to be allocated, the charges to be allocated in respect of past service and the movements to be allocated in respect of any reductions in or terminations of the plans.

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

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

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

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

Provisions for reorganisations are formed for estimated amounts based on reorganisation plans drawn up at the balance sheet date, for situations where the parties concerned justifiably expect the plans to be carried out.

Provisions for deferred remuneration other than pensions and other employee benefits, for example termination benefits and anniversary bonuses, are calculated using the method for defined benefit plans. Any actuarial results arising are recognised immediately as profits or losses. The same applies to any charges relating to past service.

Foreign currency translation
Transactions in foreign currencies are recorded in the accounting records of the local companies using the exchange rates ruling at the date of the transaction. Balance sheet items denominated in foreign currencies are translated in the accounting records of the local companies using the exchange rates ruling at the balance sheet date. Exchange differences are taken to the profit and loss account.

Transactions concluded to hedge exchange risks on assets and liabilities, together with the gains and losses on these transactions, are included in the carrying value of these items.

The assets and liabilities of foreign companies are translated into the reporting currency at the rate ruling on the balance sheet date. Profit and loss account items of foreign companies are translated at the average exchange rates during the reporting period.

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

Shares held to cover options
Shares that are repurchased to cover options are included in the financial statements of the Group. The purchase price of the shares is charged to shareholders' equity. These shares are ignored for the purpose of calculating earnings per share.

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

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

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

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

Notes to the consolidated profit and loss account

All amounts are in EUR millions, unless stated otherwise.

1. Exceptional items

Breakdown of exceptional items in net profit:

			2004		2003
Other operating income					
	Result on discontinued operating activities	3.8		- 2.7	
	Compensation for damages	1.1		4.5	
			4.9		1.8
Wages, salaries and social security charges					
	Provision for anniversary bonuses	- 2.3		–	
	Adjustment for 2002 pension calculations	–		3.0	
			- 2.3		3.0
Depreciation and amortisation					
	Impairments		- 5.9		- 15.1
Other operating expenses					
	Release of guarantee given to Univar	–		33.2	
	Other	- 0.5		- 2.7	
			- 0.5		30.5
Profit of participating interests					
	Result on sale of non-consolidated participating interests		- 0.2		5.3
Total effect on group operating profit			- 4.0		25.5
Interest					
	Penalty interest on early repayment		- 6.4		–
Taxation					
	Tax on above-mentioned items	3.2		- 2.8	
	Exceptional movements in taxation relating to prior years	14.1		–	
			17.3		- 2.8
Minority interests in consolidated profit			0.1		–
Total effect on net profit			7.0		22.7

2. Net turnover

Breakdown of net turnover by geographical area:

		2004	2003
	The Netherlands	230.3	316.5
	Other European countries, the Middle East and Africa	177.2	191.5
	North America	96.6	104.8
	Latin America	45.8	40.1
	Asia and Australia	92.2	96.7
Total		642.1	749.6

Breakdown of net turnover by activity:

		Tank storage	Other activities	Discontinuation of operating activities	2004	2003
	Chemicals Europe, Middle East and Africa	212.2	33.2	–	245.4	243.3
	Oil Europe, Middle East and Africa	116.5	12.4	–	128.9	115.7
	Asia	89.5	2.7	–	92.2	93.8
	North America	96.6	–	–	96.6	104.8
	Latin America	45.9	–	–	45.9	40.1
	Discontinuation of operating activities	–	–	31.5	31.5	151.1
	Other	–	1.6	–	1.6	0.8
Total		560.7	49.9	31.5	642.1	
Total 2003		548.0	50.5	151.1		749.6

3. Wages, salaries and social security charges

		2004	2003
	Wages and salaries	**181.2**	210.0
	Social security charges	**24.8**	30.4
	Pension contributions	**23.1**	22.2
Total		**229.1**	262.6

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

Average number of employees

During the year under review, the Group employed an average of 3,657 employees (including temporary staff), of whom 1,176 were employed in the Netherlands. This number can be broken down as follows:

		Tank storage	Other activities	Discontinuation of operating activities	2004	2003
	Chemicals Europe, Middle East and Africa	1,098	223	–	**1,321**	1,310
	Oil Europe, Middle East and Africa	341	103	–	**444**	430
	Asia	357	29	–	**386**	314
	North America	477	–	–	**477**	470
	Latin America	556	–	–	**556**	466
	Discontinuation of operating activities	–	–	347	**347**	1,233
	Other	–	126	–	**126**	139
Total		2,829	481	347	**3,657**	
Total 2003		2,619	510	1,233		4,362

Movements in the number of employees

		2004	2003
Number at 1 January		**4,004**	4,075
	Movements due to acquisitions	**–**	233
	Movements due to disposals	**- 543**	- 238
	Entered service/left service	**- 33**	- 66
Number at 31 December		**3,428**	4,004

4. Depreciation and amortisation

		2004	2003
	Intangible fixed assets	**0.3**	0.3
	Tangible fixed assets	**82.2**	99.6
	Impairments	**5.9**	15.1
Total		**88.4**	115.0

5. Other operating expenses

		2004	2003
	Maintenance	**40.0**	41.3
	Rental and lease	**22.9**	29.5
	Fuel	**26.8**	25.7
	Environmental, safety and cleaning	**21.1**	22.2
	Insurance premiums	**21.1**	22.1
	Voyage expenses vessels	**5.4**	28.6
	Exceptional items	**0.5**	- 30.5
	Other	**76.9**	86.4
Total		**214.7**	225.3

6. Profit of participating interests

		2004	2003
	Share in profit of non-consolidated participating interests	**31.3**	36.5
	Result on sale of non-consolidated participating interests	**- 0.2**	5.3
	Other results	**0.5**	0.7
Total		**31.6**	42.5

Breakdown of profit of participating interests by activity:

		Tank storage	Other activities	Discontinuation of operating activities	2004	2003
	Chemicals Europe, Middle East and Africa	3.6	–	–	**3.6**	2.1
	Oil Europe, Middle East and Africa	11.7	0.9	–	**12.6**	12.9
	Asia	15.8	0.1	–	**15.9**	13.7
	North America	–	–	–	**–**	–
	Latin America	2.3	–	–	**2.3**	2.4
	Discontinuation of operating activities	–	–	- 2.4	**- 2.4**	12.2
	Other	–	- 0.4	–	**- 0.4**	- 0.8
Total		33.4	0.6	- 2.4	**31.6**	
Total 2003		29.4	0.9	12.2		42.5

7. Group operating profit

Breakdown of group operating profit by activity:

		Tank storage	Other activities	Discontinuation of operating activities	2004	2003
	Chemicals Europe, Middle East and Africa	32.3	0.4	–	**32.7**	36.6
	Oil Europe, Middle East and Africa	44.7	3.9	–	**48.6**	44.4
	Asia	60.5	0.2	–	**60.7**	56.0
	North America	15.0	–	–	**15.0**	21.6
	Latin America	16.3	–	–	**16.3**	14.1
	Discontinuation of operating activities	–	–	- 6.1	**- 6.1**	40.0
	Other	–	- 20.3	–	**- 20.3**	- 20.5
Total		168.8	- 15.8	- 6.1	**146.9**	
Total 2003		167.7	- 15.5	40.0		192.2

8. Taxation

The tax on profit is a credit of EUR 1.1 million (2003: charge of EUR 27.4 million), which can be broken down as follows:

		2004		2003
The Netherlands				
Current tax charge	- 13.2		- 3.3	
Deferred tax charge	- 6.3		4.7	
		- 19.5		1.4
Other countries				
Current tax charge	24.9		22.7	
Deferred tax charge	- 6.5		3.3	
		18.4		26.0
Tax on profit		- 1.1		27.4

		%		%
Weighted average statutory tax rates		27.1		25.2
Effect of participation exemption	- 6.7		- 7.0	
Effect of non-deductible expenses	1.1		1.0	
Effect of reduction in tax rates	- 1.8		- 0.7	
Revaluation of deferred tax assets	- 5.5		–	
Other effects	- 1.2		0.5	
		- 14.1		- 6.2
Exceptional movements in taxation relating to prior years		- 14.1		–
Effective tax burden		- 1.1		19.0

9. Earnings per share

Earnings per share is calculated by dividing the net profit for holders of ordinary shares by the weighted average number of issued shares. The weighted average number of issued shares in 2004 was 59,429,967 (2003: 58,313,375).

In calculating the fully diluted earnings per share, the weighted average number of issued shares is adjusted for the dilution effects of option plans. For 2004, the adjustment for dilution effects was 30,338. The adjustment for dilution to the weighted average number of issued shares in 2003 was 148,122.

Notes to the consolidated balance sheet

All amounts are in EUR millions, unless stated otherwise.

10. Intangible fixed assets

Movements in intangible fixed assets were as follows:

Net book value at 1 January 2004	**6.6**
Movements:	
- Goodwill	**- 0.2**
- Deconsolidations	**- 0.6**
- Amortisation	**- 2.6**
- Exchange differences	**–**
Net book value at 31 December 2004	**3.2**
Cost	**6.2**
Accumulated amortisation	**- 3.0**
Net book value at 31 December 2004	**3.2**

11. Tangible fixed assets

Movements in tangible fixed assets were as follows:

	Land and buildings	Tank storage terminals	Vessels	Machinery, equipment and fixtures	Assets under construction	**Total**
Net book value at 1 January 2004	100.4	631.1	160.2	51.9	51.2	**994.8**
Movements:						
- Additions	1.0	10.8	6.7	2.3	104.9	**125.7**
- Reclassifications	5.0	60.6	2.9	23.0	- 91.5	**–**
- Deconsolidations	- 7.4	–	- 106.2	- 2.9	- 4.1	**- 120.6**
- Disposals	- 3.0	- 0.3	- 2.3	–	- 0.1	**- 5.7**
- Depreciation	- 4.0	- 61.4	- 8.2	- 12.2	–	**- 85.8**
- Exchange differences	- 3.7	- 11.9	–	- 1.5	- 0.7	**- 17.8**
Net book value at 31 December 2004	88.3	628.9	53.1	60.6	59.7	**890.6**
Cost	152.6	1,551.7	94.9	133.0	59.7	**1,991.9**
Accumulated depreciation	- 64.3	- 922.8	- 41.8	- 72.4	–	**- 1,101.3**
Net book value at 31 December 2004	88.3	628.9	53.1	60.6	59.7	**890.6**

A terminal in Mexico is encumbered by a pledge of EUR 7,4 million.

