2010

Royal Vopak
Annual Report 2010

Vopak
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Key data 2010

Revenues **EUR 1,106.3 million**
Group operating profit **EUR 445.3 million ***
Net profit attributable to shareholders **EUR 270.1 million**
Earnings per ordinary share **2.08 ***
Employees at year-end **3,763**
Terminals at year-end **80 (in 31 countries)**

* Excluding exceptional items

Royal Vopak
Annual Report 2010

This Annual Report contains the report of the Executive Board, the financial statements and other information.
Copies of the Annual Report can be obtained from Royal Vopak, Corporate Communication & Investor Relations:

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The Annual Report is also available on the company website: www.vopak.com

Forward-looking statements
This document contains statements of a forward-looking nature, based on currently available plans and forecasts. Given the dynamics of the markets and the environments of the 30 countries in which Vopak renders logistic services, the company cannot guarantee the accuracy and completeness of forward-looking statements. Unforeseen circumstances include, but are not limited to, exceptional income and expense items, unexpected economic, political and foreign exchange developments, and possible changes to IFRS reporting rules. Statements of a forward-looking nature issued by the company must always be assessed in the context of the events, risks and uncertainties of the markets and environments in which Vopak operates. These factors could lead to actual results being materially different from those expected.

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

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Profile

With a history spanning almost four centuries, Vopak is the global market leader in the independent storage and handling of liquid oil products, chemicals, vegetable oils, and liquefied gases. Vopak has terminals in the world's most strategic ports. It operates specialized facilities including product tanks, jetties, truck loading stations and pipelines, and provides access to road and rail networks. In many instances, it stores its customers' products for extended periods at these terminals, often under highly specified conditions such as controlled temperatures. The company also blends components according to desired specifications. Vopak's terminals play a key role in product transit from the producer plant via tank terminals to end-user locations, either by ship, tank truck, rail car or pipeline.

Vopak's independent tank terminal network is responsible for a number of logistic functions in the product's flow from producer to end-user. Vopak operates three types of terminals:

1. Import-Export-Distribution Terminal
The logistics chain in bulk liquid import and export often involves transport by oceangoing vessel. For Vopak's customers, the terminal can serve as a point of origin for inland distribution by inland shipping, pipeline, tank truck, or rail. Alternatively, it serves as a collection point for small parcels, originating from an inland production facility, to create a large parcel for export overseas.

2. Hub Terminal
A hub terminal combines the tasks of an import-export-distribution terminal with those of a meeting point for trade. It is, in other words, a location that provides access to a market. The Vopak network comprises hubs in the Amsterdam-Rotterdam-Antwerp (ARA) Region in Europe, Houston in the United States, Fujairah in the United Arab Emirates and Singapore in Asia.

3. Industrial Terminal
The industrial terminal is a logistics center integrated via pipelines to every major petrochemical facility within an industrial complex. Within the complex, it supports product flows and the supply and export of feedstock and finished products.

Vopak's terminals support and optimize the reliability and efficiency of our customers' logistic processes.
From these terminals, Vopak offers its customers – including national oil companies and the international producers and traders of oil products and chemicals – high-quality operations worldwide.
Vopak develops its services with product, market and functional requirements in mind, always in collaboration with customers and strategic partners. In March 2011, Vopak operates 80 tank terminals in 30 countries with a total storage capacity of more than 25 million cubic meters (cbm).

The nature of the business requires a long-term investment in strategic locations, therefore Vopak invests in long-term relationships with customers, strategic partners, governments, shareholders, other financial partners and employees.

Sustainability is an integral part of Vopak's business processes and operations. This is reflected by our consistent application and enforcement of strict standards, rules, codes and procedures, such as Safety, Health, Environment & Quality (SHEQ). Vopak's standards are in keeping with the most trendsetting oil and petro-chemical companies, which constitute a major part of Vopak's customer base. The Vopak standards comply with local legislation and regulations at a minimum.

Vopak is organized into five divisions:
- Chemicals Europe, Middle East & Africa
- Oil Europe, Middle East & Africa
- Asia
- North America
- Latin America

We also have a specialized business development team for LNG (Liquefied Natural Gas).

Through structured network platforms the units within our global organization work closely with one another to share their knowledge, expertise, and best practices. All of this enables Vopak to respond rapidly, creatively and correctly to changing customer needs and market developments. Vopak continually seeks to improve and expand its terminal network, particularly in strategically located ports.

At year-end the Vopak workforce comprised 3,763 employees in the subsidiaries and 1,993 employees in tank storage joint ventures.

Key figures

	2010	2009
Results (in EUR millions)		
Revenues	1,106.3	1,001.1
Group operating profit before depreciation (EBITDA) *	598.2	513.4
Group operating profit (EBIT) *	445.3	385.3
Group operating profit (EBIT)	442.0	391.1
Net profit attributable to shareholders	270.1	251.2
Net profit attributable to holders of ordinary shares	261.9	247.6
Cash flows from operating activities (net)	385.2	370.3
Investments (in EUR millions)		
Total investments	564.7	534.8
Average gross capital employed	3,802.6	3,153.0
Average capital employed	2,368.6	1,936.3
Capital and financing (in EUR millions)		
Shareholders' equity	1,453.4	1,252.2
Net interest-bearing debt	1,431.4	1,017.7
Ratios		
Return on Capital Employed (ROCE)	18.7%	20.2%
Return on Capital Employed (ROCE) *	18.8%	19.9%
Net debt : EBITDA	2.63	2.23
Interest cover (EBITDA : net finance costs)	8.2	10.4
Key figures per ordinary share (in EUR) **		
Earnings per ordinary share	2.06	1.96
Earnings per ordinary share *	2.08	1.92
Diluted earnings per ordinary share	2.06	1.96
Diluted earnings per ordinary share *	2.08	1.92
(Proposed) dividend	0.70	0.625
Company Data		
Number of employees at year-end in subsidiaries	3,763	3,707
Number of employees at year-end including joint ventures	5,756	5,341
Total Injury Rate (per million hours worked)	3.2	6.5
Lost Time Injury Rate (per million hours worked)	1.3	1.4
Number of process incidents	133	141
Storage capacity including joint ventures at 100% at year-end (in millions cbm)	28.8	28.3
Storage capacity subsidiaries at year-end (in millions cbm)	18.3	18.1
Occupancy (average rented storage capacity in %)	93%	94%
Estimated market share global independent tank storage at year-end	11.1%	11.6%
Contracts > 3 years (in % of revenues)	45%	43%
Contracts > 1 years (in % of revenues)	81%	83%
Number of shares outstanding **		
Weighted average	127,296,101	126,388,446
Weighted average, diluted	127,296,101	126,388,446
Total including treasury shares	127,835,430	127,835,430
Treasury shares	660,000	360,000
Financing preference shares	41,400,000	41,400,000

* Excluding exceptional items

** Number 2009 adjusted for share split 1:2, effectuated on 17 May 2010


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ESTROS VALORES
rofesionalismo.
Agilidad.
Integridad.
Pasión.
Mejora

Letter from the Chairman of Vopak's Executive Board to Our Customers, Employees, Shareholders and Partners

Executive Board, from left to right: Frits Eulderink, Eelco Hoekstra and Jack de Kreij

Well-directed strategy and teamwork

It is my great pleasure to present the results for the year under review, not only because of the good figures, but also because they were realized on the basis of a well-directed strategy and highly committed teamwork by all Vopak employees in over 30 countries. This proves we have a truly global network. It's our people who deliver on our customers' trust, making an effort to turn Vopak into an even more effective, efficient and highly valued organization.

The strategy we are executing again bore fruit in many respects. We performed better in almost all areas, but aspire to become even better. In the years ahead, we will have to lead in both the operational and commercial business areas offering our customers greater satisfaction through our service propositions. We will apply our talents in an increasingly intelligent manner with an even stronger external focus.

Financial performance

The commissioning of new capacity, higher revenues per cbm as well as a currency translation gain has led to a 16% increase of our group operating profit – excluding exceptional items – to EUR 445.3 million. These good results were to some extent adversely affected by a slower commercial utilization of new capacity at certain terminals. The earnings per ordinary share increased by 8% to EUR 2.08 (2009: EUR 1.92).

Continued improvement

In the long run, we see attractive growth opportunities for Vopak in all product groups. With our present strategy and business model, we are in an excellent position to create value for all stakeholders. Competition is increasing at specific locations. This requires an appropriate response, i.e. either improved business operations, or better service provision. In this area of influence, Vopak also needs to keep making clear choices in 2011. By pursuing operational excellence, the company should be able to achieve further improvements in the areas of safety, customer service, efficiency, sustainability and other focus areas contributing to strong results.

In order to retain its leading position, Vopak aims to grow further. This can be achieved by strengthening our leading position at existing locations and investing in collaboration with strategic partners. Growth is subject to our present customers' level of satisfaction with our services, which indicates that our customers consider Vopak as their preferred supplier. In addition, we must be extremely efficient at operational level. Thanks to smart processes, we are able to deliver the shortest possible operational lead times for our customers and build the strength to deal with economic setbacks.

The company pursues a leading position in three areas: service, operational excellence and growth. By improving on all fronts, we can build up a strong competitive position in the long run.

Safety

A healthy Vopak is a safe Vopak. The safety of our people is absolutely our top priority. There will always be risks, but it is essential that they are limited to the maximum extent possible. The standards we apply are strict. We focus not only on safe procedures, but also on safe conduct. An important indicator in the area of personal safety is the number of incidents per million worked hours of our own staff. In this area we have experienced a positive development whereby the number of incidents halved from 6.5 in 2009 to 3.2. The desired ambition level has not yet been reached throughout the business, but fortunately we are seeing a positive trend. Independent research shows that our safety culture is a good basis for the improvement we strive for.

The importance of sustainability

Vopak's history goes back almost four centuries. This long corporate history would not have been possible without sustainability being of paramount importance to us. For example, we are continuously developing innovative and sustainable storage concepts, such as the plans for large-scale storage of CO_2 in depleted gas fields under the North Sea. Slowly, these plans are reaching project phase. It is very inspiring to be part of the consortium engaged in a pioneering logistics solution that facilitates this type of storage.

Service

A passion for excellence that is how 2010 can be summarized for Vopak. The increased Net Promoter Score (NPS) that measures customer satisfaction and loyalty is a testimony of this fact. We planted the target of higher customer satisfaction in the organization and it was embraced by everybody throughout the business. All of our employees know what the score means for their own actions, and they were fully committed to doing their very best to make improvements. The same applies to Lean, the methodology Vopak uses to integrate its pursuit of improvements, efficiency and effectiveness into its corporate culture, with our customers' wishes occupying a central place. The project appeals to our people, and they enjoy working with it to improve processes, to enhance the service experience of our customers. For our people, the urge to optimize matters is innate.

Expanding around the globe

The implementation of our plans for expansion is well underway. By 2012, we will have added 4.5 million cbm to our tank terminal network. In China, in particular, we are working hard on expanding our storage capacity. Our chemicals terminal in Zhangjiagang is now the largest of its kind in China and new chemicals terminals are being constructed at two other strategic locations. As a result of recent developments, we have sold our equity stake in the terminal in the Bahamas in the beginning of 2011 causing the total storage capacity to decline by 3.4 million cbm.

Our people

Vopak is built on human talent. In order to grow, we must allow our people to develop themselves as much as possible. Based on this principle, we are investing in an innovative HR approach. Workforce planning, continuous education and training, talent recruitment and development, improved in-house promotion opportunities and succession planning must turn Vopak into a business where talent is leveraged, in any position in the company. The results of the engagement survey conducted among employees in early 2011 will drive the further improvement of our HR policies.

Vopak remains ambitious

Our ambitions for the coming years are great. In addition to becoming an even more effective organization, we aspire to transform into a business that is even more focused on efficiency and that is aware of its social responsibility. In this respect we wish to enable our people to leverage their qualities even better. We also aim to further increase the safety of our operations, knowing that only a combination of transparent risk analysis, appropriate measures and collective safety awareness can help to achieve that goal.

Changing playing field

Most of all, we wish to serve our customers better by providing higher quality service and increased logistic efficiency. Our strategy to achieve this goal produced good results last year. We wish to maintain that upward trend in a clearly changing world in the years ahead. Our markets are shifting, competition is on the up and even local trends are liable to affect the actions of businesses around the world. This requires attentiveness and clear choices. With a changing playing field, it is crucial that we all keep the right focus in the organization. In other words, we will have to focus on the outside world more than ever.

Seizing opportunities

As an organization, we are ready to face new challenges. This is exactly why we are able and prepared to seize opportunities and adapt to new circumstances, both in the short and in the long run.

On behalf of the Executive Board, I wish to thank all of our colleagues for their hard work. I also thank our customers, collaborative partners and shareholders for their support and confidence.

Eelco Hoekstra
Chairman of the Executive Board
Koninklijke Vopak N.V.


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Vopak

Report of the Supervisory Board

Supervision

The Supervisory Board met on eight occasions during the year under review. None of the Supervisory Board members was frequently absent from the Supervisory Board meetings. As part of the Supervisory Board's supervision responsibilities, the strategy of Vopak was discussed during a two day meeting in Shanghai, China. The 2011 Budget was discussed and approved. The quarterly reviews were discussed and important investment proposals were discussed and approved, such as the construction of a new terminal in Algeciras in Spain, an expansion project in Vlaardingen, the Netherlands, a Greenfield project in Eemshaven, the Netherlands, a feasibility study proposal for the Hainan project in China, the acquisition of a former terminal in New Jersey in the US, an expansion project in Zhangjiagang, China as well as the developments with the respect to Vopak Terminal Bahamas. Safety, Health, Environmental and Sustainability issues were among the topics discussed during each of these meetings. Also, other operational and financial objectives of the company were discussed at regular scheduled meetings. The topic of management development was also addressed in the meetings. Other topics discussed regularly and in-depth were the financing of the company, including two new Private Placement financing programs in Asia, the share split proposed during the Annual General Meeting of 27 April 2010 and internal and external quarterly, half-year and annual financial reports. The Supervisory Board also considered the progress being made on ongoing projects and the launch of new projects. The various investment proposals relate to expansion and Greenfield projects in nearly every part of the world where Vopak operates. The Corporate Procurement Director gave a presentation about the Vopak strategy for procurement activities and the CIO gave a presentation on IT matters. The development and approach around Sustaining Capex was discussed as well as the market developments in China during a meeting of the Supervisory Board held in Shanghai. Several HR topics were discussed including the approach to management development and succession planning for senior management.

The external auditors were present during the meetings on the annual results and the unaudited half-year results. The interim report and auditors' report issued by the external auditors were also discussed during those meetings. The minutes of all the meetings of the Audit Committee, Remuneration Committee and the Selection and Appointment Committee were also considered and discussed in subsequent meetings of the Supervisory Board. The Supervisory Board discussed the results of the Executive Board's review of the design and operation of the company's risk management and control systems. At a meeting not attended by Executive Board members, the Supervisory Board discussed the proposals of the Remuneration Committee and the performance of the Executive Board. With respect to its own performance, the Supervisory Board evaluated its performance in the December 2010 and March 2011 meetings, whereby the evaluation of the Subcommittees and individual members thereof was also discussed. The evaluation included topics such as the composition of the Supervisory Board, its working method and the relationship between the Executive Board and the Supervisory Board. The Supervisory Board also considered its required profile and competencies.

Composition of the Executive Board

In the summer of 2010, John Paul Broeders informed the Supervisory Board of his intention to leave Vopak to pursue his career elsewhere. As Chairman of the Executive Board since 2006, he has played a key role – together with his colleagues – in successfully building Vopak into the global leader in the independent oil and chemical storage business which it is today.

The Supervisory Board expresses its appreciation for the significant contributions which he has made and wishes him well, both personally and during the next stage in his corporate career.

Eelco Hoekstra, until then President of Vopak's Asia Division, was appointed as his successor per 1 January 2011 following approval from the Extraordinary Meeting of Shareholders of 11 November 2010 for him to become a member of the Executive Board. In addition, Jack de Kreij, Vopak's Chief Financial Officer, was appointed Vice-chairman of the Executive Board in addition to his current role.

The Supervisory Board is proud that Vopak's own management development efforts have resulted in the appointment of the new Chairman of the Executive Board, as well as a number of high potentials for future senior positions. Earlier in the year, Frits Eulderink was recruited, following an extensive external search, as successor to Frans de

Koning directly following the Annual General Meeting of Shareholders of 27 April 2010. The Supervisory Board also thanks Frans de Koning for his many contributions to Vopak during the past several years.
The Supervisory Board is convinced that the Executive Board in its new composition – with Eelco Hoekstra as Chairman, Jack de Kreij as Chief Financial Officer and Vice-chairman and Frits Eulderink as Chief Operating Officer – will provide the top quality leadership that will assure Vopak's profitable growth and continued development in the years to come.

Core Committees

During 2010, the Supervisory Board had an Audit Committee, a Selection and Appointment Committee and a Remuneration Committee. The composition of these committees is given on pages 168 and 169 of this Annual Report.

Audit Committee

The Audit Committee met on five occasions in 2010. All of these meetings were attended by the external auditors. A core task of the Audit Committee was an extensive review of the financial reports and the budget before their consideration by the full Supervisory Board. The Committee also discussed the financing structure, analyses of the financial ratios, currency management, pensions, development of Sustaining Capex amounts and the approach towards Sustaining Capex, status of legal claims and proceedings, reports on the risks associated with the company's operational, commercial, financial and other activities and management reporting as well as the accounting implications of the senior management long term incentive plans (LTIP). The Audit Committee also considered the 2011 plan of the Internal Audit Department and reports of Internal Audit in 2010, the progress realized by management teams to implement recommendations from audits and the Internal Audit work plan. The Committee also discussed the scope of the audits, recommendations in the management letters and the current and future relationship with the external auditors as well as the response of the external auditor towards the AFM report of 2010 'General findings on audit quality and quality control'. The Audit Committee monitored auditor independence when non-audit services were provided. In compliance with the Code one meeting was held with the external auditor without the presence of the Executive Board members. The Dividend Policy and share split was discussed. Finally, the Audit Committee assessed its own performance throughout the year and its regulations. During 2010, Mr Cremers again acted as financial expert as meant by the relevant best practice provisions of the Code.

Selection and Appointment Committee

The Selection and Appointment Committee met on two occasions. In these meetings the composition of the Executive Board, in particular the succession of Mr Broeders as Chairman was discussed. In addition, the composition of the Supervisory Board and possible candidates for a sixth member of the Supervisory Board were discussed.

Remuneration Committee

We set out below the way in which the Remuneration Committee implemented the remuneration policy for the Executive Board in the 2010 financial year and how it intends to implement the policy in 2011. In 2010, the Remuneration Committee was assisted by an independent external advisor.

For further details on the remuneration of the Executive Board and the Supervisory Board, please refer to Note 28 on page 136 and to Note 32 on page 146 of the Consolidated Statement of Financial Position.

Agenda for 2010

The Remuneration Committee met on four occasions in 2010. In addition, it held regular consultations on an informal basis. It developed proposals with respect to the subjects it handled, which it submitted to the Supervisory Board for approval. The Dutch Corporate Governance Code constituted an important basis for those proposals.

In addition to the annually recurring subjects, 2010 was characterized by the new long-term variable remuneration plan that was submitted to and approved by the shareholders at the beginning of the year. The Supervisory Board attaches great importance to the shareholders endorsing the plan, as it constitutes an important basis for the remuneration policy.

In April, Mr Eulderink took over the duties of Mr De Koning, who retired. In September, Mr Hoekstra became a member of the Executive Board. In November, he was formally appointed Board member and the successor of Mr Broeders as the Chairman of the company's Executive Board during an extraordinary meeting of shareholders.

In conformity with the guidelines of the Corporate Governance Code, employment contracts were concluded with the new Board members. Arrangements that are fully in line with the guidelines laid down in the adopted remuneration policy on exits and variable remuneration were made with the resigning Board members.