12. Financial fixed assets

Movements in financial fixed assets were as follows:

	Participating interests	Loans to participating interests	Other investments	Other loans	Total
Balance at 1 January 2004	160.3	17.4	0.9	154.5	**333.1**
Movements:					
- Share in profit	31.0	–	0.3	–	**31.3**
- Dividends received	- 21.9	–	- 0.3	–	**- 22.2**
- Investments/loans granted	18.9	4.5	–	1.7	**25.1**
- Disposals/repayments	- 0.2	- 0.1	–	- 18.1	**- 18.4**
- Movement in current portion	–	–	–	- 5.1	**- 5.1**
- Exchange differences	- 10.4	- 0.6	- 0.1	- 7.2	**- 18.3**
Balance at 31 December 2004	177.7	21.2	0.8	125.8	**325.5**

Other loans include subordinated loans amounting to EUR 124.5 million (2003: EUR 148.2 million), of which EUR 0.7 million represents loans with remaining terms exceeding 5 years. For other loans, the weighted average interest rate at 31 December 2004 was 3.9% (2003: 3.1%).

13. Deferred tax assets

Movements in deferred tax assets were as follows:

	2004	2003
Balance at 1 January	**5.4**	5.8
Movements:		
- Additions	**2.8**	0.3
- Deconsolidations	**- 2.8**	–
- Withdrawals	**- 0.1**	–
- Exchange differences	**- 0.3**	- 0.7
Balance at 31 December	**5.0**	5.4

At year-end 2004, Vopak has tax losses available for set off of EUR 20.6 million which are not capitalised. These losses are long-term in nature.

14. Debtors

	2004	2003
Trade debtors	**80.4**	103.7
Other debtors	**114.7**	128.5
Total	**195.1**	232.2

15. Cash at bank and in hand

	2004	2003
Cash/bank	**39.3**	50.1
Deposits	**77.0**	102.3
Total	**116.3**	152.4

16. Amounts owed to banks

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

17. Trade creditors and other liabilities

		2004	2003
	Trade creditors	**57.7**	69.3
	Taxes and social security charges	**41.4**	37.6
	Other creditors, accruals and deferred income	**110.2**	118.2
Total		**209.3**	225.1

18. Long-term liabilities

		Face value		Repayment schedule				
		2004	2003	2006	2007	2008	2009	2010 until 2016
	Private placements and bank loans	**581.4**	681.3	62.3	121.6	61.1	51.0	285.4
	Subordinated loans	**–**	11.3	–	–	–	–	–
	Mortgage loans	**–**	2.9	–	–	–	–	–
Total		**581.4**	695.5	62.3	121.6	61.1	51.0	285.4

Repayments due in 2005 of EUR 29.4 million are included under the current portion of long-term liabilities.

Movements in long-term liabilities were as follows:

Balance at 1 January 2004		**695.5**
	Movements:	
	- Early repayment	**- 69.4**
	- Movement to current portion of long-term liabilities [1]	**- 29.4**
	- Exchange differences	**- 15.3**
Balance at 31 December 2004		**581.4**

[1] Including early repayment of EUR 26.1 million in January 2005. The penalty interest on this was EUR 1.6 million

A substantial part of the reduction in long-term liabilities was due to the early repayment totalling EUR 95.5 million. These repayments entailed payment of penalty interest of EUR 6.4 million, which is recognised in full as an interest expense in the 2004 profit and loss account.

Breakdown of loans by currency:

		Local currency		Euro	
		2004	2003	**2004**	2003
	Euro (EUR)	**87.4**	181.0	**87.4**	181.0
	US dollar (USD) [1]	**509.7**	516.5	**444.5**	464.8
	Pound sterling (GBP)	**35.0**	35.0	**49.5**	49.7
Total				**581.4**	695.5

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

The weighted average interest rate on long-term liabilities at 31 December 2004 was 7.7% (31 December 2003: 7.5%).
The components are as follows:

	Average term in years		Average interest rate as a percentage	
	2004	2003	**2004**	2003
Subordinated loans	**0.1**	1.7	**6.2**	6.2
Mortgage loans	**–**	3.9	**–**	6.4
Private placements and bank loans	**5.0**	5.8	**7.7**	7.5
Leases	**0.5**	–	**6.9**	–
Other loans	**–**	0.7	**–**	5.4
Weighted average	**4.8**	5.6	**7.7**	7.5

By concluding interest rate swap contracts, the effective interest rate on long-term loans at 31 December 2004 was 7.4% (31 December 2003: 7.6%).

Breakdown of interest rate swap contracts by currency:

	Principal in EUR millions		Weighted average fixed swap interest rate		Weighted average term in years	
	2004	2003	**2004**	2003	**2004**	2003
Variable to fixed						
Euro (EUR)	**56.7**	56.7	**5.4%**	5.4%	**5.0**	6.0
Australian dollar (AUD)	**–**	2.4	**–**	7.0%	**–**	0.5
Fixed to variable						
Euro (EUR)	**56.7**	56.7	**5.4%**	5.4%	**5.0**	6.0
US dollar (USD)	**73.8**	4.8	**7.8%**	6.3%	**5.0**	1.0
Fixed to fixed						
US dollar (USD)	**- 252.9**	- 252.9	**8.3 %**	8.3 %	**3.8**	4.9
Euro (EUR)	**252.9**	252.9	**8.9 %**	8.9 %	**3.8**	4.9

The ORANGE arrangement – under which Vopak was granted an option to issue new ordinary shares in exchange for the repayment of this subordinated loan in accordance with the schedule – was repaid in full on 27 January 2005. No shares had been issued.

The US private placements are long-term loans and have remaining terms of 4 to 12 years, most of them due to be repaid at the end of their term. The total outstanding amount at 31 December 2004 was EUR 428.1 million. Early repayment of these loans would incur penalty interest on that date of EUR 71.0 million.
The most important ratios are:

- The ratio of net debt to EBITDA was not to exceed 3.00 for the period 1 July 2003 until 30 June 2004. Originally, the limit was then to change to 2.75. However, during 2004 it was agreed with the noteholders that the limit should remain at 3.00 from 1 July 2004 until 30 June 2007, with the interest rate increasing by 50 basis points for ratios between 2.75 and 2.80 and by 150 basis points for ratios between 2.80 and 3.00. From 1 July 2007, the limit reverts to 2.75. At 31 December 2004, the ratio was 2.17 (31 December 2003: 2.42).
- The ratio of EBITDA to interest must not be less than 4.0. At 31 December 2004, the ratio was 5.0 (31 December 2003: 5.6).
- Minimum shareholders' equity required. In 2004, it was agreed with the noteholders that shareholders' equity during the period 1 July 2004 until 31 December 2006 must not be lower than the greater of:
  (i) EUR 418.0 million
  (ii) EUR 418.0 million plus, after 1 July 2004, 40% of the profit on ordinary activities after taxation, less the minority interests in the consolidated net profit and less the total of reductions in the cumulative financing preference shares (subject to a maximum of EUR 63.0 million).

After 31 December 2006, 40% of the profit on ordinary activities after taxation, less the minority interests in the consolidated net profit, will be added to a finally required minimum of EUR 725.0 million.
On this basis, the minimum required shareholders' equity at 31 December 2004 was EUR 418.0 million (31 December 2003: EUR 403.6 million). At 31 December 2004, shareholders' equity was actually EUR 545.0 million (31 December 2003: EUR 521.2 million).

- The loan agreements provide that the interest rate will increase by 1.0% per annum for any period of time during which the loans are rated NAIC 3 by the National Association of Insurance Commissioners. This increase will be reduced to 0.5% per annum for any period of time during which these private placements are rated better than NAIC 3, and the increase will be reduced to nil for any period of time during which Vopak is rated BBB or better by Standard & Poor's or Baa2 or better by Moody's for its long-term liabilities. Vopak has maintained a NAIC 2 rating since entering into the loan agreements.

The above-mentioned ratios also apply to a bank loan with an outstanding amount of EUR 77.1 million at 31 December 2004, for which no additional payment is due if the ratio of net debt to EBITDA exceeds 2.75 for the period 1 July 2004 until 30 June 2007. The conditions for this loan do not specify a minimum level of shareholders' equity.

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

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

Calculation of the ratio at 31 December 2004:

Shareholders' equity according to the balance sheet	**545.0**
50% of the deferred taxes	**42.5**
Adjusted shareholders' equity	**587.5**
Long-term loan capital according to the balance sheet [1]	**704.3**
Less 50% of the deferred taxes	**42.5**
Adjusted long-term loan capital	**661.8**

[1] *After deduction of deferred tax assets*

This results in a ratio of 1 : 1.1. The above-mentioned ratio requirement of 1 : 2.5 was met at 31 December 2004.

With regard to its working capital, Royal Vopak has undertaken for most of its loan agreements to maintain a ratio of current assets to current liabilities of at least 1 : 1. With working capital amounting to EUR 80.4 million at 31 December 2004, this requirement was also met.

19. Financial instruments

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

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

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

In accordance with the company's interest rate policy, the interest rates charged on a portion of the liabilities are fixed for periods not exceeding 12 years. In addition to raising loans with fixed rates of interest, this is achieved by means of various derivatives, such as interest rate swaps, cross currency interest rate swaps and caps and floors.

In accordance with the company's currency policy, the currency risks associated with major transaction positions are hedged. This is effected by using currency options and forward exchange contracts.

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

Financial instruments recognised in the balance sheet
The financial instruments recognised under assets and liabilities include cash at bank and in hand, securities, current and long-term receivables and liabilities. The estimated fair value of the short-term financial instruments at 31 December 2004 approximated their carrying value.

The market value of other long-term liabilities is estimated as the present value of cash flows, using the swap curve as a basis.

The table below shows the market value and carrying value of the other financial instruments recognised in the balance sheet at 31 December 2004.

	Market value		Carrying value	
	2004	2003	**2004**	2003
Other loans	**707.1**	778.5	**610.8**	723.9

Financial instruments not recognised in the balance sheet
Hedging instruments, such as interest rate swaps, cross currency interest rate swaps, forward exchange contracts, caps and floors, and currency options are used to manage risks.

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

The market value of interest rate swaps, cross currency interest rate swaps, forward interest rate contracts, options on swaps, caps and floors, if any, is calculated using the yield curve of government bonds in the relevant currency as a basis.

The table below shows the market value and the notional value of the financial instruments not recognised in the balance sheet at 31 December 2004.

	Market value		Notional value [1]	
	2004	2003	**2004**	2003
Cross currency interest rate swaps [2]	**- 23.2**	- 18.0	**252.9**	252.9
Interest rate swaps (from variable to fixed)	**- 6.3**	- 4.6	**56.7**	59.1
Interest rate swaps (from fixed to variable)	**7.4**	5.1	**130.5**	61.5
Currency purchase contracts	**–**	–	**1.4**	3.4
Currency sales contracts	**0.6**	1.5	**292.6**	201.4
Total	**- 21.5**	- 16.0		

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

[2] The market value of the cross currency interest rate swaps was EUR - 91.7 million (31 December 2003: EUR - 72.2 million). As a part of the long-term liabilities denominated in USD was translated using the weighted average exchange rate of the cross currency interest rate swaps, the currency component of EUR - 68.5 million is recognised in the balance sheet (31 December 2003: EUR - 54.2 million)

Credit risks

Vopak is exposed to credit risks on financial instruments and cash balances in the form of the loss that would arise should the counterparty fail to meet its contractual obligations. Vopak limits this risk by only concluding transactions with a select group of financial institutions that have a high credit rating. The aim is to spread the transactions evenly among these counterparties. At year-end, there was no significant concentration of credit risks at any of the counterparties.

20. Pensions and other employee benefits

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

	2004	2003
Balance at 1 January	**16.9**	16.1
Movements:		
- Effect of additional plans	**–**	9.1
- Effect of disposals	**- 1.0**	- 2.0
- Reclassification of other plans	**- 1.6**	1.2
- Pension charge/addition	**23.1**	22.2
- Employer's contributions	**- 24.1**	- 26.1
- Benefits paid directly by the employer	**- 1.2**	- 1.2
- Exchange differences	**- 0.2**	0.8
- Reclassification to current liabilities	**- 0.2**	- 4.9
- Other	**- 1.8**	1.7
Balance at 31 December	**9.9**	16.9

The table below provides a summary of movements in the balance sheet and profit and loss account items, and the assumptions underlying the actuarial calculations for the most important average and final pay pension plans and other benefit plans.

Movements in pension obligations	2004	2003
Obligations at 1 January	**681.4**	666.5
Movements:		
- Additional plans[1]	**2.9**	42.5
- Disposals/reductions	**- 3.0**	- 5.8
- Cost of rights accrued during the financial year	**12.1**	14.1
- Interest expenses	**35.5**	39.2
- Actuarial gains and losses	**86.0**	- 36.4
- Benefits paid from the pension fund	**- 31.2**	- 27.6
- Benefits paid directly by the employer	**- 1.2**	- 1.2
- Movements in exchange rates	**- 2.4**	- 9.9
Obligations at 31 December	**780.1**	681.4

Movements in plan assets		
Fair value of plan assets at 1 January	**600.2**	559.3
Movements:		
- Additional plans[1]	**–**	24.9
- Disposals/reductions	**–**	- 4.0
- Actual return on assets	**44.2**	35.9
- Employer's contributions	**17.9**	18.5
- Employees' contributions	**0.5**	0.5
- Benefits paid	**- 31.7**	- 27.9
- Movements in exchange rates	**- 1.6**	- 7.0
Fair value of plan assets at 31 December	**629.5**	600.2

Obligations less fair value of plan assets at 31 December	**150.6**	81.2
- Net actuarial gains and losses not yet recognised	**- 139.5**	- 65.5
- Other plans	**3.4**	6.1
Net pension obligations recognised at 31 December	**14.5**	21.8
Included in the financial statements as follows:		
- Under current liabilities	**4.6**	4.9
- Under long-term liabilities	**9.9**	16.9
Net pension obligations recognised at 31 December	**14.5**	21.8

Assumptions based on weighted averages at 31 December	2004	2003	2002
- Discount rate	**4.58%**	5.52%	5.56%
- Projected return on plan assets	**5.41%**	6.52%	6.71%
- Projected rate of salary increase	**2.15%**	3.02%	3.13%
- Projected price index increase	**1.87%**	2.11%	2.12%

Components of net pension charges	2004	2003
- Service costs	**12.1**	14.1
- Interest expenses	**35.5**	39.2
- Projected return on plan assets	**- 32.2**	- 38.0
- Amortisation of actuarial gains and losses	**1.3**	2.3
Defined benefit plans	**16.7**	17.6
- Defined contribution plans	**6.4**	7.6
- Adjustment for 2002 pension charges	**–**	- 3.0
Net period pension charges	**23.1**	22.2

[1] *Relates to a number of additional pension plans included in the valuation based on IAS 19*

The defined benefit plans are plans in the Netherlands, the United States, the United Kingdom, Germany, Belgium and Switzerland. The valuation of obligations under defined benefit plans takes future salary increases into account. On the other hand, a discount rate equal to the interest rate on high-quality corporate bonds is used for calculating their net present value. The effect of the difference between projected and actual salary increases and that of the difference between projected and actual returns on plan assets are both part of the actuarial result. The actuarial result does not entail a funding obligation. It arises from a calculation method to allocate the plan liabilities to individual years.

Unrecognised net actuarial results, to the extent that they exceed the margin of 10% of plan liabilities at 31 December 2004, are taken to the profit and loss accounts over a period of 13 years, which is the average future term of service. Approximately 67% of plan assets at 31 December 2004 were invested in fixed-interest securities.

21. Provision for deferred tax liabilities

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

		2004	2003
	- Accelerated depreciation and amortisation	84.7	98.7
	- Tax losses carried forward	- 6.1	- 6.8
	- Short-term and other temporary differences	11.3	26.1
Total		**89.9**	118.0

Movements in the provision for deferred tax liabilities were as follows:

		2004	2003
Balance at 1 January		**118.0**	143.3
	Movements:		
	- Additions	2.2	16.3
	- Consolidations/deconsolidations	- 0.4	- 6.0
	- Withdrawals	- 26.1	- 19.8
	- Exchange differences	- 3.8	- 15.8
Balance at 31 December		**89.9**	118.0

A deferred tax asset of EUR 5.0 million (2003: EUR 5.4 million) was recognised as a receivable under fixed assets.

22. Other provisions

Movements in other provisions were as follows:

		Environmental risks	Reorgani-sations	Other	Total
Balance at 1 January 2004		6.0	12.5	18.3	**36.8**
	Movements:				
	- Additions	8.1	2.2	3.6	**13.9**
	- Deconsolidations	–	- 0.3	- 1.6	**- 1.9**
	- Withdrawals	- 1.9	- 10.0	- 8.8	**- 20.7**
Balance at 31 December 2004		12.2	4.4	11.5	**28.1**

Other provisions are mainly long-term in nature.

The reorganisation provisions consist mainly of provisions for reorganisations and post-employment benefits, other than pensions and non-activity benefits.

Other provisions include an amount of EUR 5.6 million relating to claims and incurred but not reported damages of insurance activities.

23. Minority interests in consolidated shareholders' equity

Movements in minority interests were as follows:

	2004	2003
Balance at 1 January	**57.5**	64.3
Movements:		
- Profit for financial year	**12.6**	12.4
- Dividend	**- 16.8**	- 6.6
- Additions/disposals	**0.3**	- 11.8
- Consolidations	**–**	9.3
- Exchange differences	**- 3.2**	- 10.1
Balance at 31 December	**50.4**	57.5

24. Shareholders' equity

Movements in shareholders' equity of the legal entity as part of group equity were as follows:

			2004			2003
Balance at 1 January			**521.2**			496.4
Consolidated net profit		**88.6**			104.5	
Translation differences on foreign companies	**- 12.7**			- 51.2		
Option plans	**9.2**			–		
Goodwill reversed	**–**			6.0		
Sold from treasury stock	**–**			1.6		
Total movements directly in shareholders' equity		**- 3.5**			- 43.6	
Total profit			**85.1**			60.9
Dividend paid to holders of financing						
preference shares		**- 6.9**			- 6.9	
Dividend paid to holders of ordinary shares		**- 4.1**			- 29.2	
Dividend in the form of ordinary shares		**- 25.8**			–	
Share issue due to stock dividend		**14.8**			–	
Delivered from treasury stock for stock dividend		**11.0**			–	
Cancellation of financing preference shares and						
repayment of share premium		**- 50.3**			–	
Total movements in relation to shareholders			**- 61.3**			- 36.1
Balance at 31 December			**545.0**			521.2