For Mr Broeders, this means that the current rights for the conditionally granted long-term variable remuneration will lapse, with the exception of the 2008-2010 performance share plan, for which the plan period expired in 2010. In addition, no short-term variable remuneration will be granted for 2011. For Mr De Koning, the current long-term variable remuneration plans (2007 through 2009) will be awarded on a *pro rata* basis in conformity with plan conditions. Variable remuneration for 2010, for the period until exit, was settled in June 2010. In conformity with the guidelines, neither Board member received an exit bonus.

As it did in 2009, during the last few months of the year, the Remuneration Committee studied the trends in remuneration of Board members, specifically Board members in Vopak's peer group. In the Committee's view, a proper peer group is essential for the effective implementation of its remuneration policy.

Remuneration of the Executive Board

The Remuneration Committee had no reason to propose any further change in the remuneration policy pursued, as approved by the General Meeting of Shareholders in April 2010. It realizes that a controlled development of fixed income and short-term variable remuneration, as well as a strong performance-driven long-term variable remuneration, would be best in line with Vopak's nature and its long-term targets. Therefore, the Remuneration Committee's principle is that the Executive Board should be encouraged to pursue policies that focus on the company's long-term sustainable profitable growth, that it is rewarded for those policies if they are successful and that it is not rewarded if they turn out not to be successful. Within that context, the Super-visory Board has the discretionary power to decide, in special situations, to adjust the variable remuneration upward or downward, with due observance of the principles of fairness and reasonableness. A claw-back clause is included for the variable remuneration, in case it was based on information that later appeared to be incorrect.

A precondition for the remuneration policy is that it results in adequate remuneration commensurate with the responsibilities, challenges and performance of Vopak's Board members. Therefore, the Remuneration Committee regularly assesses whether the amount and structure of the total remuneration package for Vopak's Executive Board are sufficiently competitive to attract and retain Board members with the right, relevant experience and competencies, so that the company can achieve its strategic targets.

Within that context, the Remuneration Committee annually assesses the total remuneration package for the Executive Board, which consists of the annual salary, a short-term and long-term variable remuneration and the annual pension contribution. The remuneration package is compared with that of Board members of companies comparable to Vopak in terms of international coverage, nature of the business, size and development phase. Since 2009, this peer group has consisted of the following companies: Arcadis, Boskalis, Corio, Draka, DSM, Fugro, Imtech, Nutreco, SBM Offshore and Smit Internationale. As the peer group will no longer include Smit Internationale and probably also Draka in 2011, its composition will be reviewed in 2011. The 'median' of the peer group is taken as a reference in setting the remuneration of Vopak's Board members. In addition to peer group information, publications of remuneration consultancy firms are used.

In addition to the external remuneration benchmark, maintaining and promoting internal remuneration relationships are also important for the Remuneration Committee. The composition and the amount of the remuneration package for the Executive Board are intended to be properly related to the remuneration package for the next level down in the Vopak organization.

Composition of remuneration package

The total remuneration package has a simple structure, featuring a sound balance between fixed and variable remuneration components.

Component	Remuneration	Term	Performance criteria	Annual remuneration as a % of annual salary			
Annual base salary	Cash	Monthly	Adequate performance in the job	100%			
					Min.	Target	Max.
Short-term variable remuneration	Cash	Annually	50%: growth in EBITDA 50%: non-financial targets	EB Chairman: EB member:	0% 0%	50% 45%	75% 67.5%
					Min.	Target	Max.
Long-term variable remuneration	Shares and cash	Every four years	Growth in Earnings per Share	EB Chairman: EB member:	0% 0%	70% 55%	100%* 82.5%*
Pension	Cash	Annually	N/A	15.2% - 26.6% of pensionable earnings (percentage is age-related)			

* Excluding the effect of a decrease/increase in the share price

The pre-set criteria and targets for short-term and long-term variable remuneration are in line with the company's short-term and long-term targets. Before adopting the variable remuneration plans, various scenarios were calculated and analyzed, in order to check the quality of the plans. The remuneration's transparency is guaranteed on the basis of an explanation of the remuneration policy in the company's annual report and the fact that both the short-term and the long-term variable remuneration – to the extent it pertains to financial performance – is based on the figures published in the annual report.

1. Fixed component - Annual base salary

The base salary is reviewed annually and, if need be, adjusted. In line with the company's other management, with effect from 2011, salaries will no longer be adjusted on 1 January, but on 1 April of the financial year. To make sure that the annual salaries are sufficiently competitive, but not excessive, they are based on the 'median' of the peer group. For the 2010 financial year, the following annual salaries were granted.

Gross annual base salary in EUR	J.P.H. Broeders	J.P. de Kreij	F.D. de Koning until 27 April 2010	F. Eulderink effective 10 Jan. 2010	E.M. Hoekstra effective 01 Sept. 2010
Annual salary for 2010	550,000	437,500	400,000	400,000	400,000
Annual salary for 2009	500,000	425,000	400,000	-	-

2. Short-term variable remuneration

Depending on Vopak's performance in relation to pre-agreed targets, Board members can earn short-term variable remuneration, for which the percentages were left unchanged in 2010.

The performance-related targets have been divided into financial targets and non-financial targets. At the target level, the financial target (50%) and the joint non-financial targets (50%) are weighted equally. At the beginning of the year, the Supervisory Board sets the targets, considering the company's past performance and its operational and strategic outlook for the next two years, as well as management's and shareholders' expectations, among other factors. Targets are selected so that they fit into the process of long-term value creation in the company.

The financial target is related to 'Growth in EBITDA': the improvement percentage of the 2010 EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) on the 2009 EBITDA.

The non-financial element pertains to targets in three areas:

1. Sustainability, covering specific targets in the area of personal and process safety (incidents, product loss, fire, pollution) and KPIs from the Global Sustainability Reporting Initiative.
2. Employee satisfaction (in 2010) and Customer satisfaction (early 2011). Employee satisfaction is measured on the basis of an employee satisfaction survey conducted by an external party.
3. The performance of the Executive Board as assessed by the Supervisory Board, with current project results and the quality of new initiatives being key focus areas.

For commercial and competitive reasons, the specific financial and non-financial targets are not published.

In early 2011, the results achieved in relation to the targets set were evaluated. It was decided that the following short-term variable remuneration will be granted for the 2010 financial year.

Gross in EUR	J.P.H. Broeders	J.P. de Kreij	F. Eulderink	E.M. Hoekstra effective 01 Sept. 2010
Short-term variable remuneration	397,170	284,375	260,000	81,250

On the basis of the +17% Growth in EBITDA for the 2010 financial year, the maximum financial result was achieved. An important share of the non-financial targets was achieved, but they were not achieved in full. Please refer to the 2010 Sustainability Report for the results achieved in the area of sustainability.

3. Long-term variable remuneration

In 2010, the long-term variable remuneration plan (Long Term Incentive Plan, 'LTIP') was awarded for a 4-year period. Once the plan period has elapsed, 50% of the remuneration will be paid in Vopak shares and 50% in cash. The shares are to be held in a restricted account for two years before they can be freely disposed of. On the condition that the criteria are satisfied, distribution under the plan will be made upon approval of the annual results by the Meeting of Shareholders in the spring of 2014.

The LTIP rewards Board members for improvements in Vopak's Earnings per Share ('EPS') during the period from 2010 through 2013, with the following remuneration percentages (as % of the average annual base salary during the plan period) being applicable.

	EB Chairman		EB members	
Period	Year	Four years (2010 - 2013)	Year	Four years (2010 - 2013)
Maximum	100%	400%	82.5%	330%
Target	70%	280%	55%	220%
Minimum	0%	0%	0%	0%

Remuneration percentage excluding the effect of a decrease/increase in the share price

In addition to growth in EPS, Vopak share price trends during the plan period are also determinative for the eventual value of the remuneration. In launching the plan, it was agreed that the current plans for 2007, 2008 and 2009 be settled at the end of the plan periods, in conformity with plan conditions.

4. Fringe benefits - Pension

The pension plan for Board members of Royal Vopak is a defined contribution type of plan, with Board members annually receiving an amount for the purpose of accruing an old-age pension and insuring death and disability risks. Depending on the age, the amount in pension to be granted to the current Board members at this moment will range between 15.2% and 26.6% of the pension earnings (annual salary minus franchise). Under the pension plan, retirement age has been set at 65. In conformity with contractual arrangements made earlier with Mr De Kreij, his employment contract provides for retirement at the age of 60.

Shareholding

To promote aligned interests on the part of Vopak shareholders and Vopak Board members, all Board members are required to build up and maintain Vopak share deposits worth one gross annual salary. A comparable requirement, but with a lower target level, also applies to top management. Share deposits can be built up on the basis of shares acquired as long-term variable remuneration and/or on the basis of shares purchased at the Board member's own expense.

Remuneration of the Supervisory Board

The remuneration of the chairman and members of the Supervisory Board, like that of the Executive Board, needs to be aligned with the work intensity and increasing responsibilities. In 2009, the Annual General Meeting adopted the remuneration for the financial years 2009 and 2010.

Gross remuneration

In EUR per year	Chairman	Members
Supervisory Board	60,000	42,500
Audit Committee	10,000	6,000
Remuneration Committee	7,500	5,000
Selection and Appointment Committee	5,000	3,500

Financial Statements

It is our pleasure to present the 2010 consolidated financial statements of Royal Vopak as prepared by the Executive Board. The financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union. 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 161. We approved the financial statements at our meeting on 10 March 2011 and recommend the shareholders to adopt them during their Annual General Meeting of 27 April 2011.

We concur with the proposal of the Executive Board, after the distribution of EUR 8.2 million on the financing preference shares in Vopak, to distribute EUR 0.70 per share as dividend in cash to holders of ordinary shares, resulting in a gross amount of EUR 89.5 million and to add the remaining EUR 172.4 million to Other reserves.

Corporate Governance

The main elements of Vopak's corporate governance structure are set out in a separate section of this Annual Report. The Corporate Governance structure and policy on this matter will be discussed during the Annual General Meeting of Shareholders to be held on 27 April 2011 as part of the consultation of this Annual Report. This report on the activities of the Supervisory Board 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, which was amended and updated on 10 December 2008.

Composition of the Supervisory Board

The Supervisory Board has reviewed its composition. A search for a sixth member of the Supervisory Board has led to Mr Simon Lam being nominated to become a member of the Supervisory Board with effect from the upcoming Annual General Meeting of Shareholders of 27 April 2011.

During 2010, the Supervisory Board has also reviewed the composition of the Remuneration Committee, in particular the role of Mr Van den Driest as Chairman thereof. The outcome of the review is that Mr Van den Driest will remain Chairman of the Remuneration Committee.

Finally, we would like to express our sincere appreciation to the Executive Board and all the company's employees for their efforts in 2010 and for the corresponding improvement in the results.

The members of the Supervisory Board have signed the financial statements in order to comply with the statutory obligation pursuant to article 2:101 paragraph 2 Dutch Civil Code. This provision provides that the members of the Supervisory Board should sign the financial statements.

Rotterdam, 10 March 2011

The Supervisory Board
A. van Rossum (Chairman)
M. van der Vorm (Vice-chairman)
F.J.G.M. Cremers
C.J. van den Driest
R.G.M. Zwitserloot


Vopak

Contents

Report of the Executive Board

Our vision and strategy

A growing geographic imbalance exists, both at a regional and global level, between the areas of production and (industrial) consumption of oil and gas products and chemicals. As a result, there is a robust demand for the physical transportation and efficient and safe storage and handling of these products. This has led to a growing demand for solid infrastructures in order to seamlessly link up the logistics networks of producers, traders and distributors. The need for storage and handling services at critical locations is further intensified by new players in the market, the liberalization of previously closed economies and a demand that is increasingly becoming more specific for each country. Independent storage and handling facilities can reduce the pressure on logistics systems and contribute towards the reliability and efficiency of regional and global supply chains. The most important requirements for storage are the right logistic locations, a strong focus on sustainability and safety, reliable and efficient services, and the possibility of anticipating changes to the required efficient service in a flexible manner.

Vopak's mission is to make a sustainable contribution to ensure more efficient logistics processes by being the leading provider of an independent, optimum terminal infrastructure at locations that are critical to Vopak's customers in all regions of the world. To achieve our mission, we shall continue to invest in the further growth of our global network, in our customer service and in continuous operational improvements. Vopak has developed a strategy to realize that mission. This strategy rests on three pillars:

- customer leadership: to be leading in the field of customer service at all terminals;
- operational excellence leadership: to be the safest and most sustainable and efficient terminal operator by continuously improving our operational processes;
- growth leadership: to be the fastest growing in selected markets by:
  - improving and expanding existing terminals;
  - developing terminals at new locations;
  - collaborating with and acquiring companies;
  - building terminals for new products and markets, such as LNG and biofuels.

Vopak's strategy is executed through focused strategic initiatives and internal 'excellence programs' for the further improvement of existing operational processes.
All this is supported by an ongoing evaluation process of possible changes to worldwide product flows, intensive collaboration with clients, sharing knowledge within the Vopak network at a global level, strategic collaboration with various partners and consulting experts in wide-ranging areas for improvement.

Vopak in a strategic perspective

Going for considered growth

As a tank terminal operator, Vopak focuses on facilitating physical, liquid and gaseous product flows from global and regional oil and chemical companies. We have a clear, market-driven strategy based on successfully supporting our customers by offering excellent services and by being resourceful and considered in seizing opportunities, particularly in how we operate and expand our network. In addition to our global network of storage terminals in critical logistic locations, our people are at the heart of our business. This strategic focus has enabled us to achieve our ambitious growth targets. Our strategy offers a solid reference framework to our customers, shareholders and employees. The results we have achieved in the past year – well-focused growth, increased customer satisfaction, improved safety and process integrity, and increasing financial results – support the course we have charted.

Our ambition: Passion for Excellence

We aspire to position Vopak permanently on the global market as the best tank terminal operator by proactively supporting the supply chains of our business partners and to implement potential efficiency improvements in our commercial and operational processes. We are also open to many forms of strategic partnership. Key to our strategy is an ongoing dialogue with our customers and our community. After all, we can only provide excellent customer service if we are fully aware of our customers' wishes and requirements.

Our ambitions may be summed up as 'Passion for Excellence'. Excellence not just in a few areas, but across the board: commercial, financial, operational and in terms of human resources management. Our strategic vision is to foster a corporate culture in which excellence is always at the heart of everything we do.

Organic growth

In 2009, expectations were that trends in the chemical and biofuels markets would make 2010 a year of transition on our road towards an EBITDA of between EUR 625 and EUR 700 million in 2012. Closing the books for 2010, however, we can conclude that our results have increased significantly compared to the previous year, in part thanks to currency translation gains. We grew organically, working hard on all elements of our strategy and going to great lengths to further improve our existing terminals. This year, we have announced the construction of many cubic meters of storage capacity, and their realization is well underway. This growth is mainly oil-related. The chemical sector in Europe and North America, although still recovering, has improved compared with 2009. We are noticing an increased demand for chemicals storage in Asia, notably China. Vopak will be able to sustain its key role in the chemicals arena, in both nascent and existing markets. In the latter, efficiency increases and anticipating change will be key.

In some respects, this trend has already started. In Europe, the role played by chemicals terminals is gradually shifting. Whereas five years ago, export flows needed facilitation, imports are becoming more important nowadays. Fortunately, our organization is increasingly aware of the fundamental importance of excellent customer service and personal attention. The feedback our customers give us show that they acknowledge and value our efforts in this area. The Net Promoter Score, which we use to measure customer satisfaction and loyalty, shows an upward curve compared with 2009. We intend to further enhance our performance in this area next year.

Sustainability and safety

Vopak is publishing a separate sustainability report that further explains the results achieved in the area of sustainability in 2010. In addition to the previous sustainability reporting, this report has received assurance from an external accountant.

Safety in the broadest sense of the word is Vopak's top priority. While many in society believe the risk of accidents happening can never be fully eliminated, we are committed to reduce it further. In 2010, we noticed a continued positive long-term trend in this area. Vopak has worked deliberately on realizing that trend. Initially our efforts were focused on implementing physical measures, but much progress has also been made in creating higher quality procedures and raising awareness. We are well underway, but changing behavior takes time.

To closely monitor the progress resulting from our efforts, we instructed an external party to initiate a baseline measurement of the safety culture in a number of our locations. This has given us data showing how we perform in comparison to over 1,500 other international businesses that also participate in the study. We were pleased to find that the study classified Vopak in the best quartile. Nevertheless, we will seek to further improve the safety of our people and minimize environmental risks.

For 2010, we aimed for a 5% reduction in CO_2 emissions per cubic meter of storage. With an actual reduction of 6%, this objective has been successfully met. In addition, we initiated a pilot project aimed at realizing waste reduction at two terminals. This pilot has generated useful concepts, which will be introduced at all terminals in due course. Water management at our terminals has also been analyzed with the aim of identifying opportunities to reduce water consumption, and to filter contaminated water in modern installations. The next steps will be determined based on the results, which we expect in the course of 2011.

Talent development

Human resources are among our company's most precious assets. We wish to grow and need the very best employees to do so. Accordingly, we will attempt to further improve our employees' qualities by providing systematic coaching and training. Besides ongoing initiatives, a total of 1,350 employees and managers across the globe are participating in training sessions related to the new Global Performance & Development system and the Vopak Leadership Fundamentals. Furthermore, we seek to be the employer of choice for talented new managers and operational employees. In the year under review, we welcomed many new recruits to support our ongoing growth.

It is of great importance for Vopak to be able to rely on the appropriate talented and passionate employees in the right positions. Only then can the company's required rapid growth be achieved. Our growth, our terminal expansions, opportunities for expansion elsewhere and other trends necessitate our intense search for talented people. In our divisions, we have launched programs contributing to talent development, which have proved successful. Many people appear to be interested in pursuing a career with Vopak. In the fields of engineering and project management, in particular, we still have many opportunities to offer to young talented people. Although competition is fierce, our staff turnover levels are low. Compared with our peers, our staff retention figures are excellent.

Professionalization and optimization

We are relentless in our pursuit to provide local management teams with the best possible central support and service. To achieve this, our people must be able to unlock their full potential and our processes must be organized in the best possible way. To a large extent, Vopak's success is founded on local entrepreneurship. Striking the right balance between achieving efficiency (standardization) centrally and allowing flexibility locally is of prime importance. Our incessant dialogue with local Vopak businesses should yield sufficient feedback about the standards adopted to inform our decision-making.

Funding our growth

We made further significant steps in terms of access to financial markets. Far from regarding banks and institutional investors merely as suppliers of financial resources, Vopak considers them business partners that assist us in achieving growth. We have adopted an intense relationship management strategy, working with relationship banks to achieve clear objectives, seeking to combine this with flexible access to the European banking market and the various American and Asian capital markets. We created a solid basis, witnessing the transactions we effected in the year under review. For example, we issued two new debt programs in the Asian market – a Singapore dollar 225 million (EUR 125 million) notes issue with a 7.2 year maturity, and a Japanese yen 20 billion (EUR 184 million) private placement with a maturity of 30 years.

Developments in key markets

Oil

The geographical imbalances between production and consumption have continued to reinforce the need for physical transportation of bulk liquid products, to a large extent independently of crude oil prices and the more speculative trading environment. Bulk liquid storage services fulfill an essential role in the supply chain of Vopak's customers, including large oil majors and national oil companies, with whom we cooperate in long-term relationships. The increasing geographical imbalances lead to an increasing demand for services at strategically positioned (hub) terminals, such as Rotterdam, Fujairah, Tallinn and Singapore, which are critical to the success of the network strategy for oil products. The increased focus of the major oil companies on upstream activities and related possible closures and divestments of less efficient refineries will further impact the need for physical transportation of oil products.