25. Breakdown by activity

		Tank storage	Other activities	Discontinuation of operating activities	Total
Profit and loss account					
	Net turnover	560.7	49.9	31.5	**642.1**
	Depreciation and amortisation	- 73.7 [1)]	- 8.1	- 6.6 [2)]	**- 88.4**
	Profit of participating interests	33.4	0.6	- 2.4	**31.6**
	Group operating profit	168.8	- 15.8	- 6.1	**146.9**
Balance sheet					
	Intangible fixed assets	1.7	0.1	1.4	**3.2**
	Tangible fixed assets	817.1	68.3	5.2	**890.6**
	Financial fixed assets	176.5	129.3	19.7	**325.5**
	Other fixed assets	3.7	0.1	1.2	**5.0**
	Other assets	119.0	63.4	36.6	**219.0**
Total assets		1,118.0	261.2	64.1	**1,443.3**
	Liabilities	- 123.6	- 74.5	- 21.2	**- 219.3**
Capital employed		994.4	186.7	42.9	**1,224.0**
Total investments in fixed assets		128.0	21.6	1.0	**150.6**

1) Including impairments of EUR 1.2 million

2) Including impairments of EUR 4.7 million

26. Breakdown by geographical area

		The Netherlands	Other European countries, the Middle East and Africa	North America	Latin America	Asia and Australia	Total
Profit and loss account							
	Net turnover	230.3	177.2	96.6	45.8	92.2	**642.1**
	Depreciation and amortisation	- 33.2	- 21.0	- 11.8	- 3.6	- 18.8	**- 88.4**
	Profit of participating interests	- 1.6	15.2	–	2.3	15.7	**31.6**
	Group operating profit	32.7	32.8	11.8	18.9	50.7	**146.9**
Balance sheet							
	Intangible fixed assets	1.6	2.4	1.0	- 0.2	- 1.6	**3.2**
	Tangible fixed assets	321.2	182.3	150.7	60.2	176.2	**890.6**
	Financial fixed assets	37.1	59.7	95.9	4.6	128.2	**325.5**
	Other fixed assets	–	0.5	0.1	4.4	–	**5.0**
	Other assets	113.0	65.1	21.2	5.5	14.2	**219.0**
Total assets		472.9	310.0	268.9	74.5	317.0	**1,443.3**
	Liabilities	- 109.7	- 60.6	- 16.4	- 6.2	- 26.4	**- 219.3**
Capital employed		363.2	249.4	252.5	68.3	290.6	**1,224.0**
Total investments in fixed assets		61.4	26.0	9.7	10.3	43.2	**150.6**

27. Off-balance sheet commitments

Commitments undertaken

The company had made capital expenditure undertakings amounting to EUR 76.1 million at 31 December 2004 (31 December 2003: EUR 25.9 million). Rental and lease commitments, relating mainly to land and buildings, amounted to EUR 322.8 million at 31 December 2004 (31 December 2003: EUR 294.0 million).

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

2004	22.9
2005	26.9
2006	25.8
2007	24.9
2008	23.4
2009	22.9
after 2009	198.9

Contingent liabilities

Guarantees and security provided on behalf of participating interests and third parties amounted to EUR 91.6 million at 31 December 2004 (31 December 2003: EUR 40.5 million).

Company financial statements

Company profit and loss account

In EUR millions		2004	2003
	Profit of participating interests after taxation	**124.7**	140.9
	Other result after taxation	**- 36.1**	- 36.4
Net profit		**88.6**	104.5

Company balance sheet at 31 December, before proposed profit appropriation

In EUR millions		Note		2004		2003
	Financial fixed assets	28	**1,123.6**		1,173.1	
Total fixed assets				**1,123.6**		1,173.1
	Debtors		**15.2**		18.3	
	Prepayments and accrued income		**0.9**		2.7	
	Cash at bank and in hand		**11.0**		54.7	
Total current assets				**27.1**		75.7
	Amounts owed to banks		**21.2**		35.1	
	Current portion of long-term liabilities		**29.3**		20.0	
	Trade creditors and other liabilities		**44.4**		45.0	
	Dividends		**5.4**		6.9	
Total current liabilities				**100.3**		107.0
Current assets less current liabilities				**- 73.2**		- 31.3
Total assets less current liabilities				**1,050.4**		1,141.8
Long-term liabilities		29		**504.3**		609.5
Provisions		30		**1.1**		11.1
	Paid-up and called-up share capital		**80.4**		85.3	
	Statutory reserve for participating interests		**57.9**		52.5	
	Share premium account		**206.0**		262.4	
	Exchange differences		**- 81.6**		- 68.9	
	Other reserves		**282.3**		189.9	
Shareholders' equity		31		**545.0**		521.2
Total				**1,050.4**		1,141.8

Notes to the company financial statements

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

All amounts are in EUR millions, unless stated otherwise.

Accounting policies

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

28. Financial fixed assets

	Group companies	Loans to group companies	Loans to participating interests	Other loans	**Total**
Balance at 1 January 2004	666.6	484.6	–	21.9	**1,173.1**
Movements:					
- Investments/loans granted	–	–	2.8	2.4	**5.2**
- Disposals	- 46.6	- 94.8	–	- 11.8	**- 153.2**
- Movement in current portion of loans	–	–	–	- 0.7	**- 0.7**
- Exchange differences	- 22.4	- 3.3	–	0.2	**- 25.5**
- Profit	124.7	–	–	–	**124.7**
Balance at 31 December 2004	722.3	386.5	2.8	12.0	**1,123.6**

Loans to group companies include no subordinated loans per 31 December 2004 and per 31 December 2003.

Other loans include subordinated loans amounting to EUR 11.0 million (2003: EUR 20.1 million), all with remaining terms shorter than 5 years.

29. Long-term liabilities

	Face value		Due after 5 years		Average term in years		Average interest rate as a percentage	
	2004	2003	**2004**	2003	**2004**	2003	**2004**	2003
Subordinated loans	**–**	11.3	**–**	–	**–**	1.7	**–**	6.2
Private placements and bank loans	**504.3**	598.2	**285.4**	426.0	**5.2**	6.1	**7.9**	7.8
Total	**504.3**	609.5	**285.4**	426.0				
Weighted average					**5.2**	6.0	**7.9**	7.8

30. Provisions

Movements in provisions were as follows:

	Pensions and other employee benefits	Reorganisations	**Total**
Balance at 1 January 2004	6.9	4.2	**11.1**
Movements:			
- Additions	–	0.7	**0.7**
- Withdrawals	- 6.8	- 3.9	**- 10.7**
Balance at 31 December 2004	0.1	1.0	**1.1**

The provisions are long-term.

31. Shareholders' equity

Movements in the number of shares were as follows:

	Issued ordinary shares [1]	Treasury stock	Financing preference shares	Defensive preference shares
Balance at 1 January 2004	58,320,663	1,607,309	25,400,000	–
Issue of new shares for stock dividend	1,083,335	–	–	–
From treasury stock for stock dividend	805,889	- 805,889	–	–
Reduction in share capital	–	–	- 5,949,000	–
Issued to optionholders	507,477	- 507,477	–	–
Balance at 31 December 2004	60,717,364	293,943	19,451,000	–

[1] *After deduction of treasury stock*

The company's authorised share capital amounts to EUR 178,822,614, divided into 64,011,307 ordinary shares, 89,411,307 defensive preference shares and 25,400,000 financing preference shares, all of EUR 1.00 nominal value each.

The issued share capital consists of 61,011,307 ordinary shares and 25,400,000 financing preference shares, all of EUR 1.00 nominal value each. Of the issued ordinary shares, 293,943 are held in the treasury stock in connection with existing commitments under share option plans. Options on 507,477 ordinary shares were exercised during 2004.

Regarding the 25,400,000 outstanding financing preference shares, the Annual General Meeting decided on 22 December 2004 to reduce the share capital by cancelling 5,949,000 cumulative financing preference shares, for which the company acquired the depositary receipts for these shares on 30 December 2004 from the two holders of the receipts.

On 30 December 2004, the company also distributed an amount of EUR 23,265,000 on the remaining 19,451,000 outstanding cumulative financing preference shares from the share premium account for these shares. The balance remaining on the share premium account after the distribution was EUR 45,549,000.

From 1 January 2005, the dividend on the outstanding financing preference shares, amounting to EUR 65 million (nominal value plus share premium account), will be 4.73%, which is equivalent to an annual dividend of EUR 3.1 million. The percentage will be set again on 1 January 2010 and every five years thereafter.

Under the Articles of Association, a dividend can only be distributed on financing preference shares following a decision by the Executive Board, subject to approval by the Supervisory Board, to transfer all or part of the profit to reserves. If the transfer to reserves results in the remaining profit being insufficient to distribute a dividend on the financing preference shares, an amount equal to the shortfall will be deducted from the amount to be transferred to reserves and added to the dividend reserve for the financing preference shares. The dividend reserve will have primary dividend rights in subsequent financial years, any dividend in question either being added to the dividend reserve or distributed on the financing preference shares, as far as possible and at the discretion of the Executive Board, subject to the approval of the Supervisory Board.

The Articles of Association also stipulate that only the Executive Board, subject to the approval of the Supervisory Board, is authorised to make decisions to distribute dividends from the share premium account and the dividend reserve for the financing preference shares.

As at present, a dividend will only be distributed on the ordinary shares after the dividend on the financing preference shares has been distributed, on the understanding that no dividend will be distributed on the ordinary shares if, at the time of the intended distribution, the balance of the dividend reserve for the financing preference shares is positive.

The company will have the right to repurchase the financing preference shares in five annual payments. If the company decides to repurchase them, only the share premium will be repaid in the first four years. The annual repayment of the share premium will be limited to a maximum of 20% of the outstanding share capital of the financing preference shares, which currently amounts to EUR 65 million.
On 1 January 2010 and every five years thereafter, the company will have the right to cancel the financing preference shares, with due observance of the relevant provisions of the Articles of Association.
Movements in shareholders' equity were as follows:

	Ordinary shares	Cumulative financing preference shares	Statutory reserve for partici-pating interests	Share premium	Exchange differences	Other reserves	**Total share-holders' equity**
Balance at 1 January 2003	59.9	25.4	48.1	262.4	- 17.7	118.3	**496.4**
Movements:							
- Addition from profit	–	–	–	–	–	97.6	**97.6**
- Dividend paid	–	–	–	–	–	- 29.2	**- 29.2**
- Exchange differences on foreign							
companies	–	–	–	–	- 51.2	–	**- 51.2**
- Transferred from other reserves							
to statutory reserves	–	–	4.4	–	–	- 4.4	**–**
- Goodwill reversed	–	–	–	–	–	6.0	**6.0**
- Sold from treasury stock	–	–	–	–	–	1.6	**1.6**
Balance at 1 January 2004	59.9	25.4	52.5	262.4	- 68.9	189.9	**521.2**
Movements:							
- Addition from profit	–	–	–	–	–	81.7	**81.7**
- Increase in share capital							
due to stock dividend [1]	1.1	–	–	13.7	–	–	**14.8**
- From treasury stock for stock dividend [2]	–	–	–	–	–	11.0	**11.0**
- Dividend in ordinary shares	–	–	–	- 25.8	–	–	**- 25.8**
- Dividend in cash	–	–	–	–	–	- 4.1	**- 4.1**
- Cancellation of financing preference							
shares and repayment of share premium	–	- 6.0	–	- 44.3	–	–	**- 50.3**
- Exchange differences on foreign							
companies	–	–	–	–	- 12.7	–	**- 12.7**
- Transferred from other reserves							
to statutory reserves	–	–	5.4	–	–	- 5.4	**–**
- Issued to optionholders	–	–	–	–	–	9.2	**9.2**
Balance at 31 December 2004	61.0	19.4	57.9	206.0	- 81.6	282.3	**545.0**

[1] *Relates to 1,083,335 ordinary shares*

[2] *Relates to 805,889 ordinary shares*

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

32. Remuneration of Supervisory Board members and Executive Board members

Remuneration of Supervisory Board members

The remuneration of the members of the Supervisory Board consists of a gross remuneration component and a fixed expense allowance. The Board members receive no profit-related bonuses or options. Members of the various committees receive no supplementary remuneration. In the year under review, the total remuneration paid to members of the Supervisory Board was EUR 0.2 million (2003: EUR 0.2 million).

The table below shows the amounts received by each member individually in 2004.

In EUR thousands	Gross remuneration	Fixed expense allowance	**Total**
J.D. Bax	34	2	**36**
F.J.G.M. Cremers [1]	7	1	**8**
R. den Dunnen	27	2	**29**
J.M. Hessels	27	2	**29**
R.M.F. van Loon	27	2	**29**
M. van der Vorm	27	2	**29**
Total Supervisory Board members	149	11	**160**

[1] Remuneration for the period since 1 October 2004, the date of appointment

At 31 December 2004 and 2003, the Supervisory Board members owned no shares in Royal Vopak.

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

Remuneration of Executive Board members

The total remuneration of current and former Executive Board members was EUR 1.5 million (2003: EUR 1.5 million).
The breakdown for current and former Executive Board members is as follows:

In EUR thousands	Salary	Variable remuneration	Pension	**Total 2004**	Total 2003
C.J. van den Driest	450	66	–	**516**	516
J.P.H. Broeders [1]	140	– [3]	30	**170**	–
J.P. de Kreij	375	75 [4]	95	**545**	470
Total current Executive Board members	965	141	125	**1,231**	986
P.R.M. Govaart [2]	132	38 [5]	78	**248**	506
Total former Executive Board members	132	38	78	**248**	506
Total	1,097	179	203	**1,479**	1,492

[1] Remuneration for 2004 relates to the period since 1 June 2004, the date of appointment

[2] Remuneration for 2004 relates to the period ended 1 June 2004, the date of stepping down

[3] The variable remuneration for 2004 is EUR 60,000 and will be paid after adoption of the 2004 financial statements

[4] Relates to the variable remuneration for 2003. The variable remuneration for 2004 is EUR 100,000 and will be paid after adoption of the 2004 financial statements

[5] Relates to the variable remuneration for 2003. The variable remuneration for 2004 is EUR 30,000 and will be paid after adoption of the 2004 financial statements

The members of the Executive Board are not members of a defined benefit plan, but where appropriate, of a defined contribution plan. The normal retirement age for Mr de Kreij under the plan is 60, whereas for Mr Broeders a retirement age of 62 will apply.

The Chairman of the Executive Board receives a long-term variable remuneration that is linked solely to Vopak's share price. The agreement means that the Chairman of the Executive Board will receive an amount in July 2005 equal to 0.5% of the increase in market capitalisation since 1 July 2002, subject to a minimum of EUR 200,000 and a maximum of EUR 1 million. Based on the share price at 31 December 2004, the remuneration would be EUR 937,000. During the year under review, a proportional part of the minimum amount was taken into account. The Chairman receives no other variable remuneration.

The other Board members receive a short-term variable remuneration not exceeding 50% of their fixed salary, based on financial and individual targets, and a long-term variable remuneration in the form of an option grant under the terms of the employment contracts concluded with them.
In 2004, Mr Broeders and Mr de Kreij received grants of 20,000 and 25,000 options respectively at exercise prices of EUR 13.75 and EUR 15.05 respectively. These exercise prices are equal to the stock exchange quotations at the time of grant. Movements in the existing options are disclosed under options.

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

Of the current Executive Board members, Mr van den Driest and Mr de Kreij owned 2,594 and 23,350 shares respectively at 31 December 2004 (the same as at 31 December 2003 plus the stock dividend). Mr de Kreij also owned 20,000 (200 of 100 each) written put options for shares at 31 December 2004 (31 December 2003: 20,000). All transactions involved are for the own account and risk of the Board members concerned.

33. Options

Options were granted in previous years. Due to the issue of new shares and the Univar split-off, the exercise prices of options still outstanding were adjusted as follows:

Term	Year of issue	Original exercise price in euros	Adjusted exercise price Vopak in euros	Adjusted exercise price Univar in euros
until 01-03-2005	2000	24.70	18.45	12.46
until 10-11-2006	2001	16.73	12.49	8.44

For options granted before the Univar split-off, each optionholder on exercising an option is entitled to one Royal Vopak share and half a Univar share. Exercising the right to both shares must take place simultaneously.

Options can be exercised three years after being granted and have a term of five years from the date of grant or less on earlier termination of employment (barring a few exceptions). The optionholder can exercise the option during the exercise periods, subject to observance of a specific model code.

Breakdown of outstanding options:

Term	Year of issue	Issued options	Exercise price in euros	Outstanding options at 31 December 2004	2003
until 01-03-2005	2000	857,000	18.45 [1]	**129,000**	654,000
until 10-11-2006	2001	40,000	12.49 [1]	**40,000**	40,000
until 31-12-2007	2003	90,000	12.40	**90,000**	90,000
until 31-12-2008	2004	25,000	15.05	**25,000**	–
until 13-05-2009	2004	20,000	13.75	**20,000**	–
Total		1,032,000		**304,000**	784,000

[1] *Adjusted for split-off*

During the year under review, 45,000 new options were granted, 507,477 were exercised and 17,523 options lapsed. The delivery obligations under the option plans are covered by shares held in the treasury stock.

The breakdown of options granted to current and former Executive Board members in 2004, included in the breakdown above, is as follows:

	Year of issue	Issued options	Exercise price in euros	Outstanding options at 31 December 2004	2003
J.P.H. Broeders	2000	4,000	18.45 [1]	**–**	4,000
	2004	20,000	13.75	**20,000**	–
J.P. de Kreij	2003	50,000	12.40	**50,000**	50,000
	2004	25,000	15.05	**25,000**	–
P.R.M. Govaart	2000	12,000	18.45 [1]	**–**	12,000
	2003	40,000	12.40	**40,000**	40,000
G.E. Pruitt	2000	8,000	18.45 [1]	**8,000**	8,000
	2001	40,000	12.49 [1]	**40,000**	40,000
Total				**183,000**	154,000

[1] *Adjusted for split-off*

During 2004, 45,000 new options were granted, 16,000 were exercised and no options lapsed.

34. Off-balance sheet commitments

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

Guarantees and security provided on behalf of participating interests and third parties amounted to EUR 87.3 million at 31 December 2004 (31 December 2003: EUR 40.5 million). Guarantees and security provided on behalf of group companies amounted to EUR 156.0 million at 31 December 2004 (31 December 2003: EUR 210.0 million).

Joint and several liability undertakings were issued to an amount of EUR 156.3 million at 31 December 2004 (31 December 2003: EUR 156.0 million) for bank credits granted to Royal Vopak and its subsidiaries. EUR 1.0 million of this at 31 December 2004 (31 December 2003: EUR 6.0 million) related to bank credits granted to foreign subsidiaries.

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

Application of International Financial Reporting Standards (IFRS)

Foreword regarding transition to IFRS

With effect from the 2005 financial year, Royal Vopak will prepare its financial reports in accordance with IFRS. The comparative figures for 2004 will 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 change in 2005, this is the reason, the only reason in fact, why the figures presented on pages 77 to 83 are provisional. As a result, the accounting policies used in the preparation of the provisional consolidated balance sheets at 1 January 2004 and 31 December 2004, as well as of the provisional 2004 profit and loss account, in accordance with IFRS might not be the same as the accounting policies to be used in the preparation of the 2005 financial statements and the comparative figures for 2004.

Based on the current understanding of IFRS, we provide the following information relating to 2004, the transition year:

- The voluntary exceptions applied, as described in IFRS 1;
- The consequences of applying IFRS to the opening balance sheet at 1 January 2004;
- The most important accounting policies that deviate from Dutch GAAP;
- Condensed (provisional) consolidated 2004 profit and loss account, with the restatements of the figures under Dutch GAAP presented and explained;
- Condensed (provisional) consolidated balance sheets at 1 January 2004 and 31 December 2004, with the restatements of the figures under current regulations (Dutch GAAP) presented and explained;
- Condensed (provisional) consolidated 2004 cash flow statement.