Chemicals

The demand for storage and handling of chemicals showed further signs of recovery in 2010. Chemical volumes have recovered to pre-crisis levels, except for some remote locations. We experience a stable business environment in the Americas and an encouraging market in Asia in volumes and new projects, while in Europe we note that the demand for storage of chemicals has improved. Following last year's lower demand for chemical products due to the economic turbulence, some major chemical producers decreased their output and started to redesign their supply chains. Where chemical volumes have decreased, alternative products such as oil products have been stored at some of Vopak's chemicals terminals. Besides a structural recovery of the world economy, the investments in the chemical industry in the Middle East and consumption growth in Asia will have a lasting impact on the global logistics flows of chemical products. Vopak's worldwide tank terminal network is very well positioned to address these new opportunities.

Biofuels

In 2010, Vopak had mixed experiences in the market for storage of biofuels. Market participants reviewed their position in the biofuels market following uncertainties concerning the various biofuels regulations, especially in Europe and North America. Biofuels are a relatively young product group and the products are typically stored at existing terminals replacing chemicals or vegetable oils.

The challenge for Vopak is to proactively turn these developments into customer-specific solutions in strategically positioned locations across the world. This is a combination of:

- meeting different customer needs by increasing flexibility, offering fast ship turnaround, setting high quality and safety standards, and offering specific services, such as blending;
- offering the highest quality infrastructure and a wide array of tank types and sizes, jetty capacity, truck and rail loading stations and blending capacity; and
- offering deep-water access, hinterland connections, land availability, and operating permits for handling a variety of oil products and chemicals.

Optimum customer service

In line with the three pillars underpinning the Vopak strategy, optimum service to our customers is also one of our top priorities. Service is fundamentally important for our commercial strategy. A higher level of service to our customers offers Vopak the chance to distinguish itself further from the competition.

We aim to provide even better services by offering training, courses and competence management and by standardizing and improving our processes, effectively supported by efficient information systems. We are also in constant dialogue with our customers, so that we can continue to keep improving our services, supported by measurable results. Specifically, we seek to introduce improvements such as faster ship handling, sped-up truck and railcar loading and an increased range of product blending services.

Improved customer service

Our customers once more showed increased appreciation for our services. Vopak's Net Promoter Score (NPS) showed another increase in 2010. We launched programs across our divisions to increase service levels. In 2010, one of our priorities was to respond to complaints more quickly. Although, by now, nearly 80% of all complaints are handled within the time set, we aim to raise this to 100%.

Global Key Account Management

We tightened our global key account management program in many respects in 2010, resulting in improved business relationships with many of our key accounts, which, in turn, generated solid growth in revenue from these customers.

Market knowledge

To further expand our market knowledge, we have conducted in-depth research programs in 2010, which helped us identify a number of opportunities across the world. The divisions are integrating the outcome into their strategies and terminal plans.

Operational excellence aimed at optimizing our service levels

The effectiveness and efficiency of operational processes are of course high priorities for Vopak. Streamlining operational processes with an integrated approach fosters the best possible service to our customers. A sustained focus on simplifying, improving and modifying processes promotes reliability, cost efficiency and sustainability. Ultimately, the successful implementation of operational excellence in the services we provide to our customers can make the difference with our competitors and can significantly strengthen Vopak's market position as global market leader.

Operational excellence and the maturity model

To achieve operational excellence, we use what is known as the terminal maturity model. The model measures a terminal's performance in terms of processes and results at four distinctive levels. At the two base levels, a terminal reduces risks and operates effectively. This means it satisfies the minimum safety standards and implies that it has implemented the required procedures and achieved the associated results. Only a terminal operating at the two highest levels – efficiency and excellence – has achieved operational excellence. This is where we distinguish ourselves from the competition. At the highest level, a terminal performs better permanently and is proactive in taking initiatives aimed at ongoing improvement.
Each level has clearly defined minimum processes and performance levels. The maturity model allows us to measure, compare and further improve the quality of our operations and performance.

New initiatives

The past years have seen many initiatives aimed at efficiency enhancement. Their results, which are gradually becoming visible, are discussed below.

Improved maintenance

Terminal maintenance has been improved by working with ME2 (Maintenance to Effectiveness and Efficiency). Administrative duties previously assigned to maintenance workers have now been assumed by a planner, who performs this work centrally. This increases quality and speed of maintenance work, speeds up problem resolution and reduces costs. This efficient and effective maintenance program is being rolled out across a significant number of our terminals. Maintenance inspections are supported using the Maintenance Management package, which indicates the time and place of required inspections. These periodic inspections are followed by measures where needed.

Global Safety Product Database

A further new initiative is the design and global roll-out of the Global Safety Product Database. As Vopak works with hazardous substances, all its employees need to know how to store and handle them, and how to respond should something go wrong. There must be awareness as to whether a substance is toxic, explosive or potentially harmful to the environment. These data are now stored centrally in the Global Safety Product Database, which can be accessed across the globe through a web-based application. This ensures that data and associated documents relating to products stored or handled at any time are permanently available and up to date.

Lean

Vopak uses Lean as the methodology to add maximum value and foster a corporate culture in the widest sense that is relentless in its pursuit for improvement, greater effectiveness and efficiency enhancements. The wishes of our customers are the primary focus. Lean focuses on reducing all activities and pursuits that add no value for the customer, thereby delivering higher quality at lower cost. This also ties in seamlessly with Vopak's sustainability program.

In 2010, around 100 Lean projects were carried out across our organization, with a particular focus on the work floor. Although our primary objective was to assess how Lean works in practice, some remarkable results have been achieved. Lean will be elaborated in the coming year, with the ultimate objective to improve our performance on a continuous basis. To date, Lean is a great success. It creates a wave of enthusiasm and it sparks energy on the shop floor, while true improvements are being achieved for customers.

Standardized procurement processes
Global Sourcing and Procurement makes crucial contributions to achieving Vopak's strategy. Combining our entire network's procurement needs in a number of areas enables us to procure products and services more efficiently and at a lower cost. Likewise, globally standardized procurement processes ensure quicker decision-making, higher-quality delivery, better risk management and greater savings.

We have decided to develop a single global Lean procurement method. In each Vopak division, one individual responsible for procurement has been appointed as a member of the Global Leadership Team. Combining central policies with local implementation, we work to prepare action plans and to further professionalize our procurement officers.

ICT
For years, ICT has supported the Vopak strategy of achieving growth leadership, customer leadership and operational leadership. The appropriate use of ICT facilities increases efficiency, expands the range of communication options and makes information more accessible, thereby improving our decision-making. Furthermore, ICT contributes to creating safer working conditions, realizing higher process integrity, increasing customer satisfaction and intensifying collaboration in the supply chains.

At its core, our ICT policy aims to offer solutions that contribute to a successful corporate strategy by maximizing system uptime and offering our customers transparent, flexible and efficient services.
A growing number of operating processes is supported by common ICT systems, which increases efficiency and guarantees a basic quality level. For example, after achieving far-reaching optimization of our commercial and HR processes, they are now being supported by new ICT applications. This enables us to better respond to our customers' needs across the world, the development of our employees' talents and our own staffing requirements.
Our terminal maintenance has also been structured differently. After testing the ME2 maintenance system thoroughly, it is being implemented at a significant number of our terminals.
In addition, we have worked to improve internal communications in the past year by designing a new intranet, as well as developing a new web-based application for customers.

Vopak pools resources with partners to create the world's first CO_2 transportation and storage solution
In cooperation with Anthony Veder, Air Liquide and Gasunie, Vopak is developing a unique project contributing to reduced CO_2 emissions. In March 2010, these companies became partners of the Rotterdam Climate Initiative (RCI). The objective of the cooperation between the companies and RCI is to develop a solution for large-scale CO_2 capture and storage.

Plans are in place to liquefy large volumes of captured CO_2, temporarily store them in a transshipment location and transport them to oil fields or depleted natural gas fields under the North Sea. This way the CO_2 can contribute to the further recovery of oil or it can be stored permanently. The CO_2 will then no longer impact our climate.

The point at which the conceptual plans will enter the project phase is now drawing near. Participation in this consortium allows Vopak to make a positive contribution to resolving this climate issue. If the plans are actually realized, the initiative may rightly be called a ´world first´. So far, a large number of CO_2 emitting companies in Rotterdam and its surroundings have expressed their interest in this innovative solution.

Strategic analysis

Strengths
- We are the global market leader, present in all major port locations.
- We are financially robust and have access to long-term financing facilities.
- Our reputation rests on our level of service and safety record. The result is a reliable global brand.
- We operate according to a single independent business model and apply global standards.
- We are highly diversified in terms of geographies, products and market categories.
- Our portfolio of long-term contracts increases predictability.
- We are enterprising and are proactive in utilizing our opportunities without taking undue risk.
- Our close and long-term partnerships afford us excellent access to important markets.
- As a listed company, we offer maximum transparency in how we operate.

Opportunities
- We can benefit from the increasing distances between locations where oil products and chemicals are produced and where they are consumed.
- A number of countries are liberalizing their economies.
- Increasingly distinct market specifications are creating a need to blend components into stored products and store components for blending. This includes the demand for biofuels.

Challenges
- We still have an insufficient presence in the US and African oil markets in particular.
- The company is working to integrate its acquisitions and mergers to create a single network of terminals operating under the same standards and using the same expertise.
- The insufficient recruitment of qualified personnel might cause delays in operating projects and therefore repress the current strong capacity growth.
- There is a scarcity of land available in strategic ports.
- The increased focus of the major oil companies on upstream activities and related possible closures and divestments of less efficient refineries will further shape the oil storage market.

Both applications will be implemented in phases during 2011. These tools will make it easier for our customers and employees to share information across our globe-spanning network.

Customer service will be tightened further in the coming period by introducing global standard ICT service processes, and a start will be made with fundamental upgrades of our ERP system. Integrating individual business systems should generate more and higher-quality information for reporting purposes, as well as further streamline processes and increase their efficiency.

Global growth

Growth leadership is one of the three pillars of the Vopak strategy. Vopak aims to maintain and strengthen its leading position at important locations and to further intensify its commercial relationships with strategic customers. The company seeks to expand its global operations and storage capacity in strategically located ports.

Well placed for growth

2010 has been a good year for the manufacturing industry. It remains to be seen, however, whether its recovery will last and supply flows will be adjusted to match it. While recovery is generally tentative, fortunately, certain markets are showing marked growth, with ports currently handling pre-crisis volumes.

Jakarta, Indonesia

On 12 April 2010, an import and distribution terminal for oil products in Jakarta was commissioned. With its 250,000 cubic meters (cbm) storage capacity, it facilitates the distribution of oil products in and around Jakarta. Depending on market demand, its storage capacity may be expanded to 450,000 cbm.

Mejillones, Chile

Vopak-Oxiquim Terminal Mejillones, a joint venture between Vopak and the Chilean company Oxiquim, constructed a new storage terminal for chemical bulk liquids in Mejillones, northern Chile, in 2010. With its 10,000 cbm capacity for storing chemicals, the terminal will serve both imports and exports. Mejillones is a key location for the supply of raw materials and the development of mining and industry in the region.

Gate terminal, the Netherlands
Gate terminal, a joint initiative of Vopak and Gasunie, is one of the major projects under construction. Construction of this first Dutch LNG terminal is on schedule. The terminal is expected to be operational in the second half of 2011. Its initial annual throughput capacity will be 12 billion cbm, which may be expanded to 16 billion cbm in the future. The terminal is a prime example of the Dutch and European energy policies, whose fundamental principles are the strategic diversification of LNG supplies, sustainability, safety and environmental awareness.

Amsterdam Westpoort, the Netherlands
The oil products storage terminal, currently under construction in the port of Amsterdam, is being expanded. It will meet the large demand for storage services in the Amsterdam-Rotterdam-Antwerp region. A significant part of its total storage capacity has been rented out for a long-term period. Following its commissioning in phases in 2011 and 2012, the terminal's storage capacity will be around 1.2 million cbm.

Fujairah, United Arab Emirates
Vopak Horizon Fujairah will be expanding the terminal for oil products in the port of Fujairah by 606,000 cbm storage capacity. Following completion in the first quarter of 2012, its total storage capacity will exceed 2.1 million cbm.

Algeciras, Spain
Together with our partner Vilma Oil, we started the construction of a storage terminal for oil products with a capacity of 403,000 cbm in the port of Algeciras. The terminal is the first to offer independent bunkering services in this port and is expected to be commissioned in the second half of 2012.

Dongguan, China
Through our local joint venture Sealink Storage Company, we started construction in 2010 of a storage terminal for chemicals and oil products, which will have a maximum future capacity of 400,000 cbm. The first phase of the terminal, with a 153,000 cbm storage capacity, is expected to be commissioned in the first quarter of 2012.

Tianjin Lingang, China
Together with its joint venture partner Tianjin Bohai Chemical Industry Group, Vopak is constructing a new storage terminal for chemicals in Tianjin. Its initial storage capacity of 95,300 cbm may be expanded to 380,000 cbm in the future. Expectations are that the terminal will be commissioned in the third quarter of 2011.

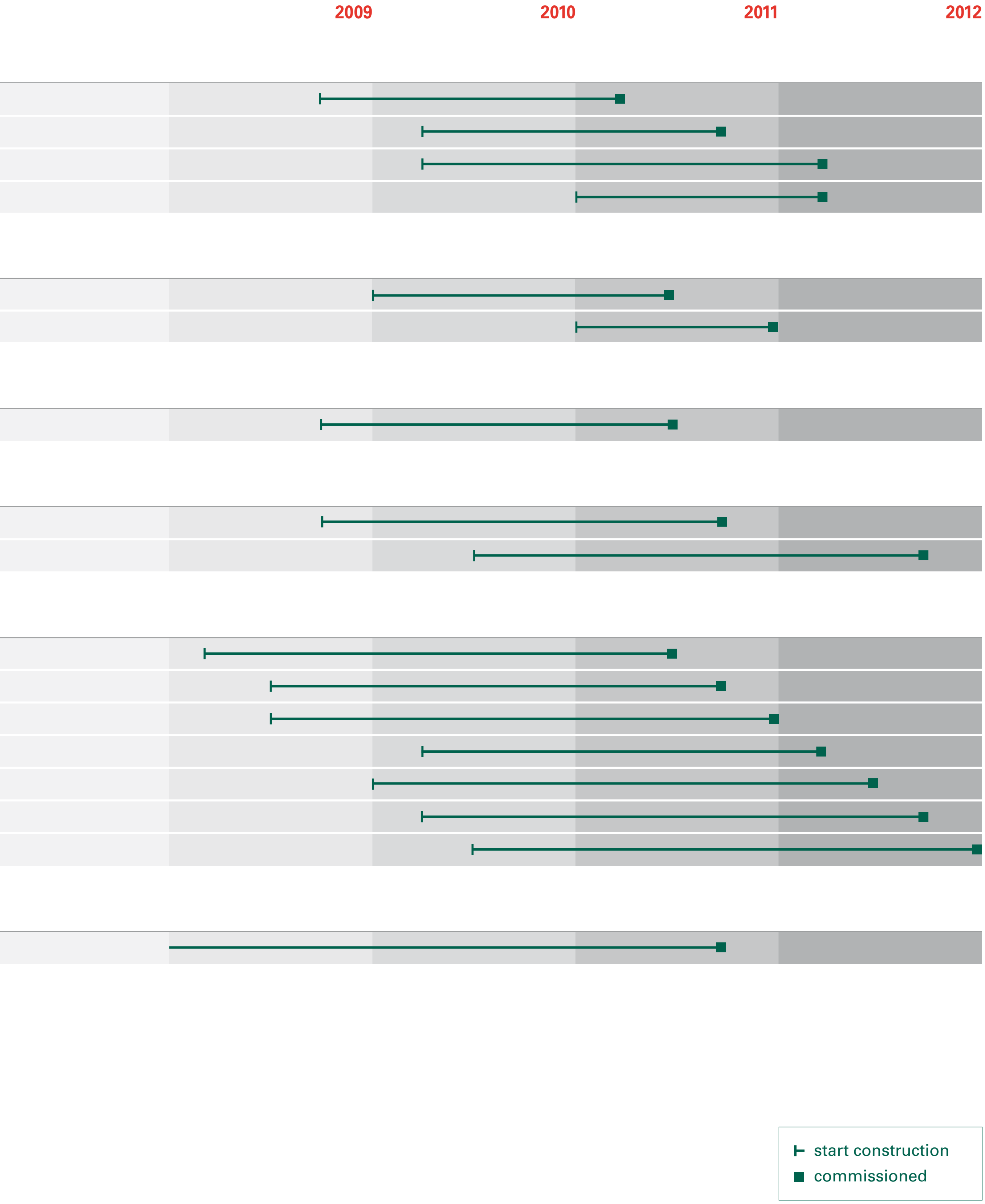

BRIGADISTA


BRIGADIST

Growth Perspective

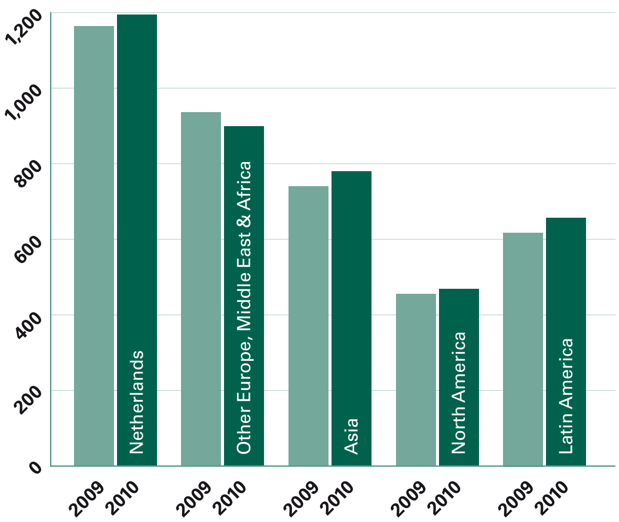
Location	Country	Ownership	Type	Products	CBM
Asia					
Caojing	China	50%	Expansion	Chemicals	30,000
Tianjin	China	50%	Greenfield	Chemicals	95,300
Dongguan	China	50%	Greenfield	Chemicals	153,000
Zhangjiagang	China	100%	Expansion	Chemicals	55,600
Latin America					
Aratu	Brazil	100%	Expansion	Chemicals	26,300
Altamira	Mexico	100%	Expansion	Chemicals	15,800
North America					
Deer Park	United States	100%	Additional jetty		
CEMEA					
Barcelona	Spain	50%	Expansion	Oil products	155,200
Vlaardingen	The Netherlands	100%	Expansion	Vegoils	38,100
OEMEA					
Rotterdam	The Netherlands	100%	Expansion	Oil products	160,000
Amsterdam	The Netherlands	100%	Greenfield (phase 1)	Oil products	620,000
Rotterdam	The Netherlands	16.67%	Expansion	Oil products	360,000 *
Fujairah	United Arab Emirates	33.33%	Expansion	Oil products	606,000
Amsterdam	The Netherlands	100%	Greenfield (phase 2)	Oil products	570,000
Eemshaven	The Netherlands	50%	Greenfield	Oil products	660,000
Algeciras	Spain	80%	Greenfield	Oil products	403,000
LNG					
Rotterdam	The Netherlands	42.5%	Greenfield	LNG	540,000

* Net capacity expansion for Vopak use


2009
2010
2011
2012
start construction
commissioned

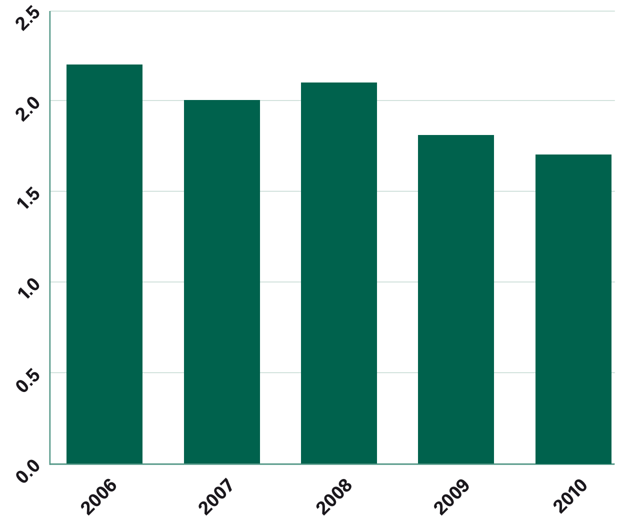
Employees subsidiaries by region

Average over the year



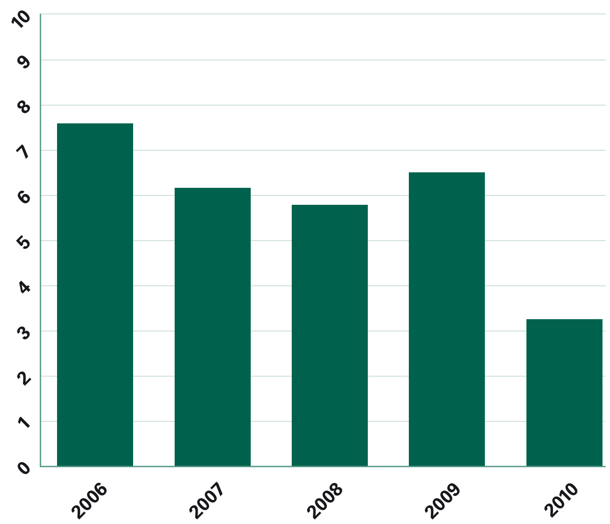
Sickness absenteeism

As a percentage



Safety own employees (Total Injury Rate)

Total injuries per 1 million hours worked



Sustainability

Vopak has a long tradition of sustainable entrepreneurship. For four centuries, Vopak has been an integral part of the societies in which it operates. During that long history, we have consistently developed ourselves into a globally operating corporation. And wherever we go, we seek to forge long-term relationships with our people and business partners. Every time we take the initiative to set up new business operations somewhere in the world, we enter into commitments for many decades to come. And we do so for a reason. We assume responsibility towards our people and our other stakeholders and in doing so secure the continuity of our business. But this responsibility extends towards our surroundings and the environment, ensuring that everyone benefits.