Regarding IAS 32 and IAS 39 (financial instruments) Vopak will make use of the temporary exemption and apply these standards as from 1 January 2005 in preparing its financial statements for 2005 and subsequent years. The consequences of this for the opening balance sheet at 1 January 2005 are presented and explained separately.

Application of optional exceptions allowed under IFRS 1

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

Mergers and acquisitions before the opening balance sheet under IFRS (IFRS 3)
IFRS 1 permits application of IFRS 3 to mergers and acquisitions that took place before the IFRS transition date (1 January 2004), including the possibility to capitalise goodwill that has already been charged to reserves. Vopak has decided not to make use of this possibility, so that the goodwill remains the same as it was under Dutch GAAP.

Using fair value as the new deemed cost (IAS 16 and IAS 38)
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 transition date. Vopak has not made use of this option.

Defined benefit plans (IAS 19)
For the carrying value of a defined benefit plan, 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. All actuarial gains 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.

Translation differences on foreign companies (IAS 21)
In accordance with IAS 21, a separate record of cumulative translation differences on foreign companies must be kept for each of the interests. On the sale of foreign companies, the applicable cumulative translation difference must then be taken to the profit and loss account. Under IFRS 1, it is possible to set the value of cumulative translation differences on foreign companies to nil on the IFRS opening balance sheet. Vopak has made use of this option.

Options (IFRS 2)

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.

Consequences of applying IFRS for consolidated equity at 1 January 2004 (change in accounting policies)

The consequences of applying IFRS for consolidated equity at 1 January 2004 were as follows:

Dutch GAAP at 31 December 2003			**578.7**
	Adjustments:		
	- Release of negative goodwill	**3.8**	
	- Pre-operating expenses not be capitalised	**- 2.5**	
	- Net actuarial losses on pensions not yet recognised	**- 65.5**	
	- Other	**- 2.7**	
	- Tax	**23.6**	
Total adjustments			**- 43.3**
IFRS at 1 January 2004			**535.4**

In accordance with IFRS, negative goodwill is taken direct to the profit and loss account. In the balance sheet under Dutch GAAP at 31 December, a total of EUR 3.8 million in negative goodwill has been deducted from intangible assets. This amount is credited to equity in the opening balance sheet under IFRS.

Pre-operating expenses that can be capitalised under Dutch GAAP do not qualify for capitalisation under IFRS. The net book value of EUR 2.5 million at 31 December 2003 is charged against equity in the opening balance sheet under IFRS.

As stated above, Vopak has made use of the transition provisions of IFRS and has charged all actuarial gains and losses not yet recognised at 31 December 2003 under Dutch GAAP to reserves. As a result, the provision in the opening balance sheet under IFRS shows an increase of EUR 65.5 million.

The most important accounting policies that deviate from Dutch GAAP

Basis of presentation

The consolidated figures included in this section have been prepared in accordance with all International Financial Reporting Standards (including all International Accounting Standards), with the exception of IAS 32 and IAS 39. The figures are expressed in euros and rounded to the nearest million. The historical cost convention was used as the basis, except for assets available for sale and operating activities to be discontinued that are carried at the lower of net book value and fair value less expected selling expenses.

Intangible fixed assets

Goodwill

Goodwill is the positive difference between the acquisition cost and the share of Vopak in the fair value of the identifiable assets acquired, commitments entered into and deferred commitments of the company acquired at the time that Vopak obtained control or began to exercise influence. In this context, the activities to be discontinued are carried at fair value less selling expenses.

Goodwill is expressed in the operating currency of the company concerned and translated into euros at the rate ruling at the balance sheet date. Goodwill is carried at cost less accumulated impairments.

Negative goodwill is the negative difference between the acquisition cost and fair value. This difference is taken direct to the profit and loss account.

The net book value of the goodwill is tested for impairments at the date of transition to IFRS, even if there have been no indications of impairment.

Other intangible fixed assets

Software is carried at historical cost, net of straight-line amortisation based on its expected useful economic life and any potential impairments.

The expected useful economic life of software is subject to a maximum of seven years.

Assets held for sale and operating activities to be discontinued

Assets held for sale and operating activities to be discontinued are carried at the lower of net book value and fair value less expected selling costs. Fixed assets and long-term liabilities are presented separately under total current assets and total current liabilities respectively.

Reversal of asset impairments

Reversal of an impairment might be necessary on a change in the estimated realisable value of an asset. An impairment of goodwill is never reversed.

The increased net book value of an asset resulting from the reversal of an impairment may never be higher than the net book value (after depreciation or amortisation) had the impairment not been applied.

Employee benefits

Pensions and other employee benefits

Pensions and other employee benefits have been recognised in accordance with IAS 19 since 2002, the company having opted for the 10%-corridor approach. For the relevant accounting polices, please refer to page 51 and 52 of this annual report.

In line with the full adoption of IFRS, Vopak has made use of the transition provision under IFRS 1 to charge the balance of all actuarial gains and losses not yet recognised at 31 December 2003 to reserves.

Options

Options granted after 7 November 2002 are carried at fair value, calculated using a binomial model and taking into account their term and the conditions governing their grant. The fair value is calculated at the time of grant and allocated to the period in which the employees have the right to exercise the options. The expenses are treated as staff costs, plus a corresponding addition to reserves.

Other types of remuneration

A remuneration that is wholly geared to the price of Vopak's shares is carried at the market value on the balance sheet date.

Other provisions

Provisions are formed for legal or constructive obligations and for losses that arose in the past whose amount, though uncertain, can be reasonably estimated and where it is probable that settlement of the obligation will entail an outflow of resources. If timing is significant, the size of the provision is based on the future expected cash flows discounted at a pre-tax rate that reflects the current market rate of interest as well the risks associated with the liability.

Condensed (provisional) consolidated profit and loss account

In EUR millions	Note	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	35, 40	**647.5**	12.3	**659.8**
Wages, salaries and social security charges	36, 40	229.1	0.5	229.6
Depreciation, amortisation and impairments	37	88.4	- 1.6	86.8
Other operating expenses	35, 40	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	38, 40	31.6	- 2.1	29.5
Group operating profit		**146.9**	0.6	**147.5**
Net financing charges	40	- 46.8	0.5	- 46.3
Profit before taxation		**100.1**	1.1	**101.2**
Taxation	39	1.1	- 2.1	- 1.0
Net profit		**101.2**	- 1.0	**100.2**
Attributable 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**

Notes on the most important effects:

35. 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 presented as income. In addition, Dutch GAAP requires net gains and losses on the sale of assets and group companies to be both presented under other operating income. Under IFRS, however, the losses are presented under other operating expenses.

36. Wages, salaries and social security charges
Defined benefit plans (IAS 19): all actuarial gains and losses not yet recognised at 31 December 2003 under Dutch GAAP have been charged to reserves, so there is no allocation to future years. The effect on the gross profit compared with Dutch GAAP is an increase of EUR 1.1 million.

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 1 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 compared with Dutch GAAP is EUR 0.3 million.

37. 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. As a consequence of this valuation method, the relevant assets are no longer depreciated or amortised. Compared with Dutch GAAP, the effect is an increase in the 2004 operating profit of EUR 1.6 million.

38. Profit of participating interests

Pre-operating expenses: in 2004, EUR 1.0 million in pre-operating expenses were capitalised under Dutch GAAP. Under IFRS, however, these expenses do not qualify for capitalisation.

Equity deficits of participating interests: if the carrying value of a participating interest becomes nil, the value remains nil under unchanged circumstances. As a consequence of this new valuation rule, an adjustment of EUR 0.4 million has been made to the result reported under Dutch GAAP. Under IFRS, this adjustment is reflected on the opening balance sheet at 1 January 2004.

39. Taxation

Owing to the transition to IFRS, the balance of deferred tax assets and liabilities at 1 January 2004 has been adjusted by EUR 23.6 million. 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 recalculations.

40. Other

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

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

In EUR millions		Note	IFRS 31-12-2004		IFRS 1-1-2004	
Total fixed assets		41		**1,242.2**		1,210.3
	Current assets		**293.8**		339.3	
	Assets held for sale	41	**45.7**		199.6	
Total current assets				**339.5**		538.9
	Current liabilities		**243.4**		277.0	
	Liabilities held for sale	41	**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 benefits	41	**73.5**		83.9	
	Provision for deferred tax liabilities	41	**86.5**		93.5	
	Other provisions	41	**19.6**		19.1	
Total provisions				**179.6**		196.5
	Minority interests in equity		**51.4**		58.7	
	Equity attributable to shareholders	42	**500.3**		476.7	
Equity				**551.7**		535.4
Total				**1,312.7**		1,424.7

Notes on the most important adjustments:

41. Reclassifications

The fixed assets and long-term liabilities held for sale are presented separately under total current assets and total current liabilities respectively, which results in the reclassification of certain items on the balance sheet.

42. Equity attributable to shareholders

In EUR millions		Note			
At 1 January 2004 under IFRS					**476.7**
Net profit for 2004 under Dutch GAAP attributable to holders of ordinary shares				**81.7**	
	Recalculations:				
	- Defined benefit plans	36	**1.1**		
	- Remuneration of Executive Board members	36	**- 0.4**		
	- No depreciation on assets/activities to be discontinued	37	**1.6**		
	- Pre-operating expenses	38	**- 1.0**		
	- Downward value adjustments to participating interests	38	**- 0.4**		
	- Translation differences on profit and loss		**0.2**		
	- Taxation, effect of tax rate on deferred tax assets and liabilities	39	**- 1.4**		
	- Tax on differences	39	**- 0.7**		
Total recalculations				**- 1.0**	
Net profit for 2004 under IFRS attributable to holders of ordinary shares					**80.7**
	Translation differences on the balance sheet				**0.8**
	Other movements identical under Dutch GAAP				**- 57.9**
At 31 December 2004 under IFRS					**500.3**

Condensed (provisional) 2004 cash flow statement

In EUR millions	
Cash flow from operating activities under IFRS	139.2
Cash flow from investing activities under IFRS	14.4
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.

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 effects of this change in accounting policies on shareholders' equity on the opening balance sheet at 1 January 2005 are as follows:

In EUR millions	Note		
Equity at 31 December 2004 under IFRS			**551.7**
Adjustments:			
- Derivatives at fair value	43	- 22.6	
- Effective interest method on loans	44	8.0	
- Tax		5.7	
Total adjustments			**- 8.9**
Equity at 1 January 2005 under IFRS			**542.8**

43. 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 to be settled 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.

44. Effective interest method on 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.

Rotterdam, 3 March 2005

The Executive Board

C.J. van den Driest, Chairman
J.P.H. Broeders
J.P. de Kreij

The Supervisory Board

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

Other information

Post balance sheet events with significant financial consequences

Vopak Barging Europe
The staff of Vopak Barging Europe were informed at the end of January 2005 about the intended organisational changes. The changes will produce a structural improvement in profitability. As a result, a reorganisation provision of approximately EUR 3 million will probably be formed in the first quarter of 2005.

Auditors' report

To the shareholders of Royal Vopak

Introduction
We have audited the financial statements of Royal Vopak, Rotterdam, for the year 2004, as presented in this annual report on pages 46 to 83.
These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

Opinion
In our opinion, the financial statements give a true and fair view of the financial position of the company at 31 December 2004 and of the result for the year then ended in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9 of Book 2 of the Netherlands Civil Code.

Rotterdam, 3 March 2005

Articles of Association provisions governing profit appropriation

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

The relevant paragraphs of these articles are as follows:

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

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

Proposed profit appropriation

The dividend on the cumulative financing preference shares amounts to EUR 6.9 million, of which EUR 5.4 million is still to be paid in 2005. The proposal to the Annual General Meeting will be that an optional dividend of EUR 0.50 per ordinary share of EUR 1.00 nominal value each will be distributed for 2004, payable in cash or in shares (2003: optional dividend of EUR 0.50). Provided that the Annual General Meeting adopts the profit and loss account, balance sheet and dividend proposal, the dividend for the 2004 financial year will be made payable on 25 May 2005.

Stichting Vopak

The objective of Stichting Vopak, established in Rotterdam, is to promote the interests of Royal Vopak and of all those involved with this company or any of its affiliated companies in order to safeguard, amongst other things, Royal Vopak's and these companies' continuity, identity and independence.

The current members of the Board are:

- W.E. de Vin, Chairman
- J.D. Bax
- J.H.M. Lindenbergh
- R.E. Selman
- A.P. Timmermans

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

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

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

In the opinion of the Board of Stichting Vopak and the Executive Board of Royal Vopak, the requirements of Appendix X of the Listing Regulations of Euronext N.V., Amsterdam, have been satisfied in respect of the independence of the Board members of Stichting Vopak.

Rotterdam, 3 March 2005

Stichting Vopak

Stichting Administratiekantoor Financieringspreferente Aandelen Vopak ('the Foundation')

At 31 December 2004, the Foundation administered 25,400,000 registered financing preference shares of EUR 1.00 nominal value each in Royal Vopak, for which an equal number of depositary receipts for shares had been issued. On 22 December 2004, the Annual General Meeting decided on a reduction in the share capital by the cancellation without repayment of 5,949,000 financing preference shares, for which Royal Vopak acquired the depositary receipts on 30 December 2004 from the two holders of the receipts. The reduction in share capital will be effected during the first quarter of 2005.

On 31 December 2004, the by-laws of the Foundation and the administration rules for the financing preference shares held by the Foundation were amended so that the Foundation should exercise the voting rights on the financing preference shares it holds based on the fair value of the capital contribution on the shares in relation to the market value of the ordinary shares in Royal Vopak at 31 December 2004. Accordingly, the Foundation will cast two hundred and twelve votes for every thousand financing preference shares.

The by-laws of the Foundation were also amended on 31 December 2004 to include a provision that the Board of the Foundation should comprise two A Board members and one B Board member. The two A Board members, Mr J.H. Ubas and Mr H.J. Baeten were appointed by the meeting of the holders of depositary receipts. Mr G.J. Tammes was appointed B Board member and Chairman by the Board of the Foundation. All the Board members satisfy the independence conditions as stipulated by article 6.6 of the by-laws of the Foundation.

The Board of the Foundation will grant voting rights to the holders of depositary receipts if they request this. The Board of the Foundation will also comply with all voting instructions from the holders of depositary receipts. The granting of voting rights and the acceptance of voting instructions will always be in accordance with the above-mentioned limit of two hundred and twelve votes for every thousand (1,000) financing preference shares.

Stichting Administratiekantoor Financieringspreferente Aandelen Vopak

Information on the Executive Board members

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

Nationality	: Dutch
Year of birth	: 1947
Previous important positions held	: President of Europe Container Terminals B.V. Chairman of the Executive Board of Koninklijke Van Ommeren N.V.
Supervisory board memberships	: Anthony Veder Group N.V., Chairman Darlin N.V., Chairman Dura Vermeer Groep N.V., Chairman Goudse Verzekeringen B.V. HES Beheer N.V. Broström AB
Number of Vopak shares held	: 2,594 [1]
Date of appointment	: 29 June 2002

Personal details regarding Mr J.P.H. Broeders

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

Personal details regarding Mr J.P. de Kreij

Nationality	: Dutch
Year of birth	: 1959
Previous important position held	: Senior Partner of PricewaterhouseCoopers N.V. Managing Partner of Transaction Services
Supervisory board memberships	: Cableship Contractors Holding N.V.
Number of Vopak shares held	: 23,350 and 20,000 written put options [1]
Date of appointment	: 1 January 2003

[1] *All transactions involved are for the own account and risk of the Board members concerned*

Information on the Supervisory Board members

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

Age	: 69 (born 26-3-1936)
Nationality	: Dutch
Previous important position held	: President of IHC Caland N.V.
Other positions and Supervisory Board memberships	: AON Groep Nederland B.V. Corio N.V., Chairman Handelsveem Beheer B.V. IHC Caland N.V. IHC Holland Holding, Chairman Koninklijke Frans Maas Groep N.V. Mammoet Holdings N.V., Chairman Oranjewoud Beheer B.V., Chairman TBI Holdings B.V., Chairman
Number of Vopak shares held	: none
Date of first appointment	: 6 November 2002
Current term of office	: 2002 – 2006

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

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

Age	: 46 (born 20-8-1958)
Profession or principal occupation	: Chairman of the Executive Board HAL Holding N.V.
Nationality	: Dutch
Other positions and Supervisory Board memberships	: Anthony Veder Group N.V. Koninklijke Boskalis Westminster N.V. Univar N.V.
Number of Vopak shares held	: none
Date of first appointment	: 3 November 2000
Current term of office	: 2004 - 2008

Chairman of the Audit Committee

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

Age	: 53 (born 7-2-1952)
Previous important position held	: Member of the Executive Board and CFO of VNU N.V.
Nationality	: Dutch
Other positions and Supervisory Board memberships	: N.V. Nederlandse Spoorwegen Rodamco Europa N.V. VNU B.V. Commissie Openbare Biedingen AFM Fugro N.V. (nominated)
Number of Vopak shares held	: none
Date of first appointment	: 1 October 2004
Current term of office	: 2004 - 2008

Member of the Audit Committee

Personal details regarding Mr R. den Dunnen (member)

Age	: 65 (born 9-8-1939)
Nationality	: Dutch
Previous important positions held	: Secretary General, Ministry of Spatial Planning, Housing and the Environment Alderman for Port Affairs of the Rotterdam Municipality
Other positions and Supervisory Board memberships	: SHB Personeelsplanning B.V. Stichting Beoordeling Integriteit Bouwnijverheid, Chairman Regieraad Bouw
Number of Vopak shares held	: none
Date of first appointment	: 4 November 1999
Current term of office	: 2002 - 2006

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

Age	: 62 (born 21-12-1942)
Profession or principal occupation	: Entrepreneur
Nationality	: Dutch
Previous important position held	: Chairman of the Executive Board of Koninklijke Vendex KBB N.V., Amsterdam
Other positions and Supervisory Board memberships	: Euronext N.V., Chairman N.V. Schiphol Groep Koninklijke Philips Electronics N.V. Heineken N.V. Fortis N.V.
Number of Vopak shares held	: none
Date of first appointment	: 2 September 1999
Current term of office	: 2003 – 2007 (stepping down with effect from 28-4-2005)

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

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

Age	: 63 (born 6-3-1942)
Nationality	: Dutch
Previous important position held	: Vice-President Shell Chemicals Ltd.
Other positions and Supervisory Board memberships	: Synbra Group BV Koninklijke Boskalis Westminster N.V.
Number of Vopak shares held	: none
Date of first appointment	: 23 April 2003
Current term of office	: 2003 - 2007

Member of the Audit Committee

List of most important company officers

Chemicals Europe, Middle East and Africa

Division Management

Kees van Seventer	President (succeeding Bert Jaski as from 1-2-2005)
Eddy van Rhede van der Kloot	Finance & Control
Rien de Jong	Human Resources
Frank Erkelens	Benelux

Business Units

Colin Scott	United Kingdom
Richard Smith	Finland
Rob Kasteel	Inland shipping
Paul Leurink	Shared Services
Ronald Okker	Vegoil
Mark Noordhoek-Hegt	South Africa

Participating interests

Antonio Cano	Terquimsa, Spain
Klaus Günther	Dupeg, Germany
Ian Cochrane	Sabtank, Saudi Arabia

Oil Europe, Middle East and Africa

Division Management

Ted van Dam Merrett	President
Hari Dattatreya	Sales & Marketing
Ard Huisman	Finance & Control
Rien de Jong	Human Resources (as from 1-1-2005)
Rob Nijst	The Netherlands
Jeroen Wijtenburg	Operations and Human Resources (until 1-1-2005)