In fulfilling our objective to do business in a sustainable manner, we apply the Triple P model of people, planet and profit, aiming to strike the perfect balance between them. As we store and transship more than 100 million metric tons of oil and chemical products annually, we have no choice but to focus specifically on safety. In doing so, we distinguish personal safety from process safety. For many years, we have pursued a proactive Safety, Health and Environment (SHE) policy, supported by such initiatives as the annual global Vopak SHE Day. Our SHE policies are now part of our overarching Vopak Sustainability Policy.

Transparency based on GRI guidelines

Vopak aims to be unequivocal and transparent towards its stakeholders concerning the sustainability policy it pursues, its subsequent results and Vopak's own aspirations. To provide further insight into its performance in the area of sustainable entrepreneurship, Vopak records and reports in line with the internationally recognized guidelines issued by the Global Reporting Initiative (GRI). These guidelines were prepared to promote globally uniform, measurable reports in the financial, economic, social and environmental areas.

Indicators

Our interpretation of people, planet and profit, and our acknowledgement of their interdependence are being measured on 15 selected GRI Key Performance Indicators (KPIs) that we report on. They express the performance in areas relevant to Vopak, and for which reliable information is available internally. The KPIs address economic, environmental and social performance areas. In the longer term, we aspire to increase the number of GRI KPIs. We are convinced that, in the end, applying the principles of sustainable entrepreneurship will result in high-quality services without undue social and environmental impacts.

Win-win situation

In launching its sustainable development policy, Vopak has taken a great leap into the 21st century. Sustainability, the single most important theme of the century, requires large-scale application in practice. We also wish to demonstrate our industry leadership in the area of sustainable entrepreneurship. To Vopak, seeking to do business in a sustainable way means creating a win-win situation that adds value for all our stakeholders and has no unacceptable impact on society and the environment, i.e. conducting operations in a climate-neutral manner. Our customers prefer to do business with business partners that are able to guarantee superior quality and a high degree of process safety based on sustainable operations.

People

Vopak invests in long-term relationships with employees and offers them a work environment that appeals to their talents and skills. Additionally, we seek to forge strong relationships with our employees by giving ample attention to matters they consider important in their work. Examples include job satisfaction, personal development, competitive terms of employment and a good balance between work and private life.

Vopak's entrepreneurial culture is one of its distinctive features. It is characterized by inclusiveness, clear target setting and performance management as well as by informal dealings with employees. The Vopak spirit, the loyalty and the enthusiasm pervade the entire business with so many different nationalities. We take pride in these valuable elements of our global culture and will do everything to maintain and strengthen them.

Vopak operates in over 30 countries, each of which has its own laws, culture and customs. In this context, Vopak applies the Vopak Values and endorses the principles of the United Nations' International Labour Organization and Universal Declaration of Human Rights. Vopak ensures that human rights are respected and, where necessary, safeguarded when carrying out its activities. Vopak has internal policies and a Code of Conduct that supplement local rules in the countries in which it operates to ensure that fundamental standards for employment and human rights are met throughout the world.

Local projects

As a sustainable entrepreneurial company, Vopak implements a range of projects benefiting local communities across the globe. They vary from educational projects for local communities to creating or improving the infrastructure near our terminals. We consider maintaining good relationships with those living close to our terminals a self-evident necessity. Community involvement by Vopak is organized at a local level by each Vopak terminal. This means that the communities in which we operate benefit directly from our efforts.

Safety and absenteeism

Vopak has a long track record in providing programs, procedures and training aimed at guaranteeing our employees, contractors and neighbors a safe working environment. The initial results of a company-wide engagement survey among employees into their job satisfaction show a high degree of commitment and enthusiasm. Our corporate strategy is understood and welcomed by a large proportion of our employees. We are delighted about our low average absenteeism rate, which in the year under review showed a further decline to 1.7% (2009: 1.8%).

Prevention

Safety has been and always will be a top priority in everything we do. Accordingly, preventing the occurrence of accidents and incidents is our primary concern. The lost time injury rate (LTIR) for our staff and contractors combined improved to 1.3 per million hours worked (2009: 1.4).
The number of accidents related to the number of hours worked by our own employees (TIR) showed a significant decline to 3.2 accidents per million hours worked in 2010 (2009: 6.5) due to the efforts we initiated in 2009 and continued in 2010.

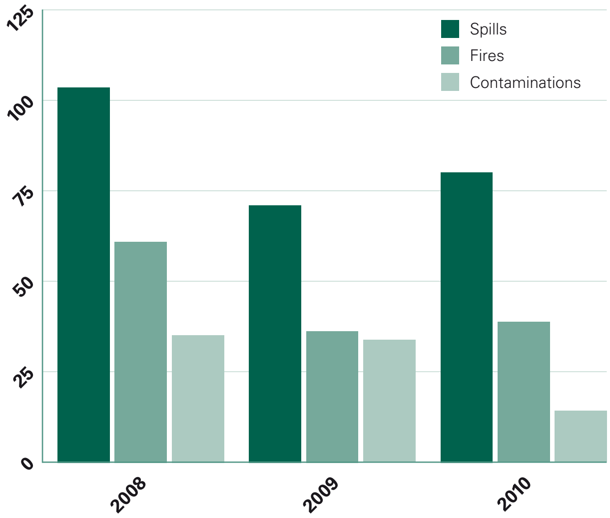
Planet

Vopak currently operates storage terminals in 30 countries, involving thousands of people, directly as well as indirectly, and large plots of land. This brings with it responsibilities for the surroundings, not just with respect to soil, water and air, but also towards the local communities and neighbors.
Vopak aims to be a responsible neighbor. Our objective is to further reduce emissions, including those of gas and odor.
In pursuing this objective, we consistently adhere to guidelines set out in operating licenses, legislation and our own global standards. Vopak acknowledges that taking measures aimed at curbing emissions may sometimes be in conflict with energy consumption, as some environmental measures require the use of energy. We aim to strike the right balance in this respect.

Standardization

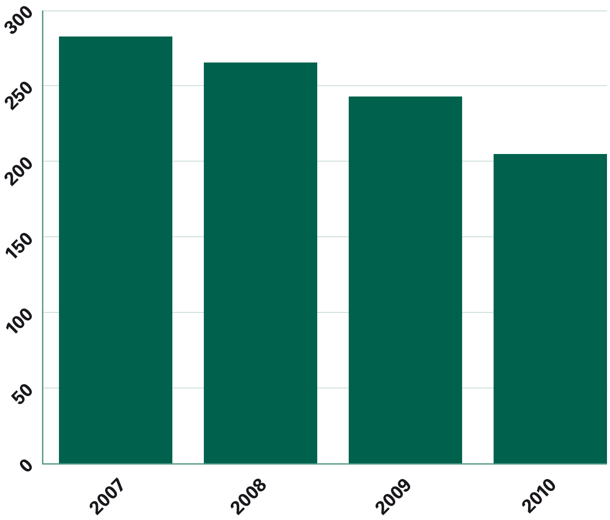
We are standardizing our approach at a global level and are mapping out the impact our operations may have on the environment. This helps us address the question as to how to minimize our impact, including our operations' carbon footprint. We are committed to developing a sound waste management system and minimizing our energy consumption, soil contamination, air and surface water pollution and water consumption.

Process incidents



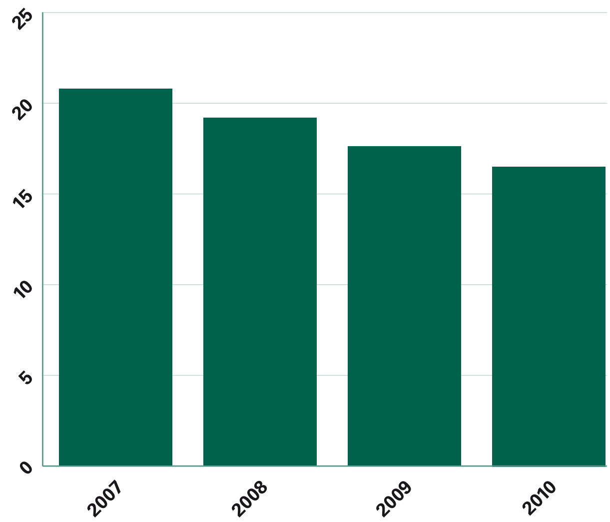
Direct and indirect energy use of subsidiaries

Total energy in megajoule per cbm storage capacity



Direct and indirect carbon emission of subsidiaries

Kg CO_2 per cbm storage capacity



Process incidents

The number of process incidents that occur at our tank terminals is an important measure of our safety and environmental care. Process incidents include product spills, product contaminations and fires, including small smolderings. Our focus on the behavior of operators in order to prevent operational errors and proper maintenance to prevent failure of equipment and thus increase our process integrity has been effective in recent years. It has resulted in a further reduction in the number of process incidents from 141 in 2009 to 133 in 2010. In respect of spills, the total number increased from 71 in 2009 to 80 in 2010. However, the quantity involved reduced from around 900 cbm of product spilled in 2009 to 580-630 cbm in 2010. The amount of product contaminations showed a reduction, from 34 in 2009 to 14 in 2010. The number of fires, which was already significantly lower in 2009 than in 2008 (36 versus 61), remained at a similar level of 39 in 2010. In the year ahead, we will relentlessly pursue the global implementation of our standards, as well as taking preventive measures.

Carbon emissions

As part of our sustainability policy, we extend the scope of our reporting to include energy consumption – both direct and indirect consumption – and carbon emissions. While we hardly generate CO_2 from operating processes, the energy consumed in our processes does. Energy is used mainly for pumping, heating and cooling the products stored in our tanks. In addition, we use energy to treat waste water and to power systems that capture vapors.
In 2010, energy consumption decreased by 13% and CO_2 emissions per cubic meter of storage capacity decreased by 6%. This decrease is the result of our greater efforts aimed at working more energy-efficiently, which we will continue in the years ahead.

Profit

Stakeholders increasingly judge a company on whether it conforms to principles of sustainable entrepreneurship. Besides generating financial profits to enable the business to continue as a going concern, sustainable operations also generate less tangible benefits and enable the company to distinguish itself from the competition.
Our business operations are geared towards long-term trends. For this and other reasons, Vopak's investments target sustainable activities that ensure profitability for many decades to come. Accordingly, tools such as investments, operating efficiency improvements, maintenance and highly sophisticated techniques contribute to the ongoing availability of storage capacity, whilst also making our operations more sustainable. Likewise, preventing incidents and spills and reducing waiting times for vessels contribute to customer satisfaction. Programs aimed at reducing our consumption of energy and natural resources and avoiding spills, incidents and emissions will result in lower costs.

Dialogue with stakeholders

Vopak assumes its responsibility by entering into a dialogue with its various stakeholders, such as customers, suppliers and neighbors. We do so because we realize that we can only maintain our carefully built competitive and market positions if we exercise care in our dealings with customers, in our service provision and in our attitude towards the environment and communities in which we operate.
Vopak seeks to pursue an open information policy towards stakeholders who take an interest in our company. In line with that openness and transparency, we strive to conduct a well-structured dialogue with our stakeholders about our sustainability policy. The outcome is used to refine that policy, since Vopak attaches great importance to the views and input of its stakeholders when formulating further sustainability targets and policy measures and when making choices with respect to the sustainability dilemmas that may occur in our everyday practice.

Daily contacts

Customers, suppliers and employees meet to share important information every day. In addition, various audits are undertaken, both by Vopak itself (Corporate Insurance, Corporate Internal Audit, Terminal Health Assessment, Project Post Implementation Reviews) and by our customers and various authorities. These audits aim to assure control for internal purposes, confirm the integrity of our terminals and processes, and pre-assess implementation plans.

Regular contacts

We maintain regular contacts with neighbors, local and other authorities and investors. Organizing around 300 individual meetings, presentations, roadshows and other events enables us to demonstrate our aim to be transparent towards all these target groups. In addition, we organize regular communications through webcasts and by using our website.

Annual contacts

We maintain contacts every year with a wide variety of communities, including our neighbors, non-governmental organizations, sustainability organizations and ministries in the countries in which we operate. Besides maintaining direct contacts with these stakeholders, we undertake various surveys throughout the year. The aim of these sustainability as well as employee and customer satisfaction surveys is to verify the implementation of the suggestions, comments and recommendations we have received at operational and policy levels. Vopak was included in a number of external benchmarks (e.g. VBDO, Carbon Disclosure Project and Transparency Benchmark of the Dutch Ministry of Economic Affairs).

Sustainability Report 2010

The Vopak website (www.vopak.com) always provides the most recent status update as well as our objectives and ambitions. Vopak's Sustainability Report 2010, which has obtained external assurance, is also available on this website.

Our principles

Vopak and sustainability

To Vopak, sustainability means generating added value for all its stakeholders without causing unacceptable social or environmental impacts. We are committed to minimizing our energy and water consumption and reducing emissions to soil, air and surface water. We are also determined to minimize any negative impact on communities living close to our operations whilst maximizing the positive impact wherever possible. We do this by concentrating on the issues set out below.

Integrity and ethics

At Vopak, we have a responsibility to our investors, employees and business partners to operate ethically and with integrity in every area of our activities. Integrity has been, and will continue to be, the key to establishing and maintaining our reputation. Like our employees, facilities, and the services we provide, it is a critical intangible asset. Vopak's business principles, based on integrity, are laid down in our Code of Conduct.

Human rights

Vopak not only respects human rights as described in the United Nations' Universal Declaration of Human Rights but also accepts the responsibility to ensure that all of our subsidiaries respect human rights when conducting business.

Fair treatment of employees

Vopak endorses the principles of the United Nations' International Labour Organization. We have long been committed to providing a safe and healthy working environment for our employees. This commitment is deeply rooted in our daily activities, policies and governance structures.

Communities

Vopak is committed to engaging with communities living close to our operations. We will behave as a responsible citizen and work to minimize any negative impact of our operations. We aim to support the local communities by improving the infrastructure adjacent to our facilities and see it as a moral commitment to source locally as much as possible.

Sustainable suppliers and customers

Vopak collaborates with customers and suppliers to maintain long-term partnerships and ensure continuous improvement in our approach to sustainability. We aim to be the supplier of choice based on our service quality and our sustainability initiatives.

Sustainable services

Vopak delivers its services in accordance with stringent safety and environmental standards and in collaboration with the local authorities in the areas in which it operates. By continuously assessing and improving the condition of our terminals, we are able to maintain the highest level of quality for our customers.

Financial performance

Revenues

In 2010, Vopak generated revenues of EUR 1,106.3 million, an 11% increase on 2009 (EUR 1,001.1 million), including a currency translation gain of EUR 50.6 million. The increase in revenues came from a combination of increased capacity and an increase in revenue per cubic meter of storage capacity as a result of positive rate adjustments, partly offset by a somewhat lower occupancy rate (2010: average 93%; 2009: average 94%). Revenues from contracts with original durations longer than 1 year account for 81% of the total revenues (2009: 83%).

Group operating profit

Group operating profit rose by 13% to EUR 442.0 million (2009: EUR 391.1 million), including a currency translation gain of EUR 26.2 million. Adjusted for exceptional items group operating profit rose by 16% to EUR 445.3 million (2009: EUR 385.3 million). The growth is attributed to better results by the Asia and Oil Europe, Middle East & Africa divisions, whilst the results for the Chemicals Europe, Middle East & Africa, Latin America and North America divisions were similar compared to last year.

Group operating profit before depreciation and amortization (EBITDA) excluding exceptional items and including the net result of joint ventures rose by 17% to EUR 598.2 million (2009: EUR 513.4 million).

Increased capital requirements because of investments in new storage capacity caused ROCE, excluding exceptional items, to decrease to 18.8% (2009: 19.9%).

Exceptional items made a negative contribution of EUR 3.3 million to the group operating profit (exceptional items 2009: EUR 5.8 million positive) mainly as a result of a discontinued project in North America (EUR 2.2 million). Further exceptional items in 2010 mainly relate to impairments for joint ventures (EUR 1.6 million).

Operating costs not allocated to the divisions adjusted for exceptional items amounted to EUR 39.1 million and were equal to last year.

Revenues

In EUR millions	2010	2009	Δ %
Chemicals Europe, Middle East & Africa	325.1	312.7	4%
Oil Europe, Middle East & Africa	278.1	269.5	3%
Asia	272.5	206.2	32%
North America	138.3	131.7	5%
Latin America	88.2	77.9	13%
Non-allocated	4.1	3.1	32%
Revenues	**1,106.3**	**1,001.1**	**11%**

Group operating profit

In EUR millions	2010	2009	Δ %
Group operating profit including exceptional items	**442.0**	**391.1**	**13%**
-/- Exceptional items	- 3.3	5.8	
Group operating profit excluding exceptional items	**445.3**	**385.3**	**16%**
-/- Group operating profit of disposed activities	–	1.0	
+ Currency translation profit		25.9	
Group operating profit [1]	**445.3**	**410.2**	**9%**

[1] Pro forma group operating profit for 2009 computed at 2010 exchange rates

Group operating profit excluding exceptional items

In EUR millions	2010	2009	Δ %
Chemicals Europe, Middle East & Africa	90.6	91.2	-1%
Oil Europe, Middle East & Africa	152.2	135.3	12%
Asia	169.9	127.5	33%
North America	46.0	46.1	0%
Latin America	25.7	24.3	6%
Non-allocated	- 39.1	- 39.1	
Group operating profit excluding exceptional items	**445.3**	**385.3**	**16%**
Depreciation and amortization	152.9	128.1	19%
Group operating profit before depreciation and amortization (EBITDA)	**598.2**	**513.4**	**17%**

Net finance costs

The net finance costs amounted to EUR 68.4 million (2009: EUR 45.7 million). The increase is mainly caused by higher net interest expenses due to a higher amount of interest-bearing loans as a result of the investment program. The interest-bearing loans amounted to EUR 1,579.2 million at year-end 2010 versus EUR 1,190.3 million at year-end 2009. The average interest rate over the period was 5.2% (2009: 5.4%). The fixed-to-floating ratio of the long-term interest-bearing loans, including interest rate swaps, amounted to 91% versus 9% per 31 December 2010 (31 December 2009: 93% versus 7%).