Business Units

Juergen Franke	Germany
Piet Hoogerwaard	Agencies
Igor Lepetukhin	Moscow representative office
Feiko Jager	Sweden
Koos Schaberg	Switzerland

Participating interests

Eelco Hoekstra	Vopak Horizon Fujairah, UAE
Anne Bruggink	Pakterminal, Estonia
Jan Buiter	Cross-Ocean, the Netherlands

Asia

Division Management

Paul Govaart	President
Chris Badenhorst	Business Development
Rob Dompeling	Singapore
Wim Samlal	Finance & Control
Lee Marn Seng	Human Resources
C.G. Tan	China

Business Unit

Len Daly	Australia

Participating interests

Javed Akbar	Engro Vopak, Pakistan
Eric Arnold	Shanghai, China
Brian Davies	Lanshan, China
Tawatchai Chittavanich	Thai Tank Terminal, Thailand
Chester Lee	Ningbo, China
J.I. Lee	Ulsan, Korea
Hidehiro Moriwaki	Nippon Vopak, Japan
Bon de Jonge van Ellemeet	Xiamen, China
Jan Bert Schutrops	Kertih Terminals, Malaysia

North America

Division Management

Gene Sabatier	President
John J. Baker	Sales & Marketing
Rolf Brouwer	Commercial Development
Jim Dubose	Operations
Michael Chieco	Finance & Control
Michael Dilick	Industrial Services

Latin America

Division Management

Pieter Bakker	President
Bert Vermeer	Finance & Control

Business Units

Osvaldo Caparelli	Brazil
Ignacio Gonzalez	Chile
Martijn Notten	Colombia, Ecuador, Venezuela
Casper Pieper	Mexico
Dick Oskam	Business Development

Participating interests

Kees Bergmans	Serlipsa, Peru

Corporate Staff

Monty Blom	Internal Audit
Hugo Brink	Tax & Insurance
Michiel Gilsing	Control & Business Analysis
Henk Mol	External Reporting & Compliance
Michiel van Ravenstein	Human Resources
Dick Richelle	Communication & Investor Relations
Wim Rietveld	Information Services
Paul Runderkamp	Legal and Corporate Secretary
Dirk van Slooten	LNG project
Niek Verbree	SHE & Asset Management
Cees Vletter	Treasury

List of most important group companies and participating interests

Europe, Middle East and Africa

The Netherlands
Vopak Nederland B.V.
Vopak Terminal Vlissingen B.V.
Vopak Terminal Amsterdam B.V.
Vopak Agencies Amsterdam B.V.
Vopak Agencies Rotterdam B.V.
Vopak Agencies Terneuzen B.V.
Vopak Barging Europe B.V.
Vopak Chemicals EMEA B.V.
Vopak Chemicals Logistics Netherlands B.V.
Vopak Logistic Services Dordrecht B.V.
Vopak Logistic Services OSV B.V.
Vopak Logistics Management Netherlands B.V.
Vopak Mineral Oil Barging B.V.
Vopak Oil EMEA B.V.
Vopak Shared Services B.V.
Vopak Terminal Botlek B.V.
Vopak Terminal Botlek-Noord B.V.
Vopak Terminal Chemiehaven B.V.
Vopak Terminal Europoort B.V.
Vopak Terminal Laurenshaven B.V.
Vopak Terminal TTR B.V.
Vopak Terminal Vlaardingen B.V.
Vopak Vegoil Barging B.V.
Vopak Vegoil Logistics B.V.
Cross-Ocean B.V. (50%)
Interstream Barging B.V. (50%)
Maasvlakte Olie Terminal N.V. (16.67%)
MultiCore CV (25%)

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

Estonia
Pakterminal Ltd. (50%)

Finland
Vopak Chemicals Logistics Finland Oy

France
Vopak Agencies France Sarl
Vopak Logistic Management France SA

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

Russia
Koninklijke Vopak N.V., Moscow representative office

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

South Africa
Vopak Terminal Durban (Pty) Ltd.

Spain
Terminals Quimicos SA (Terquimsa) (50%)

Sweden
Vopak Logistics Nordic AB

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

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

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

Asia and Australia

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

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

Japan
Nippon Vopak Co. Ltd. (39.77%)

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

Pakistan
Engro Vopak Terminal Ltd. (50%)

Singapore
Vopak Holding Singapore Pte. Ltd.
Vopak Terminals Singapore Pte. Ltd. (69.5%) [*3]
Vopak Terminal Penjuru Pte. Ltd. (83.33%)

South Korea
Vopak Terminals Korea Ltd. (49%)

Thailand
Thai Tank Terminal Ltd. (49%)

North America

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

Canada
Vopak Terminals of Canada Inc.

Latin America

Brazil
Vopak Brasterminais Armazéns Gerais SA
União-Vopak Armazéns Gerais Limitada (50%)

Chile
Vopak Terminal San Antonio Limitada

Colombia
Compania Colombiana de Terminales SA

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

Mexico
Vopak Terminals Mexico SA de CV

Peru
Vopak Serlipsa SA (49%)

Venezuela
Compania Venezolana de Terminales SA

Netherlands Antilles

Curaçao
Cableship Contractors Holding NV (20%)

*[*1] Vopak Terminal Penjuru Pte. Ltd. owns 60% of the shares in Vopak Terminals Shandong Lanshan*
*[*2] Vopak Terminal Penjuru Pte. Ltd. owns 30% of the shares in Kertih Terminals Sdn. Bhd.*
*[*3] Vopak Holding Singapore Pte. Ltd. owns 69.5% of the shares in Vopak Terminals Singapore Pte. Ltd.*

Five-year consolidated review*

In EUR millions	2004	2003	2002	2001	2000
Abridged profit and loss account:					
Net turnover	**642**	750	796	811	786
Other operating income	**5**	3	2	27	–
Total operating income	**647**	753	798	838	786
Operating expenses	**- 444**	- 488	- 541	- 554	- 507
Depreciation and amortisation	**- 88**	- 115	- 121	- 112	- 106
Total operating expenses	**- 532**	- 603	- 662	- 666	- 613
Profit of participating interests	**32**	42	77	93	50
Group operating profit	**147**	192	213	265	223
Interest	**- 47**	- 48	- 57	- 75	- 35
Profit on ordinary activities before taxation	**100**	144	156	190	188
Taxation	**1**	- 27	- 30	- 35	- 47
Consolidated net profit	**101**	117	126	155	141
Minority interests in consolidated net profit	**- 12**	- 12	- 15	- 9	- 10
Net profit	**89**	105	111	146	131
Dividend on cumulative financing preference shares	**- 7**	- 7	- 7	- 7	- 7
Net profit for holders of ordinary shares	**82**	98	104	139	124
Abridged balance sheet:					
Intangible fixed assets	**3**	7	6	6	–
Tangible fixed assets	**891**	995	1,107	1,219	1,266
Financial fixed assets	**325**	333	414	476	446
Deferred tax assets	**5**	5	6	6	7
Total fixed assets	**1,224**	1,340	1,533	1,707	1,719
Total current assets	**335**	408	466	594	572
Total current liabilities	**255**	302	367	541	568
Current assets less current liabilities	**80**	106	99	53	4
Total assets less current liabilities	**1,304**	1,446	1,632	1,760	1,723
Long-term liabilities	**581**	695	825	1.090	801
Total provisions	**128**	172	246	273	239
Group equity	**595**	579	561	397	683

** Pro forma figures for 2000 and 2001; unaudited*

Glossary

Agency	Representative of a shipping company at a port.
Blending	Blending of different types of products.
Bunker	Fuel for vessels.
Cash flow per share	Net profit excluding exceptional income/expense, plus amortisation of intangible fixed assets and depreciation of tangible fixed assets, divided by the weighted average number of ordinary shares outstanding.
CDI-T	Chemical Distribution Institute – Terminals. A risk assessment system for the storage of liquid chemicals at independent terminals, set up by an independent international organisation.
Clean oil products	Kerosene, naphtha, gasoline, gas oil and diesel oil.
Commodity chemicals	Bulk quantity of standardised chemical feedstocks, transported and stored for processing by industry.
Corporate governance	The manner in which the company is managed and supervision of management is structured.
COSO	Committee of Sponsoring Organisations of the Treadway Commission. An international organisation whose aim is to create a model for information on and management of business risks.
Drumming	Repackaging in drums.
EBIT	Earnings Before Interest and Tax.
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation.
ERP	Enterprise Resource Planning; using a standard software package to fully support all the business processes in an organisation.
Forwarding	Having goods transported.
HR	Human Resources.
Hub	Regional storage and transport centre.
Industrial terminal	Terminal whose services are integrated with a chemical complex or oil refinery.
Lost Time Injury Rate (LTIR)	Number of accidents entailing absence from work per million hours worked.
LPG	Liquefied Petroleum Gas (propane/butane) used as fuel for cars, domestic equipment and in industry, as well as a feedstock for the petrochemical industry.
Oleochemicals	Semi-finished chemical products derived from plants.
Outsourcing	The full or partial sub-contracting of individual business activities.
Product tanker	Vessel fitted with multiple tanks for the simultaneous transportation of different oil products and base chemicals.
Safety Management System	System for ensuring safety on a terminal in a structured manner.
Seveso Directives	EEC directive that defines the conditions under which hazardous products may be stored.
Shared Service organisation	A Vopak organisation that provides support services to Vopak companies in the Netherlands.
SHE	Safety, Health and Environment.
Spot market	Market for concluding short-term contracts.
Stakeholders	Various groups, each having a specific interest in a company, such as shareholders, financiers, employees and customers.
Supply chain	The logistics chain connecting the producer to the consumer.
Throughput	Volume of a product handled by a terminal in a given period, calculated as (In + Out)/2.
Warehousing	Storage and transshipment of packaged goods.

Colophon

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