Income tax

The income tax expense for 2010 amounted to EUR 72.8 million (2009: EUR 68.9 million). The effective tax rate for 2010 was 19.5% (2009: 19.9%). The biggest change in the composition of the effective tax rate for 2010 relates to the change in the weighted average statutory tax rate compared to last year.

Net profit attributable to holders of ordinary shares

Net profit attributable to shareholders – excluding exceptional items – rose by 11% to EUR 273.0 million (2009: EUR 246.3 million). Of this profit EUR 8.2 million is attributable to the holders of financing preference shares (2009: EUR 3.6 million). The increase of the profit attributable to the holders of financing preference shares is due to the new cumulative financing preference share program concluded on 31 August 2009 (extension by EUR 84 million with a higher dividend percentage of 7.45%, previously 4.73%).
Net profit attributable to holders of ordinary shares – excluding exceptional items – rose by 9% to EUR 264.8 million (2009: EUR 242.7 million).

Earnings per ordinary share – excluding exceptional items – grew by 8% to EUR 2.08 (2009: EUR 1.92, taking into account the 1:2 split of shares in 2010). Earnings per ordinary share – including exceptional items – increased 5% to EUR 2.06 (2009: EUR 1.96).

Non-current assets

Total non-current assets increased to EUR 3,370.5 million (31 December 2009: EUR 2,730.0 million). In 2010 total investments amounted to EUR 564.7 million (2009: EUR 534.8 million), of which EUR 456.5 million was invested in property, plant and equipment (2009: EUR 455.4 million). The remainder included primarily investments in joint ventures of EUR 42.5 million (2009: EUR 36.3 million) and in acquisitions of subsidiaries of EUR 32.9 million (2009: EUR 1.2 million). The acquisitions consist of an 80% interest in a company which holds a concession in the port of Algeciras (Spain) and a 79% interest in the former State Street terminal in Perth Amboy, New Jersey (USA), for which a development plan is being made.

Of the investments in property, plant and equipment EUR 131.2 million was invested in expansions at existing terminals (2009: EUR 173.9 million). Please see the details of storage capacity developments on page 32 and 33.

Shareholders' equity

Shareholders' equity rose by EUR 201.2 million to EUR 1,453.4 million (31 December 2009: EUR 1,252.2 million). The increase mainly came from the addition of the net profit for the year less a dividend payment in cash of EUR 82.4 million. A detailed overview can be found in the Consolidated Statement of Changes in Equity on page 80.

Group operating profit (EBIT) and ROCE

In EUR millions	EBIT	Average capital employed	ROCE
Chemicals Europe, Middle East & Africa	91.1	554.4	16.4%
Oil Europe, Middle East & Africa	151.6	452.1	33.5%
Asia	169.9	920.4	18.5%
North America	43.8	275.0	15.9%
Latin America	28.5	148.7	19.2%
Non-allocated	- 42.9	18.0	
Total	**442.0**	**2,368.6**	**18.7%**

Vopak consolidated including proportionate consolidation of joint ventures in tank storage activities

In EUR millions	2010	2009
Statement of income		
Revenues	1,365.3	1,220.5
Group operating profit before depreciation and amortization (EBITDA)	661.9	582.0
Group operating profit	470.4	419.8
Net profit attributable to shareholders	270.1	251.2
Net profit attributable to holders of ordinary shares	261.9	247.6
Statement of financial position		
Non-current assets	3,862.2	3,091.5
Current assets	566.6	477.9
Total assets	4,428.8	3,569.4
Non-current liabilities	2,152.1	1,758.7
Current liabilities	726.6	477.9
Total liabilities	2,878.7	2,236.6
Total equity	**1,550.1**	**1,332.8**
Financial ratios		
Interest cover	8.6	10.0
Net debt : EBITDA	2.80	2.26

Net investments by division

In EUR millions	2010	2009
Chemicals Europe, Middle East & Africa	99.4	107.7
Oil Europe, Middle East & Africa	235.5	114.2
Asia	70.3	112.3
North America	75.2	27.6
Latin America	38.2	50.4
Non-allocated	33.3	18.7
Net investments	**551.9**	**430.9**

Net investments

In EUR millions	2010	2009
Intangible assets	11.9	5.8
Property, plant and equipment	456.5	455.4
Joint ventures	42.5	36.3
Loans granted	8.8	21.4
Acquisition of subsidiaries including goodwill	32.9	1.2
Acquisition of joint ventures	9.9	7.2
Other non-current assets	2.2	7.5
Investments	**564.7**	**534.8**
Intangible assets	0.4	–
Property, plant and equipment	–	12.4
Loans granted	12.4	75.2
Assets held for sale	–	16.3
Disposals	**12.8**	**103.9**
Net investments	**551.9**	**430.9**

Funding

In EUR millions	2010	2009
Cash and cash equivalents	181.8	189.4
Non-current portion of interest-bearing loans	- 1,388.5	- 1,165.2
Current portion of interest-bearing loans	- 190.7	- 25.1
Bank overdrafts	- 34.0	- 16.8
Net interest-bearing debt	**- 1,431.4**	**- 1,017.7**
Derivative financial instruments (currency)	13.6	- 12.7
Credit-replacement guarantees	- 58.6	- 30.7
Net debt for ratio calculation	**- 1,476.4**	**- 1,061.1**
Net debt : EBITDA	**2.63**	**2.23**
Interest cover	**8.2**	**10.4**

Net interest-bearing debt

As a result of the investment program, net interest-bearing debt rose to EUR 1,431.4 million (31 December 2009: EUR 1,017.7 million). The Net debt : EBITDA ratio increased to 2.63 (2009: 2.23), which is well below the maximum ratio agreed with lenders.

During 2010 Vopak issued two new senior unsecured debt programs on the Asian private placement market of respectively SGD 225 million (EUR 125 million) and JPY 20 billion (EUR 184 million). The revolving credit facility of EUR 1.0 billion, which was fully available at 31 December 2010, has been replaced in February 2011 by a new unsecured multicurrency revolving credit facility of EUR 1.2 billion.

The new financing arrangements facilitate a continuous balanced and well-spread debt maturity profile at appropriate terms and conditions that match Vopak's solid credit quality, whilst securing the funding flexibility necessary to execute our business ambitions.

As per 31 December 2010, EUR 1,020.1 million was drawn under US Private Placement programs with an average remaining term of 7.8 years. A further EUR 253.8 million was drawn under the SGD Private Placement program with an average remaining term of 5.4 years. The JPY Private Placement amounts to EUR 184.1 million and has a remaining term of nearly 30 years. The new revolving credit facility of EUR 1.2 billion concluded in 2011 has a maturity of 5 years with two extension options of one year each.

During 2011, regular repayments of long-term loans will amount to EUR 190.7 million. Thereafter the level of regular payments will reduce (EUR 16.0 million in 2012).

Dividend proposal

Barring exceptional circumstances, the principle underlying Vopak's dividend policy is the intention to pay an annual cash dividend of 25% to 40% of the net profit excluding exceptional items attributable to holders of ordinary shares.

A dividend of EUR 0.70 per ordinary share, an increase of 12% (2009: EUR 0.625) when taking into account the share split in 2010, payable in cash, will be proposed to the Annual General Meeting of Shareholders of 27 April 2011. Adjusted for exceptional items, the payout is 34% of earnings per ordinary share (2009: 33%), which is in line with the above-mentioned dividend policy.

Outlook

Projects under construction will add 4.5 million cbm of storage capacity in the years 2011 and 2012. The total investment for Vopak and partners in these projects involves capital expenditure of some EUR 1.9 billion, of which EUR 0.9 billion is related to Gate terminal (the Netherlands). Vopak's total remaining cash spend will be some EUR 0.4 billion. Following the divestment of Vopak Terminal Bahamas (3.4 million cbm) in 2011, the completion of these expansion projects will result in a worldwide storage capacity of 29.9 million cbm as per end of 2012.

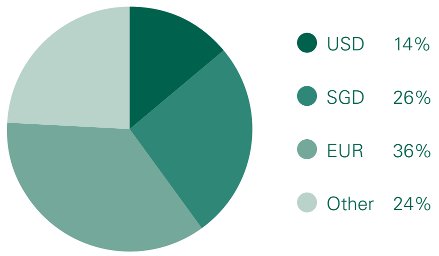
Vopak expects the market for storage and handling of oil products to remain robust and is well positioned to support its customers for storage and handling of chemicals in the next stage of economic recovery and supply chain redesign. The mixed developments in the market for storage and handling of biofuels are expected to continue throughout 2011.
Some significant expansion projects like Amsterdam Westpoort (the Netherlands) and Gate terminal (the Netherlands) will be commissioned in the second half of 2011. Furthermore, we have planned for higher out-of-service levels at some of our terminals. Taking into account these developments and the divestment of our 20% equity stake in Vopak Terminal Bahamas, Vopak expects Group operating profit before depreciation and amortization (EBITDA) to grow by around 5% in 2011, whereby it should be noted that the pre-operating expenses related to the above-mentioned capacity additions will negatively affect the results in the first half of 2011.

Based on its growth strategy Vopak is well positioned to realize a Group operating profit before depreciation and amortization (EBITDA) of between EUR 725-800 million in 2013. The 4.5 million cbm of storage capacity coming on stream in the period up to and including 2012 will fully contribute to the 2013 results.

Abridged cash flow statement

In EUR millions	2010	2009
Cash flows from operating activities (gross)	455.1	450.6
Net finance costs paid and received	- 65.4	- 38.8
Settlement of derivatives financial instruments (interest rate swaps)	6.7	–
Income tax paid	- 11.2	- 41.5
Cash flows from operating activities	**385.2**	**370.3**
Investments	- 564.7	- 534.8
Disposals	12.8	103.9
Settlement of derivatives (net investment hedges)	- 53.0	3.0
Cash flows from investing activities (including derivatives)	**- 604.9**	**- 427.9**
Cash flows from financing activities	**188.7**	**254.2**
Net cash flows	**- 31.0**	**196.6**

EBIT in 2010 by currency



Exchange rates

	USD		SGD	
Per EUR 1.00	**2010**	**2009**	**2010**	**2009**
Average exchange rate (translation rate income statement)	1.33	1.39	1.81	2.02
Year-end exchange rate (translation rate balance sheet)	1.34	1.43	1.71	2.01

The World of Vopak - March 2011

North America

9 terminals, 2 countries
2,319,200 cbm storage capacity

1 Canada
Vopak Terminals Canada - Hamilton

2 Canada
Vopak Terminals Canada - Montreal

3 United States
Vopak Terminal Deer Park

4 United States
Vopak Terminal Galena Park

5 United States
Vopak Terminal Long Beach

6 United States
Vopak Terminal Los Angeles

7 United States
Vopak Terminal Savannah

8 United States
Vopak Terminal North Wilmington

9 United States
Vopak Terminal South Wilmington

Latin America

14 terminals, 7 countries
967,700 cbm storage capacity

10 Brazil
Vopak Brazil - Alemoa Terminal

11 Brazil
Vopak Brazil - Aratu Terminal

12 Brazil
Vopak Brazil - Ilha Barnabé Terminal

13 Brazil
União/Vopak Armazéns Gerais

14 Chile
Vopak Chile - San Antonio Terminal

15 Chile
Vopak Chile - Oxiquim - Mejillones Terminal

16 Colombia
Vopak Colombia - Barranquilla Terminal

17 Colombia
Vopak Colombia - Cartagena Terminal

18 Ecuador
Vopak Ecuador

19 Mexico
Vopak Mexico - Altamira Terminal

20 Mexico
Vopak Mexico - Coatzacoalcos Terminal

21 Mexico
Vopak Mexico - Veracruz Terminal

22 Peru
Vopak Peru - Callao Terminal

23 Venezuela
Vopak Venezuela - Puerto Cabello Terminal

Europe, Middle East & Africa

31 terminals, 11 countries
15,258,800 cbm storage capacity

24 Belgium
Vopak Terminal ACS - Antwerp

25 Belgium
Vopak Terminal Eurotank - Antwerp

26 Belgium
Vopak Terminal Linkeroever - Antwerp

27 Germany
Vopak Dupeg Terminal Hamburg

28 Estonia
Vopak E.O.S. - Tallinn

29 Finland
Vopak Terminal Hamina

30 Finland
Vopak Terminal Mussalo - Kotka

31 The Netherlands
Maasvlakte Olie Terminal - Rotterdam

32 The Netherlands
Vopak Terminal Amsterdam Petroleumhaven

33 The Netherlands
Vopak Terminal Botlek (Noord) - Rotterdam

34 The Netherlands
Vopak Terminal Botlek (Zuid) - Rotterdam

35 The Netherlands
Vopak Terminal Chemiehaven - Rotterdam

36 The Netherlands
Vopak Terminal Europoort - Rotterdam

37 The Netherlands
Vopak Terminal Laurenshaven - Rotterdam

38 The Netherlands
Vopak Terminal TTR - Rotterdam

39 The Netherlands
Vopak Terminal Vlaardingen

40 The Netherlands
Vopak Terminal Vlissingen

41 Spain
Terquimsa - Barcelona Terminal

42 Spain
Terquimsa - Tarragona Terminal

43 Saudi Arabia
SabTank - Al Jubail

44 Saudi Arabia
SabTank - Yanbu

45 United Kingdom
Vopak Terminal Ipswich

46 United Kingdom
Vopak Terminal London

47 United Kingdom
Vopak Terminal Teesside - Middlesbrough

48 United Kingdom
Vopak Terminal Windmill

49 United Arab Emirates
Vopak Horizon Fujairah

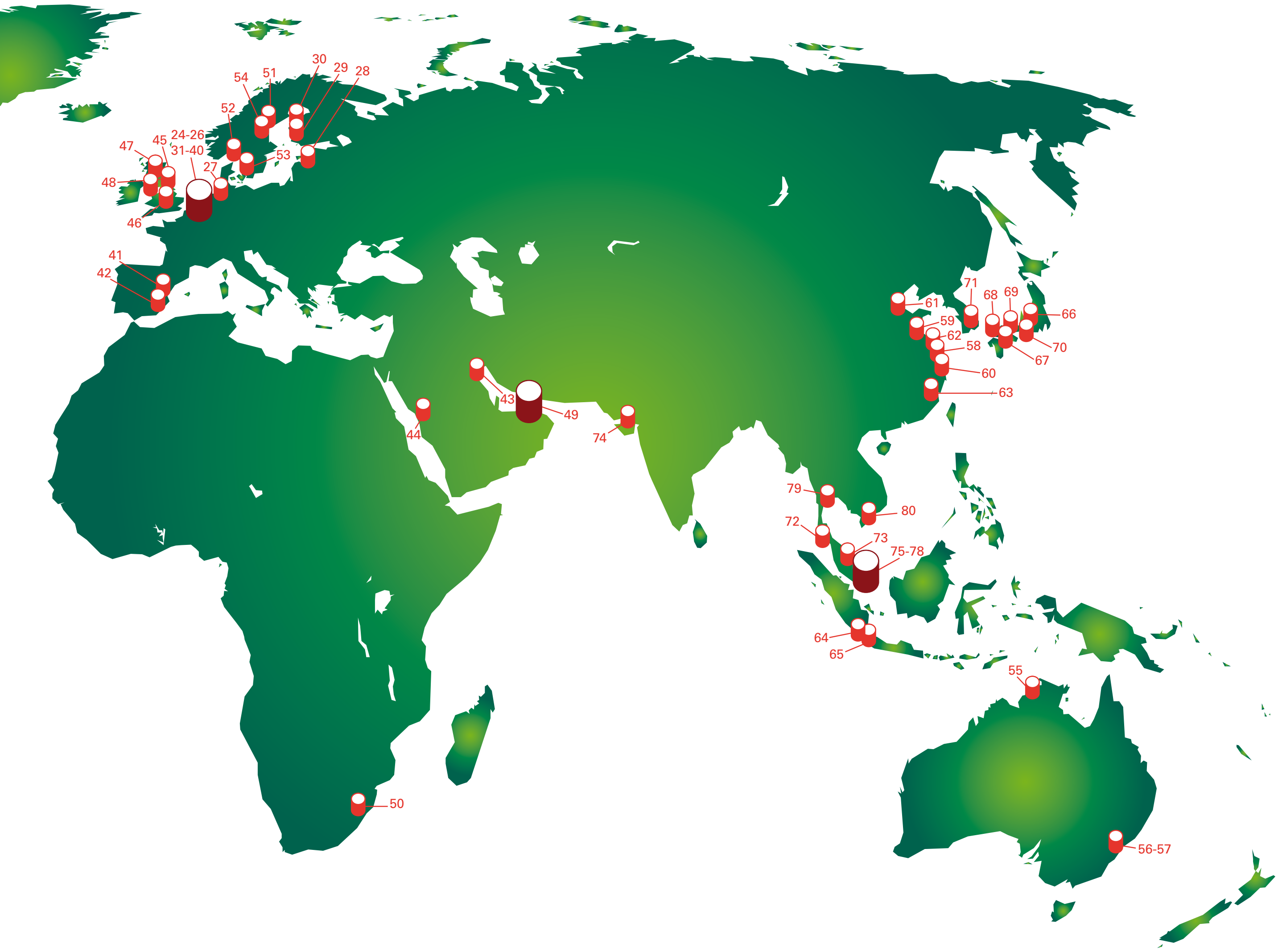
50 South Africa
Vopak Terminal Durban

51 Sweden
Vopak Terminal Gävle

52 Sweden
Vopak Terminals Gothenburg

53 Sweden
Vopak Terminal Malmö

54 Sweden
Vopak Terminal Södertälje



Asia & Australia

26 terminals, 10 countries
6,860,400 cbm storage capacity

55 Australia
Vopak Terminal Darwin

56 and 57 Australia
Vopak Terminal Sydney - Location A and B

58 China
Vopak Shanghai - Caojing Terminal

59 China
Vopak Terminals Shandong Lanshan

60 China
Vopak Terminal Ningbo

61 China
Vopak Terminal Tianjin

62 China
Vopak Terminal Zhangjiagang

63 China
Xiamen Paktank

64 Indonesia
Vopak Terminal Jakarta

65 Indonesia
Vopak Terminal Merak

66 Japan
Nippon Vopak - Kawasaki Terminal

67 Japan
Nippon Vopak - Kobe Terminal

68 Japan
Nippon Vopak - Moji Terminal

69 Japan
Nippon Vopak - Nagoya Terminal

70 Japan
Nippon Vopak - Yokohama Terminal

71 Korea
Vopak Terminals Korea - Ulsan

72 Malaysia
Kertih Terminals

73 Malaysia
Vopak Terminal Pasir Gudang

74 Pakistan
Engro Vopak Terminal

75 Singapore
Vopak Singapore - Banyan Terminal

76 Singapore
Vopak Singapore - Penjuru Terminal

77 Singapore
Vopak Singapore - Sakra Terminal

78 Singapore
Vopak Singapore - Sebarok Terminal

79 Thailand
Thai Tank Terminal

80 Vietnam
Vopak Vietnam

Hub location
Terminal

Review by Division

Chemicals Europe, Middle East & Africa (CEMEA)

Market trends

"Compared to 2009 our operating profit remained stable at EUR 91 million. To capitalize on developments in the European chemicals market, we need to operate with resilience. This is because economic conditions create uncertainty among our customers. Even though many of our largest customers posted solid financial results over the past year and throughput volumes increased, a number of chemical plants were shut down in Europe over the last few years. The consequences made themselves clearly felt in 2010. Export and import flows of various products are shifting and this requires from us a great degree of flexibility. Systems and terminals must be made suitable to facilitate reverse product flows at short notice.
Further uncertainty can be observed in the market for biofuels, which is one of our main markets. In this case, uncertainty is largely politically driven. A lack of clarity over regulations has led to a wait-and-see attitude in Europe and the United States alike. Consequently, the biofuels market hardly grew at all, resulting in lower demand for storage services."

Sustainability and safety

"Given the nature of our services, sustainability and safety go hand in hand. We do everything we can to offer our people safe working conditions, matched only by our efforts to safeguard process safety and prevent incidents such as minor fires and spills. We raised our safety level this year. Modernizing our terminals will subsequently allow us to make great strides in terms of energy savings, for example.

To a large extent, safety is the result of people's behavior, including that of management. For that reason, we took a fundamental look at what is known as safety's 'soft side' – human beings, their behavior, and how they are managed. At every location, we studied the culture in-depth, drilling down to the core of what keeps people from acting safely in all circumstances. This improved our insight into the organization's weaknesses. We started making improvements, highlighting the fact that we want to be seen to deliver on our promise. Management's motto is 'closing the loop', referring to the fact that management should verify that measures have been imposed and actions taken. The initial results of this approach look promising."

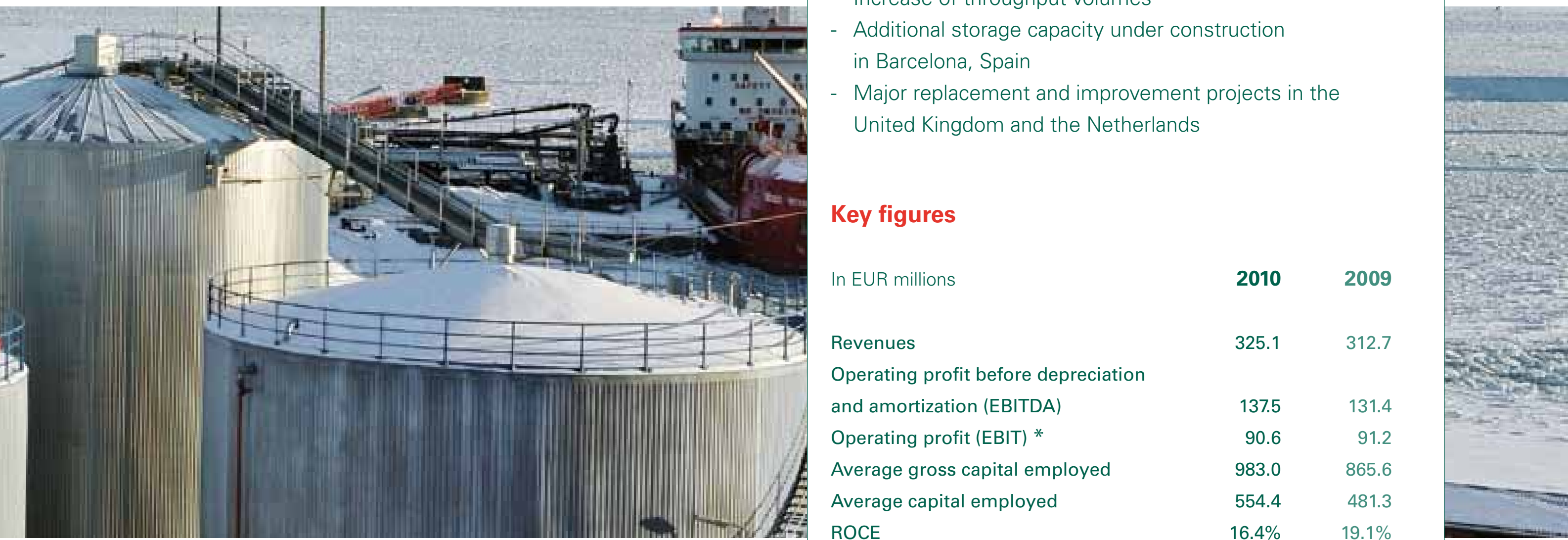
Customers, service and operational excellence

"Again, we devoted much energy to setting up service improvement projects this year. In common with safety, service is paramount to our success. Our division's motto in this respect is 'Serving you safely'. This also has implications for staff recruitment – it is fundamentally important that they are service-oriented. Naturally, our customers are our ultimate judges when it comes to our service levels. Therefore, we carry out regular operational reviews with our customers and work on ongoing service level improvement.

In the area of operational excellence we focus strongly on bringing down truck handling times, thereby reducing waiting times to a minimum. By setting up targeted projects, we seek to eliminate unnecessary waiting times from the process. This issue is being given thought and is being elaborated at all of our locations, with good results."

Staff

"Vopak manages to recruit and retain the right people. We spend a great deal of time on training and talent development. As a management philosophy, Lean is assuming an increasingly prominent role. Various training sessions were held to teach Lean techniques. Around 50 project managers and project engineers are working to develop their leadership skills and technical competencies."



Highlights

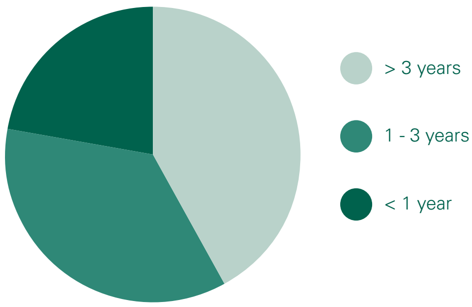
- Export and import flows of various products are shifting
- Increase of throughput volumes
- Additional storage capacity under construction in Barcelona, Spain
- Major replacement and improvement projects in the United Kingdom and the Netherlands

Key figures

In EUR millions	2010	2009
Revenues	325.1	312.7
Operating profit before depreciation and amortization (EBITDA)	137.5	131.4
Operating profit (EBIT) *	90.6	91.2
Average gross capital employed	983.0	865.6
Average capital employed	554.4	481.3
ROCE	16.4%	19.1%
Storage capacity (cbm)	4,220,200	4,283,700
Occupancy rate	89%	93%

* Excluding exceptional items

Contract position



"In common with safety, service is paramount to our success."

Capacity expansion

"The division's total storage capacity dropped slightly compared with 2009 as a result of a number of major replacement and improvement projects being underway. For example, in Vlaardingen, 30,000 cbm are unavailable, in order to enable us to build additional new capacity in the future. A similar project is underway in Teesside, United Kingdom. In addition, we are constructing 155,200 cbm additional storage capacity in Barcelona, Spain.

In many other existing locations, plans were finalized or initiated to commence replacement, renovation or capacity expansion activities. These projects will enable us to serve our customers better. We are considering opportunities for investment in a number of new locations."

Jan Bert Schutrops, Division President CEMEA

Oil Europe, Middle East & Africa (OEMEA)

Market trends

"On the back of generally robust market conditions for oil storage and transshipment, operating profit rose by 12% to EUR 152.2 million in 2010, while the occupancy rate remained stable at 95%.

Demand for oil products is rebounding globally, heading towards 2008 levels. In the mature markets – North America and, particularly, Western Europe – demand is growing at a much slower pace.

What matters in our business, however, is not just demand for products, but also price differences between regions. These factors drive trade and, hence, demand for logistic services. The crisis did not change that. In addition, global oil flows change as wells are drilled in other locations, new competing refineries are built east of the Suez Canal and consumption patterns shift. This results in new demand for logistic services. Driven by these trends, storage and transport needs will keep growing in the years ahead."

Sustainability

"Sustainability is high on the division's agenda. Together with stakeholders, Vopak engages in a wide range of activities. We are saving energy at all our terminals. Using state-of-the-art technology, we insulate tanks and make installations and boilers more efficient. We also invest in LED lighting, thermal heat pumps and solar panels. Furthermore, we use our specialized know-how to share our wealth with those who are less fortunate. With a group of high potentials, we developed a large-scale project in Africa called Water for Growth. Together with an NGO, we construct water supply systems, install water pumps and share our knowledge. Also, in Fujairah, we support a training institute for operators, the High College of Technologies. Our employees value these initiatives greatly, and they are an excellent fit with our sustainability objectives."

Customers, service and operational excellence

"In 2010, we focused on our terminals' infrastructure, our staff's service attitude and Vopak-wide best practices. For example, in terms of infrastructure, we realized highly successful improvements in Rotterdam. A more efficient infrastructure alone saves time, thereby reducing our handling times. This brings immediate benefits to our customers.

In addition, our service attitude contributes a great deal to our success. We undertook many initiatives aimed at increasing our visibility among our customers. We could only achieve these results because the entire service delivery process was professionalized. Service and Operations (i.e. operational excellence) have been fully interconnected."

Staff

"We seek to develop the competencies of our staff still further, not just to consolidate our foundations, but also because we need more, and better, knowledge to be able to grow. For that reason, we set up training and development programs in 2009, which we drove further in 2010. In late 2010, we kicked off High Performance Executive Leadership training sessions for our division's senior management. This company-wide program was started as a pilot project in the OEMEA division. All these programs will be continued in 2011. We wish to recruit people to further professionalize Vopak in support of our current and future growth, for which we have a plan ready for implementation in 2011. In it, the division will be using the new global competency management system."

Highlights

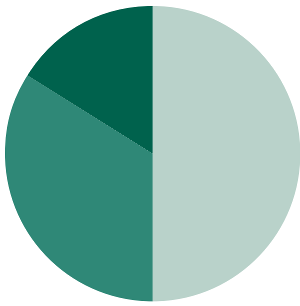
- Robust market conditions for oil storage and transshipment
- Changing global oil flows result in new demand for logistic services
- Construction of new terminal in Spain
- Many projects under construction throughout the EMEA region

Key figures

In EUR millions	2010	2009
Revenues	278.1	269.5
Operating profit before depreciation and amortization (EBITDA)	181.5	166.6
Operating profit (EBIT) *	152.2	135.3
Average gross capital employed	763.5	677.5
Average capital employed	452.1	407.8
ROCE	33.5%	34.5%
Storage capacity (cbm)	11,038,600	10,985,400
Occupancy rate	95%	95%

* Excluding exceptional items

Contract position



"Sustainability is high on the division's agenda."

Capacity expansion

"We are growing almost everywhere now, with expansion underway at a large number of terminals. The Europoort terminal in Rotterdam is being expanded by 160,000 cbm for oil products. 360,000 cbm are being added to the Maasvlakte Oil Terminal in Rotterdam, of which Vopak holds the usage rights. The Vopak Horizon Fujairah terminal (UAE) is being expanded by 606,000 cbm for both clean mineral oil products and fuel oil. This will bring its total storage capacity to well over 2.1 million cbm by the first quarter of 2012. The storage capacity of the Vopak Terminal Amsterdam Westpoort, which is currently under construction, will be increased by 570,000 cbm. Upon completion between 2011 and 2012, its total capacity will be 1.2 million cbm. In Tallinn, Estonia, the storage capacity for oil products was expanded by 75,000 cbm in late 2010, bringing its total capacity to 1 million cbm. The terminal in Gothenburg, Sweden is undergoing refurbishments."

New storage terminal in Spain

"We started construction of a new oil products terminal in Algeciras, Spain, with an initial storage capacity of 403,000 cbm. Working with our partner, Vilma Oil, we expect the terminal to be completed in late 2012. Algeciras is located strategically on the Strait of Gibraltar and the Mediterranean Sea, one of the principal transit regions, where the world's most important ocean shipping routes join."

Frank Erkelens, Division President Oil EMEA

Asia

Market trends

"In Asia, our operating profit rose by 33% to EUR 169.9 million in 2010. The increase can be attributed to, among others, large-scale capacity expansions realized in Singapore and other locations in 2009, as well as to improved economies of scale. At 92%, the occupancy rate in 2010 was slightly below the year before. In certain local markets, such as Indonesia, newly commissioned capacity has not been fully rented out as yet.

In 2010, economic development in Asia was supported by tax incentive packages and monetary measures in China, Thailand, Singapore and Indonesia. With China having been able to sustain its strong growth, it has driven developments in the rest of the world over the past two years.

A country that is in the process of development needs large volumes of chemicals, which explains the rapid growth of China's petrochemical industry, largely driven by Chinese companies. Accordingly, Vopak's growth will not come from facilitating imports, but rather from the activities of local Chinese producers. Besides China, the key growth areas in Asia are Singapore, India, Malaysia, Vietnam and Indonesia."

Sustainability and safety

"In the area of sustainability and safety, our performance has improved across the board. We enhanced our infrastructure, as well as our processes and human behavior. In Sakra, Singapore, we celebrated the fact that we had operated without incidents for ten years in a row."

Customers, service and operational excellence

"The division's ICare program aims to assess the quality and efficiency of the services we deliver to our customers. Now rolled out across our Asian operations, the program was only met with positive response. Employees became even more aware that service quality is paramount to our growth. In Asia, the Net Promoter Score (NPS) rose sharply, which is gratifying to see. The importance of excellent services will continue to be a top agenda item in the future.

In terms of achieving our goals of operational excellence, we concentrate all our efforts on Lean. We have started organizing ´boot camps´, in which groups of employees are trained to become Lean experts. They form multi-disciplinary teams to seek out new Lean projects. These efforts should ensure that 10% of our employees are well-versed at setting up Lean projects."

Staff

"Much effort has been put into developing various staff capabilities throughout Asia. In Japan, Customer Relationship Management and customer focus were at the centre of attention. In Korea, a great deal of energy was devoted to improving the terminal's operational processes. Safety was reviewed and investments were made in improving fire prevention.

In China, we now employ around 600 staff. By next year, this number will have risen to some 1,000. Our challenge is to recruit sufficient competent people to staff all of our planned projects. Fortunately, we are seeing very few talented top performers leave us. Once they have come on board, people generally enjoy their work."

Capacity expansion

"Two years ago, Vopak made a deliberate decision to focus on Asian growth regions. In 2011, many of our investments should start to pay off. In Zhangjiagang, additional storage capacity of 190,000 cbm was commissioned, with another 56,000 cbm being under construction, making this China's largest independent chemicals terminal. In addition, the final

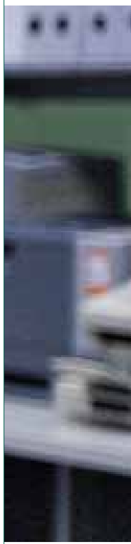
“Our challenge is to recruit sufficient competent people to staff all of our planned projects.”

phases of our expansion in Singapore were commissioned. In Jakarta, Indonesia, the new 250,000 cbm terminal for oil products came on stream, which means we now serve both the oil and chemical markets in Indonesia.”

New terminals in China

“In China, we started the construction of two new terminals in 2010. In Dongguan, we are developing, in tandem with our local business partner Lanwa, an independent 153,000 cbm storage terminal for chemicals and oil products, which can be expanded to 400,000 cbm in the future. Dongguan is situated on the mouth of Pearl River, the economic heartland of southern China. In addition, together with our partner Tianjin Bohai Chemical Industry Group, we are constructing a storage terminal for chemicals in Lingang Industry Park, Tianjin. This terminal’s storage capacity will be 95,300 cbm, with potential for future expansion to 380,000 cbm. The northern Chinese city of Tianjin, the country’s third largest city, is considered the logistics gateway to Beijing.”

Patrick van der Voort, Division President Asia
Yan Chen, President China Region



Highlights

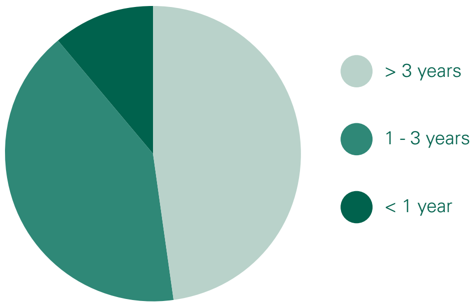
- Large-scale capacity expansions contribute to profit increase
- Growth in China driven by storage demand from local Chinese producers
- Capacity added and to be developed throughout the region
- Construction of two new terminals in China

Key figures

In EUR millions	2010	2009
Revenues	272.5	206.2
Operating profit before depreciation and amortization (EBITDA)	217.9	164.2
Operating profit (EBIT) *	169.9	127.5
Average gross capital employed	1,336.1	1,048.3
Average capital employed	920.4	717.1
ROCE	18.5%	17.4%
Storage capacity (cbm)	6,860,400	6,413,500
Occupancy rate	92%	93%

* Excluding exceptional items

Contract position



North America

Market trends

"Operating profit in our North America division remained stable at EUR 46 million. At 94%, the occupancy rate dropped slightly.

North America has seen its chemicals industry recover cautiously, driven by the continent's economic recovery, albeit delayed. For a fairly long time, we have been able to benefit from our ability to counter chemicals occupancy rate pressures by deploying our tanks for the storage of biofuels. In the second half of 2010, the biodiesel market in particular lost much of its attractiveness for part of our customer base as government incentives failed to materialize. This caused the biofuels market to shrink. Thus far, the resulting pressure has not been offset by increased chemicals storage and throughput. For biofuels, a distinction must be made between biodiesel and ethanol. The ethanol market is developing rather more favorably, offering attractive prospects for the year ahead.
Although the oil market went through a sluggish spell in 2010, our North American storage tanks proved their worth strategically."

Sustainability and safety

"We made great strides in 2010 in reducing our emission levels further. A divisional energy management team was established that initiated various energy and environmental projects. These initiatives resulted in lower energy consumption and the use of cleaner fuels and renewable energy. Furthermore, we accelerated our tank and pipeline inspection program. The key performance indicators developed as we had hoped and expected.
Maintaining biodiversity in the vicinity of our terminals also has our attention. Where the ecological stability of an area is fragile, additional measures are being considered to prevent the contamination of air, water and soil. For this reason, a specific preventative system was implemented at the terminal in Wilmington South in 2010 in order to prevent contaminated groundwater from flowing into the adjacent marshland in the event of an incident.
In the area of personal safety, we experienced significantly fewer personal accidents in 2010. The total number of incidents per million hours worked was no less than 50% below last year's figure for our own people and our contractors. This is due, in part, to even stricter safety awareness among our people and our faster response to potential incidents. Improvement in the area of process safety was less pronounced. Particularly where the number of spills is concerned, we see room for further improvement. We have taken the required steps, among other things by further enhancing the systems and processes in the area of behavioral safety. Accordingly, we are expecting this type of incident to occur less frequently as well. We keep underscoring the need for disciplined and responsible working practices."

Customers, service and operational excellence

"All in all, we made Vopak North America into a closer team in 2010, exchanging more know-how and experience among all operating companies. Throughout the region, people in various disciplines keep in touch through focus groups dealing with commercial aspects, marketing, energy, safety, service, technology and process improvement. We operate a specific program on the Gulf coast, Service For All, to further improve our service delivery. It increased our focus on customer service, resulting in higher ratings. Executing Lean projects helped us devote more attention to process improvement. We trained our people on the subject, and they are completing their first projects. Lean has shown to be a useful tool that brings our North American teams closer together and leverages our know-how to find practicable solutions to problems that arise at all our terminals."

Highlights

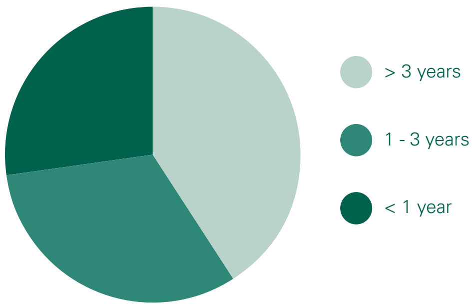
- North American chemicals industry recovers cautiously
- Ethanol market offers attractive opportunities; biodiesel market shrinks
- Major improvements in the area of sustainability and safety
- Increased focus on service results in higher customer satisfaction

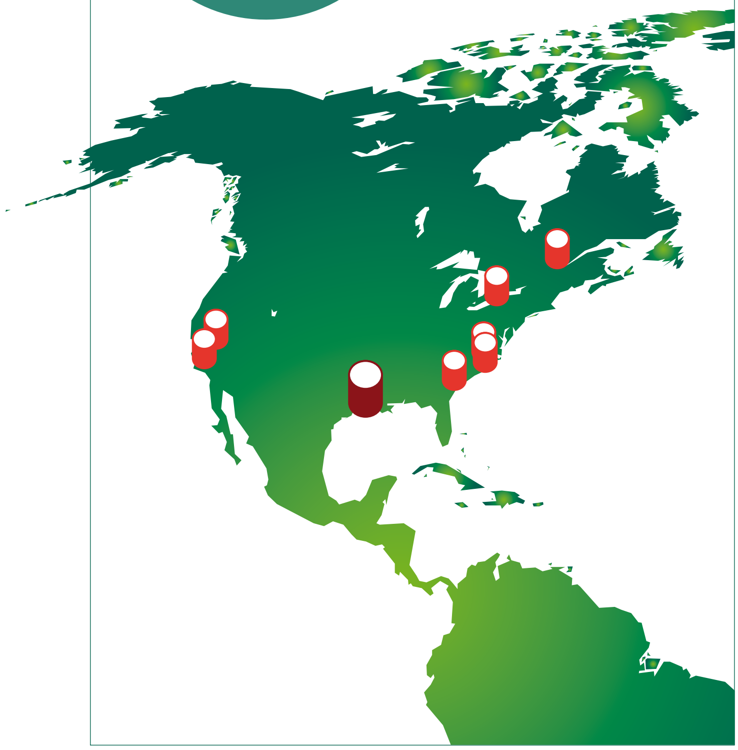
Key figures

In EUR millions	2010	2009
Revenues	138.3	131.7
Operating profit before depreciation and amortization (EBITDA)	59.3	59.1
Operating profit (EBIT) *	46.0	46.1
Average gross capital employed	451.6	396.0
Average capital employed	275.0	242.3
ROCE	15.9%	19.0%
Storage capacity (cbm)	5,732,100	5,741,100
Occupancy rate	94%	96%

* Excluding exceptional items

Contract position





"We operate a specific program on the Gulf coast, Service For All, to further improve our service delivery."

Staff

"Investing in knowledge represents one of our division's spearheads. Many changes were implemented in 2010 to further professionalize our organization, recruit talented people and prepare our organization for future growth. This approach is known as 'Growth to knowledge' in our division. Knowledge is the key to further growth in North America. This includes knowledge of our markets, the competition and our own business. It also encompasses fostering our own people's knowledge and capabilities, so that they can achieve their full potential. The initiative we took on the Gulf coast is a prime example. With a local training institute, we set up a program to train our middle management."

Capacity expansion

"In North America, no major capacity expansions took place in 2010."

Dick Richelle, Division President North America

Latin America

Market trends

"Vopak once again, performed well in Latin America. With additional storage capacity on stream in Brazil (Alemoa) and Colombia (Cartagena), operating profit climbed to EUR 25.7 million in 2010, 6% up on 2009. The occupancy rate rose to 90% (2009: 88%).

The cautious economic growth seen in various markets in 2009, while the world economy was stagnant, continued in the year under review, most notably in the markets for biofuels and vegetable oils. These products remain important elements of the portfolio of products we store at our terminals, next to chemicals. Biofuels and chemicals from Latin America remain an attractive and growing export market."

Sustainability and safety

"In a year in which Latin America faced torrential rains, hurricanes, erupting volcanoes and earthquakes, a great deal of attention was devoted to sustainability and preventing harm to the environment. The massive earthquake that hit Chile on 27 February 2010 caused havoc and chaos in large parts of the country. Fortunately, no accidents involving personal injuries occurred in and around our terminal in San Antonio, nor did our staff suffer any personal losses. The earthquake did, however, severely damage the foundations of a number of our storage tanks adjoining the port, which resulted in product loss. Vopak resolved this issue in a transparent way. In collaboration with the local authorities, we carried out a comprehensive plan – which included acting upon water, soil, air, fauna and flora – and made sure the community was kept informed and free of risk. Vopak's effective resolution of the issues at hand resulted in further improved relationships with local and regional authorities. We learned many lessons from the earthquake, that will make us even better prepared for the handling of such impactful and complex events.

In the area of safety we will only be satisfied when no accidents and incidents occur and all near misses are reported and followed up well. Fortunately, our statistics suggest steady improvement. Our process safety targets were also highly ambitious, and not all of them were achieved. This illustrates the need for continual alertness, in the interest of our own people and that of our contractors and subcontractors. We are doing very well, but we can do even better."

Customers, service and operational excellence

"The importance of customer service cannot be overrated. In our annual customer survey, Latin America scores high. The survey offers us the opportunity to adjust our annual commercial plan and initiate specific actions. In this way, our customers' feedback largely defines the initiatives we take to further improve our relations with them. In addition, we keep training our staff to sharpen their service focus. Tightening our processes plays an important role in this, with Lean as our underlying philosophy. We wish to think in line with our customers as much as we possibly can. We have been focusing on this for the past two years, and it really resonates with our employees. Our customers appreciate it, and some of our key accounts are planning to adopt our approach throughout their logistics chain."

Staff

"It is of fundamental importance for Vopak to be able to rely on talented and passionate employees in the right positions. Only then can the company's required rapid growth be achieved. Our challenge is to have the right people in the right places and offer employees the opportunity to achieve their full potential. We have set ourselves the target to have, by 2012, at least 15% of our workforce being identified as talents; and we are working hard to achieve that objective. For example in 2010, we had the first release of a regional

Highlights

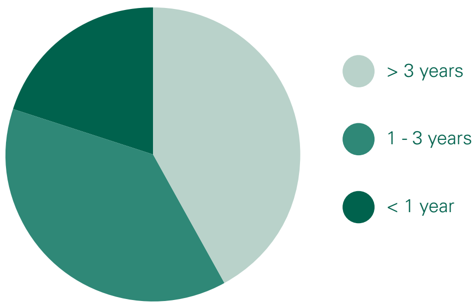
- Growing export of biofuels and chemicals offers attractive opportunities
- Very high appreciation by customers for Vopak's service provisioning
- Capacity added and to be developed throughout the region
- New terminal commissioned in Chile

Key figures

In EUR millions	2010	2009
Revenues	88.2	77.9
Operating profit before depreciation and amortization (EBITDA)	39.3	32.1
Operating profit (EBIT) *	25.7	24.3
Average gross capital employed	218.9	153.0
Average capital employed	148.7	99.9
ROCE	19.1%	24.3%
Storage capacity (cbm)	957,700	915,500
Occupancy rate	90%	88%

* Excluding exceptional items

Contract position



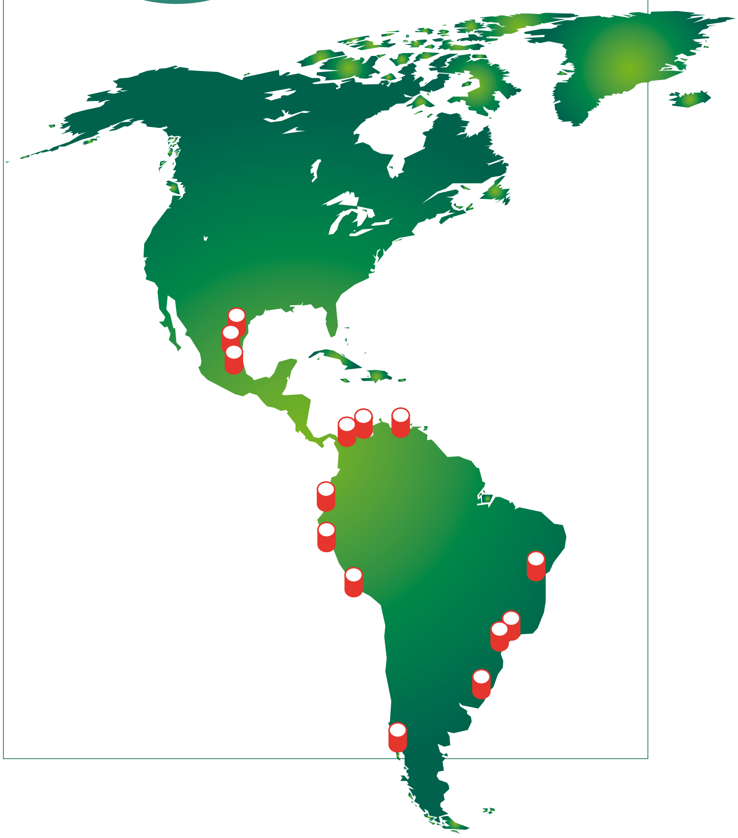
"We wish to offer opportunities to everyone, based on performance and development potential."

Leadership Program, in which more than 30 talents from various countries will take part every year. Likewise, a very aggressive Management Trainee Program plus initiatives such as talent rotation – which proved to be an excellent tool to increase our people's range of opportunities – have contributed to motivate our employees while leveraging our division's expertise. The core of that approach is that we wish to offer opportunities to everyone, based not on gender or nationality, but on performance and development potential."

Capacity expansion

"Our region is growing, and so are we. To capitalize on the prospects for Latin America, capacity expansion is underway across the region. Vopak-Oxiquim Terminal Mejillones, a joint venture between Vopak and Oxiquim, commissioned a new storage terminal for chemical bulk liquids in Mejillones, northern Chile. With its initial capacity of 10,000 cbm, the terminal will be used to store chemicals and, at a later stage, imported fuels for the mining industry. The Coatzacoalcos Terminal in Mexico was expanded by 8,400 cbm, while the terminal in Alemoa, Brazil, was expanded by 38,600 cbm in storage capacity for chemicals. In addition, a 26,300 cbm expansion is being realized in Aratu, which is due for completion in March 2011. Likewise, a significant expansion will be realized in Altamira, Mexico, in 2011."

Jos Steeman, Division President Latin America

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Risks and risk management

A clear strategy which plainly identifies a company's opportunities and risks is vital for doing business successfully. Although it is complicated to assess the probability, impact and timing of risks and opportunities properly, it remains a core duty of the Executive Board to make clear decisions based on thorough analyses and to communicate the significance of the strategy within the organization and to the market. Consequently, communication on opportunities and risks is essential. At Vopak, this is done at every level of the organization, making risk management an integral part of our day-to-day operations, which is fundamental to implementing the corporate strategy successfully.

Our level of excellence in risk management remains at least at the same level as in 2009, whereby the divisions have put further emphasis on their leadership role in this area.

Defining Vopak's risk-reward appetite is very much a task for the Executive Board, as it is intimately linked to defining the overall strategy of Vopak. In this balancing act, the Board takes into account the expectations of customers, shareholders, regulators and other stakeholders.

Main risks

This section explains the principal risks, set out in order of our strategic pillars: growth leadership, customer leadership and operational excellence leadership.

Growth leadership

Increasing competition

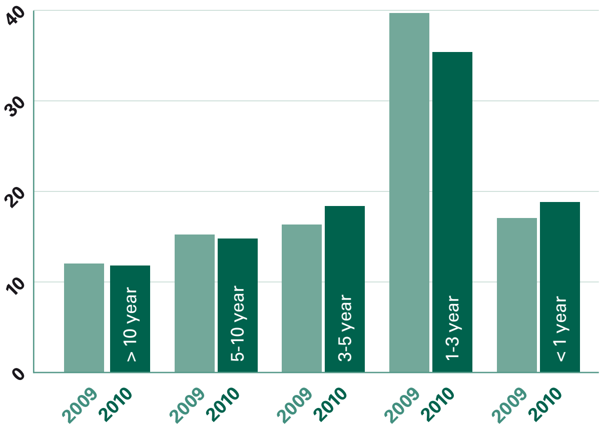
In a dynamic marketplace, existing customers as well as competitors and new players could threaten Vopak's market position. In recent years, we have faced increasing competition from existing providers in the storage industry, but various newcomers, in particular private-equity and infrastructure funds, have also entered our market.
In response to this development, Vopak is giving priority to rapid growth, especially in logistically strategic locations; we are strengthening our business development functions. We ensure we are closely connected to our business enabling swift, efficient and effective decision making and project execution of and by people that truly understand our business, reducing waste in terms of costs and time. We are also aiming to achieve higher customer satisfaction by providing high-quality service and highly efficient operational processes. In addition, we strive for a balanced duration of our sales contracts and we are quite successful in this respect.

Risk category (COSO)	Strategic pillars Vopak	Vopak's risk-reward appetite
Strategic risks	Growth leadership Customer leadership	**Moderate / High:** right balance between risk and reward
Operational risks	Operational excellence leadership	**Low:** on safety issues, and **Moderate:** on other areas/topics with alignment of targets and related cost, and a clear focus on sustainable EBIT maximization
Compliance risks		**Low:** full compliance with law and regulations
Financial reporting risks		**Low:** full compliance with financial reporting rules and regulations

We are working on effective cost management and providing high service levels in order to offer competitive prices. Maintaining and strengthening our market position depends on optimal use of our worldwide network.

Revenue in relation to contract duration

As a percentage



Sector developments provide a mixed picture

Sector developments provide a mixed picture and for this reason we continue to focus on product streams. We have a sound insight into product streams and the forecasted development of these streams. This insight supports our terminal strategies, the locations where we want to have terminals and the lay-out of such terminals. Currently, the picture in most sectors is clear, like in the oil storage market, which continued to be robust. The chemical sector remained at a level comparable to that of last year. The overall occupancy rate was slightly down at 93%, which was primarily due to a lagging demand for biofuel storage and new capacity coming on stream for chemical storage. The current uncertainty in the product stream of biofuels does impact our terminals in Europe and on the East Coast of the United States, as these streams remain dependent on governmental support (subsidies) or mandatory regulations. This uncertainty shows the predictable immaturity of these streams, which is likely to continue in 2011 and beyond. However, the underlying need for sustainable (certified) biofuels in Europe and North America will eventually lead to opportunities for further growth in this area, though possibly with different players and different products from different origins. Potentially we will have to find alternative solutions for some of our biofuel tanks in certain locations, but as a tank terminal company with global operations, Vopak is excellently positioned to capitalize on any resulting new opportunities.

Customer leadership

Improving customer satisfaction creates opportunities

High-quality service is of fundamental importance to our commercial strategy and we are pleased with the results of our annual customer satisfaction survey that show that our customers' satisfaction improved further. We are continuing to give our full attention to focusing on customers when doing business and during operational activities. We aim to provide even better service through training courses and competence management, standardization of processes and further improvements to our information systems.
The Vopak Service Quality Index (VSQI) shows that various business processes were further enhanced in 2010. We will continue our efforts in this field in 2011. In the end, the quality of our service is the most important distinctive factor for choosing Vopak, which is why we seek to make continuous improvements.

Operational excellence leadership

Safety and environmental risks are lower, but continue to be a key focus area

Vopak continues to give safety the highest priority as we care for people and the environment. In addition, incidents can also affect our license to operate and harm our reputation. Through various programs during 2010 focusing on leadership, safety awareness, safety behavior and bottom-up improvements, our safety attitude has further progressed. Also our terminal health assessments (THAs) stimulate continuous improvements. Our ambition and targets are aimed at realizing further enhancements in the near future.
Safety is non-negotiable. It is the cornerstone in operating our business and this is also required of our contractors. Our safety KPIs improved compared to last year. Despite the high level of activities, and the number of expansion projects at existing terminals (Brownfields) we assessed a decreasing trend in the safety and environmental risks. Exceptions to this decreasing trend are the contractors' lost time injuries in the divisions Oil EMEA and Latin America. We continue to emphasize the importance of health, safety and the environment through internal communications, training courses on visible leadership and the sharing of best practices.

Clear sustainability vision and targets for the near future

During 2010, we further aligned our strategy and goals on sustainability to the overall Vopak strategy and we already managed to achieve further management commitment, energy savings and more attention to developing our people. The section about sustainability (pages 34-37) provides further details on this strategy and on the certification of the internationally recognized guidelines of the Global Reporting Initiative (GRI) to a C+-level. More importantly, the journey to a higher compliance level indicates Vopak's commitment to be truly focused on people, planet and profit.

Risk of insufficient number of people and of people without the right competencies
Vopak is a rapidly growing company, meaning that in future years we could be short of sufficient and capable people in key positions. As a company with worldwide operations and as a leader in the independent tank storage market, we always face the possibility that our people will be approached and recruited by competitors or customers. The following measures are being taken:

- We aim to take on sufficient people to cover the expected outflow, offering a balanced remuneration package and an environment in which new employees can develop quickly in the organization.
- Our HR strategy has been tightened and is in line with our three strategic pillars. There are further developments on the agenda of HR instruments, such as the Leadership Fundamentals, talent management, performance management based on a worldwide talent management strategy, leadership and management development, and further improvements to the HR organization with more efficient processes and a supporting HR information system. Our succession and personnel policy for senior management is coordinated centrally.
- Previous surveys showed that our employees are prepared to make every effort. Their satisfaction is high, as is their pride in the company and their willingness to stay. All in all, we are trying to retain what is good, and implement improvements as required. This applies to matters such as salary, personal development and opportunities for growth, and work pressure. Our employee satisfaction survey will be continued.

Further, we face the challenge of balancing between continuous improvement/growth projects and the potential high work pressure that results from that. Through clear priority setting and support in the personal development of employees, we aim to realize a balanced match with our high performance ambition.

Integrity, availability of IT systems
The integrity of 'fit for purpose' IT systems might be impacted by increasingly aggressive IT viruses (cyber war), impacting our service reliability but also the safety at our terminals. Our current security IT governance is already set up to mitigate this risk, but through the full implementation of ISO27001 we will be even better protected or prepared to timely resolve most issues.

Insurable risks
Vopak's enterprise risk management (ERM) approach offers insight into the potential dangers the company could face. Our insurance policy aims to strike the right balance between arranging insurance cover for the Group's risks and financing them ourselves, or transferring such risks to external insurance companies. The principal factors underlying our insurance policy are risk tolerance and risk transfer costs. On this basis, Vopak has purchased world-wide insurance cover for such risks as product and third-party liability, fire and business interruption.

Vopak's insured risks are partly covered by a Vopak captive reinsurance company and by transferring risks to the insurance market. The financial credit ratings of the insurance companies involved are reviewed on a regular basis and, where appropriate, risks are spread across multiple insurance companies.

Legal and tax risks
Some stocks (e.g. ethanol) that we store and transport for customers are subject to import duties. As more products with import duties are handled, Vopak's financial risk exposure has risen, requiring continuous attention for adequate procedures, processes and controls. Adequate working capital, inventory management and supportive processes are preconditions that we safeguard through a key control framework and a global diagnostic instrument. Where necessary, control mechanisms are being tightened. The effects of stricter environmental regulation are covered as far as possible by making specific and sustainable investments and by sharing the risks with customers.

Financial risks
Our financial risks are considered in detail on page 99.

Currency and exchange rate risks
The currency exchange risks associated with foreign activities are limited. As a rule, income, expenditure and financing are in the same currency.

The main foreign currency risk is known as the translation risk. This arises on conversion of the results on the one hand, and capital invested on the other, from Singapore dollars and US dollars to euros. The euro is the currency we use in our financial reporting.

Sensitivity to exchange rate movements of the Singapore dollar (SGD) and the US dollar (USD) is as follows.
A movement of 10 cents in the USD exchange rate against the euro affects Vopak's net profit by EUR 3.3 million.
A movement of 10 cents in the SGD exchange against the euro affects Vopak's net profit by EUR 3.6 million. As required by IFRS 7, a sensitivity analysis has been performed on the balance sheet items. The results are set out on page 101.

Each quarter, exchange rate risks relating to the translation of capital invested in foreign operations, comprising equity and internal financing, are established and the optimum hedging/financing strategy is reviewed and submitted to the Executive Board for approval. Net investment in foreign activities is generally hedged by loans in the same currency, supplemented where necessary with cross-currency interest rate swaps and forward exchange contracts, and hedge accounting is applied.

Interest rate risks

Vopak's policy on interest rate risks aims to control the net finance costs resulting from fluctuations in market interest rates, taking into account the company's long-term profile. The funds obtained recently from private placements mean that we have long-term funding at fixed interest rates.

Refinancing and liquidity risks

Vopak is a capital-intensive company. The focus of our strategic finance funding policy is to ensure flexible access to various capital markets and funding sources to support Vopak's Growth Strategy, facilitating a continuous balanced and well-spread debt maturity profile at appropriate terms and conditions, matching Vopak's solid credit quality.
The development of our Net debt : EBITDA ratio is frequently monitored and discussed in the Executive Board, the Audit Committee and the Supervisory Board. Vopak seeks access to the capital markets so that funding capital is always available at a time of our choice at acceptable cost.
Accordingly, we have a proactive financing policy so that we can act flexibly, irrespective of the prevailing financing climate. Sufficient funding has been created during the past year by placing new private loans. Subsidiaries are funded centrally by the Corporate Treasury department, which acts as a type of in-house bank. Where possible, joint ventures are funded by debt on a non-recourse basis for Vopak.

Liquidity requirements are monitored continuously.
Long-term liquidity risks are established each quarter and ahead of every significant investment. Active cash management is a daily responsibility.
As far as possible, derivatives and cash are spread evenly among a select group of financial institutions. Vopak applies daily limits on cash. The risks at each financial service provider are established regularly. Any action required is taken in line with Vopak's treasury policy.

Credit risks

Vopak faces credit risks on outstanding receivables, derivatives and cash. Vopak is also dependent on the financial strength of suppliers, including construction companies. The danger of bad debts is generally limited, as the value of products we store for a customer usually exceeds the amount owed by that customer and Vopak can often seize those products, although other creditors may have preference in the event of a bankruptcy. Our credit management includes assessing our business partners' financial position; this is a careful process but cannot prevent all credit risk. In view of the global financial crisis, Vopak has intensified credit management and monitoring of outstanding receivables and stored products.

Management of pension risks

Vopak operates a large number of pension schemes, including defined benefit schemes. The liabilities and pension charges related to the defined benefit schemes are subject to risks regarding changes in discount rates, plan asset values and returns derived from these assets, future salary increases, inflation and life expectancy. Such changes can negatively influence the liabilities and necessitate additional future pension charges under IAS19. A sensitivity analysis with respect to the impact on pension charges of changes in the major assumptions is included in note 27 to the consolidated financial statements (see page 136).
The Board of the Vopak pension fund manages the risks of market-related fluctuations in the value of plan assets through prudent investments strategies and close monitoring. Asset liability modeling, including stress-scenario testing, is part of their portfolio management.
On a local basis, cash contributions may be needed if local funding levels deteriorate. These contributions are subject to local arrangements and legal requirements. Vopak aims to reduce the volatility in cash contributions as much as possible.

Financial reporting

Vopak prepares its financial reports using reliable systems with clear procedures, solid internal controls and integrity in reporting. The various duties are segregated, performed by trustworthy professionals and tested in specific audits. The results of internal and external audits are discussed with terminal and divisional managers each quarter. Vopak pays a great deal of attention to these procedures. We use a finance excellence model to support terminals and divisions in developing their financial departments.

Reports are prepared using a clearly-defined, mandatory process with regular consultations across the management layers involved. The reports and related discussions are not limited to the financial results but also cover key operational, human resources and commercial performance indicators. Joint ventures are included in this process and there is at least one Vopak representative in a supervisory role in the organization who pays particular attention to these points.

Vopak has an efficient internal control structure. A number of controls are automated to reduce the risk of variations and errors. A specific group of representatives from the Control & Business Analysis department and from all divisions is responsible for the ongoing application and enhancement of internal control procedures. Staff at the terminals are instructed about IFRS standards and are kept up to date about amendments. The potential impact is assessed promptly. External advisors are engaged to value acquisitions (purchase accounting method). The external auditor examines compliance with IFRS at the main terminals, using standards set in IFRS and Vopak's accounting manual.

Risk management

Risk management is strongly embedded in all layers of the organization. Divisional managers assess risks and set and check the effect of the strategy for risk mitigating actions and monitor effective implementation. Risk reports are prepared and topics are analyzed at a corporate level. Enterprise risk management is on the agenda of the Stratcom. The Stratcom comprises members of the Executive Board and the division presidents who meet three times a year, supported on certain topics by selected corporate staff directors. This committee selects what are known as risk themes, and appoints functional directors at corporate level to develop the right approach to these themes.

Our risk appetite remains unchanged

Currently, Vopak has 80 terminals in 30 countries. This extensive network adds value to our internationally operating customers and enables us to spread the risks of political and economic instability in an entrepreneurial manner. Every Vopak location pays considerable attention to environmental risks and attempts to keep safety risks to the absolute minimum. Many products we store and transport are potentially harmful to public health and the environment. Our focus on safety is reflected in the design of our terminals, the conduct of our employees and in our policy and standards, which meet or exceed local legislation and regulations. Our employees undergo permanent training to keep know-how, skills and conduct up to standard. Key performance indicators are monitored monthly and there are also internal and external audits.

We are prepared to take greater risks in some areas than in others. Taking calculated risks to benefit from exceptional opportunities is part of our growth strategy. To ensure that risks and the loss of opportunities are sufficiently under control, each business decision is supported by a balanced system of selection, prioritization, internal financial and operational reviews and authorization profiles. Our standards and values are set out in the 'Vopak Values', which guide our actions. We make no concessions on this. Where it involves our business, we ensure proper funding and have adequate cash and cash equivalents available on time for developing growth projects.

Risk Management Framework

Risk management and the internal control structure

The aim of our risk management and internal control structure is to achieve a balance between an effective, professional enterprise, and the risk profile that we are aiming for as a business. Our risk management and internal controls, based on the COSO Enterprise Risk Management Framework, makes a significant contribution to the prompt identification and adequate management of strategic and market risks. They also support us in achieving our operational and financial targets and complying with legislation and regulations.

Risk management approach

The Executive Board, under the supervision of the Supervisory Board, has ultimate responsibility for Vopak's risk management and internal control structure. The divisional management teams are responsible for implementing the strategy, achieving results, identifying underlying opportunities and risks and ensuring effective operations. They have to act in accordance with the policy and standards set by the Executive Board, in which they are supported by corporate departments.

Division management teams have risk management integrated in their strategic, tactical and operational business activities. Opportunities and risks assessments and follow-up actions to mitigate risks are discussed as part of the standard management review cycles. The quality of these activities is regularly audited. At a corporate level, the ERM process is coordinated, the ERM information is analyzed, consolidated and reported to the Executive Board, to the division management teams and to corporate functional directors.

The Executive Board approves the annual budget and two-year plans for each division. These budgets contain clear objectives for each of the three strategic pillars, risks and opportunities, activities and performance indicators. It also designates the managers with ultimate responsibility. To avoid execution risk, the Executive Board discusses the conditions (enablers) with the divisions.
Each quarter, the Executive Board and the Division Management Team discuss progress on implementing the company's strategy, business plans, key performance indicators, quarterly results, key risks, opportunities and progress on mitigating measures.

At the end of the year, terminal and divisional managers use the Control Risk Self-Assessment to assess how effective the risk management and internal control structures have been. The results and trend analyses are discussed with the Executive Board.

The Executive Board, which bears ultimate responsibility for the proper functioning of risk management and the internal control structure, discusses the company's results, key performance indicators and strategy (and adjustments to it), the outcomes and effectiveness of risk management and the internal control structure with the Audit Committee and the Supervisory Board. Corporate Internal Audit provides further assurance on the functioning of risk management and the internal control framework. The external auditor assesses the internal controls over financial reporting as far as such an assessment is efficient for his financial statement audit. The results are discussed with the Audit Committee. Management of our terminals, divisions and the Executive Board sign Letters of Representation at the end of the half year and the full year.

Our In-control statement is included on the next page.

Directors' statements

In-control statement

In the Risks and Risk Management section (pages 60 through 64) we set out in detail our risks and risk management framework, as well as the responsibilities of the Executive Board.

In compliance with the best practice principle II.5 laid down in the Dutch Corporate Governance Code, and taking into account the limitations outlined below (and based on our evaluation), we confirm that our internal risk management and control systems relating to financial reporting risks worked properly in 2010 and provide a reasonable assurance that the financial reporting does not contain any errors of material importance.

Our internal risk management and control systems are, however, unable to offer absolute assurance that the strategic, operational, and financial objectives will be fully achieved, or that laws and regulations are always complied with. Furthermore, the systems cannot prevent all human errors of judgments and mistakes. It is also inherent that in business, cost-benefit assessments must be made for the acceptance of risks and the implementation of controls. We continue to further improve and optimize our internal risk management and control procedures.

Executive Board declaration

Pursuant to the Financial Supervision Act, Section 5:25c, paragraph 2, sub-paragraph c, we declare that, to the best of our knowledge:

a) the financial statements on pages 76 through 173 give a true and fair view of the Group's assets, liabilities, financial position and profit or loss; and
b) the Report of the Executive Board on pages 23 through 73 gives a true and fair view of the situation on the balance sheet date, of developments during the financial year of the company and entities affiliated with it; and
c) on pages 60 through 64, the Report of the Executive Board includes a description of the principal risks the company faces.

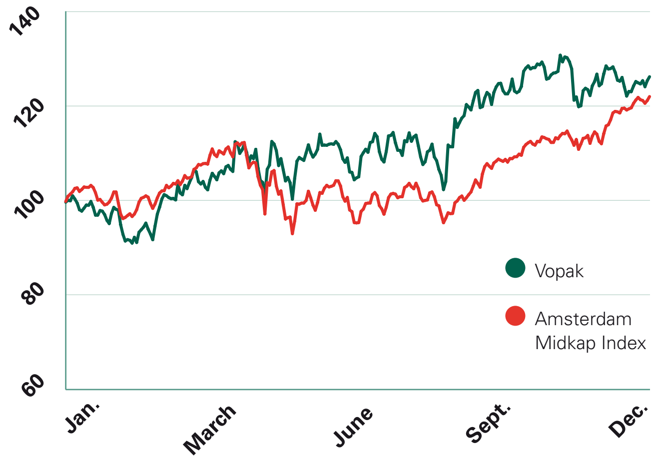
Rotterdam, 10 March 2011

The Executive Board

Eelco Hoekstra (Chairman)
Jack de Kreij (Vice-chairman and CFO)
Frits Eulderink (COO)

Information for shareholders

Share price movement 2010 (%)



Information per ordinary share of EUR 0.50 *

In EUR	2010	2009
Earnings	2.06	1.96
Earnings excluding exceptional items	2.08	1.92
Shareholders' equity	10.57	8.97
Dividend (proposal 2010)	0.70	0.63
Pay-out ratio	34%	32%

Share price developments *

In EUR	2010	2009
Share price at 1 January	27.74	13.60
Highest share price	37.20	27.75
Average closing share price	31.80	19.36
Lowest share price	25.72	12.48
Share price at 31 December	35.35	27.74
Average number of shares traded per day	311,078	367,746
Market Capitalization at year-end	4,518,982,451	3,547,433,183

* Number 2009 adjusted for share split 1:2, effectuated on 17 May 2010

Investor relations

Vopak conducts an open and active information policy for investors and other parties interested in the status (financial and otherwise) of the company. The objective is to provide quality information to stakeholders about developments at Vopak, ensuring that relevant information is equally and simultaneously provided and accessible to all interested parties. Such information is made available through annual and semi-annual reports, trading updates, press releases, presentations to investors and the Vopak website. In addition, Vopak organizes analyst conferences and regular road shows to meet investors.

Members of the Executive Board and the Investor Relations department organized more than 300 meetings with current or potential investors during 2010. Vopak holds a press conference coinciding with the publication of the annual results. Following the publication of the annual and semi-annual results, Vopak also organizes a meeting with financial analysts. The publication of first and third quarter results is followed by a telephone conference. These sessions can be followed via the company's website in either a video or audio webcast of the conference and the information presented at these meetings is also published timely on the company's website.

Listing

Vopak ordinary shares are listed on the Euronext stock exchange in Amsterdam and are part of the Midkap Index (ticker symbol VPK; ISIN NL0009432491). Options on Vopak shares are also traded on Euronext Amsterdam.

Closed periods

Closed periods are the periods prior to the publication of financial results during which in principle no meetings will be held with and no presentations will be given to financial analysts and investors. In addition, during closed periods no other communication with analysts and investors will take place, unless such communication would relate to factual clarifications of previously disclosed information. Usually the length of the closed period is eight weeks prior to full year results (and publication of the Annual Report), 4 weeks prior to half-yearly results and 2 weeks before Q1 and Q3 statements ('trading updates').

Bilateral contacts

Vopak may engage in bilateral contacts with (potential) shareholders. The main objective of such bilateral contacts is to explain Vopak's strategy and operational performance and answer questions from (potential) shareholders. Vopak takes the Dutch Corporate Governance Code (December 2008) into account when engaging in bilateral contacts with shareholders.

Therefore the following guidelines have been established:

- A dialogue with shareholders outside the context of a formal shareholder meeting can be useful for both investors and Vopak.
- Vopak reserves the right to determine, at its sole discretion, whether it will accept invitations from shareholders, or parties representing shareholders, to engage in such a dialogue. Vopak may ask for further clarification on the views, aims and investment objectives of such shareholders before accepting or rejecting any invitation to engage in dialogue outside the context of a formal shareholder meeting.
- Vopak communicates as open as possible to maximize transparency.
- Response to (draft) analyst reports (third party publications) is only provided by reference to public information and published guidance. Comments to these reports are given only for incorrect factual information.
- Vopak's contacts with investors and sell side analysts will at all times be conducted in compliance with applicable rules and regulations, in particular those concerning selective disclosure, price sensitive information and equal treatment.

Dividend policy

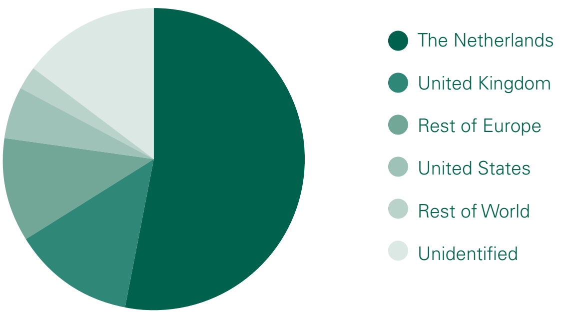
Barring exceptional circumstances, the principle underlying Vopak's dividend policy is the intention to pay an annual cash dividend of 25% to 40% of the net profit excluding exceptional items attributable to holders of ordinary shares.

The net profit excluding exceptional items that forms the basis for dividend payments may be adjusted for the financial effects of one-off events, such as changes in accounting policies, acquisitions, reorganizations, etc.

In setting the amount of the dividend, account is taken not only of the company's desirable capital ratios and financing structure, but also of the flexibility it requires to successfully pursue its growth strategy. At the same time, Vopak seeks to assure its shareholders of a stable trend in dividends.

Investors and their advisors can put their questions directly to Mr Rob Boudestijn, Manager Investor Relations, tel. +31 10 2002776. E-mail: rob.boudestijn@vopak.com

Geographical distribution of holders of shares outstanding



Royal Vopak shareholders

Pursuant to the Major Holdings and 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.

	Ordinary shareholdings [1]	Total shareholdings [2]	Voting right [3]	Date of notification
HAL Holding N.V.	46.64%	38.57%	45.45%	01-11-06
ING Groep N.V.	5.37%	11.84%	6.33%	21-05-08
Aviva Plc (Delta Lloyd)	< 5%	8.07%	< 5%	01-11-06
ASR Nederland N.V.	< 5%	7.45%	< 5%	06-10-08
Stichting Administratiekantoor Financieringspreferente Aandelen Vopak ('the Foundation')			3.62% [4]	31-08-09

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

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

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

[4] AFM reporting indicates 24.46%. The variance is due to an incorporated limit of hundred and sixteen votes for every thousand financing preference shares. See also page 166

Shares outstanding 2010

Weighted average number of ordinary shares	127,296,101
Weighted average number of ordinary shares, diluted	127,296,101
Number of ordinary shares at year-end	127,835,430
Financing preference shares *	41,400,000
Total number of shares outstanding	**169,235,430**
Ordinary shares	127,835,430
Financing preference shares *	4,802,400
Total voting rights at year-end	**132,637,830**

* The variance is due to an incorporated limit of hundred and sixteen votes for every thousand financing preference shares

Financial calendar

2011

11 March 2011	Publication of 2010 annual results
27 April 2011	Publication of 2011 first-quarter results in the form of a trading update
27 April 2011	Annual General Meeting of Shareholders
29 April 2011	Ex-dividend quotation
03 May 2011	Dividend record date
04 May 2011	Dividend payment date
24 August 2011	Publication of 2011 first-half year results
09 November 2011	Publication of 2011 third-quarter results in the form of a trading update

2012

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

Corporate Governance

Introduction

Vopak complies with the majority of the principles and best practices laid down in the Dutch Corporate Governance Code, as amended on December 10, 2008 (the 'Code'). The number of exceptions to the best practice provisions in 2010 remained the same compared to 2009. The exceptions are explained below. For our stakeholders and in accordance with prior recommendations of the Monitoring Committee Corporate Governance Code (the 'Monitoring Committee'), we include transparent, specific and concise information on the various risks and the manner in which the organization manages these risks in our external accountability and reporting on risks and risk management. We have closely monitored the results of the consultative sessions on the preparation and effectiveness of the General Meeting of Shareholders (the 'General Meeting') initiated by the Monitoring Committee as well as the dialogue between the company and its shareholders. We have reviewed and discussed the implications of the new Code for Vopak. For instance, Vopak has developed a Sustainability Policy and the changes in respect of topics related to remuneration have been addressed.

Structure and Policy

Vopak attaches considerable importance to striking a sound balance between the interests of the company's various stakeholders. Integrity, openness, supervision, transparent reporting and accountability are the cornerstones of Vopak's corporate governance policy. Vopak also seeks to deal carefully with social issues and has developed a clear policy towards Sustainability. Vopak confirms that the principles reflected in the Code are in line with those applied by Vopak. The Executive Board is responsible for the management of the company and hence for the realization of Vopak's strategic and other objectives, including those for health, safety, the environment (part of sustainability) and quality, strategy and policy, and the related development of results.

The Supervisory Board supervises Vopak's overall performance, including the policies pursued and results achieved by the Executive Board, the company's financial situation, as well as its financial statements. The Supervisory Board also reviews the strategy of Vopak, as proposed by the Executive Board. Similarly, it approves important proposals for capital expenditures, acquisitions and divestments and changes in financial and other corporate policies and the annual budget. The Supervisory Board also has the responsibility to evaluate the performance of the Executive Board as a whole and of its individual members and proposes to the General Meeting any changes in the composition of the Executive Board. Similarly, the Supervisory Board annually reviews its own performance and proposes to the General Meeting the appointment of new members to and departure of existing members from the Supervisory Board. Finally, the Supervisory Board sees to it that the company's policies are formulated and pursued in the interest of all its stakeholders, including shareholders and personnel, and that these policies have a durable and sustainable nature and meet the highest ethical standards. Since Vopak qualifies as an international holding company within the meaning of the Large Companies Act, it is exempted from the provisions of that Act.

The Supervisory Board has been carefully selected to ensure inclusion of members with a diverse background and experience in areas relevant to the core business of Vopak, and with experience in the foreign markets in which Vopak operates. Their experience ranges from economic, financial, technical, operational and social fields, to political and business-related ones. The Supervisory Board, in performing its duties, focuses on the realization of the objectives of the company and the strategy and its implementation.
The Supervisory Board appoints an Audit Committee, a Remuneration Committee and a Selection and Appointment Committee from among its members. In accordance with the provisions of the Code, Vopak has further specified the role and powers of these committees in specific regulations for them. In addition to the power to appoint, suspend and dismiss members of the Executive Board and Supervisory Board, the General Meeting has other key powers such as the passing of resolutions for legal mergers and split-offs, and the adoption of the financial statements and profit appropriation. Furthermore, the General Meeting sets the remuneration policy for the Executive Board, and significant amendments to the policy are subject to its approval.
The General Meeting also sets the remuneration of the members of the Supervisory Board. The remuneration of the members of the Executive Board is set by the Supervisory Board on the basis of a proposal from the Remuneration Committee, in accordance with the remuneration policy adopted by the 2010 General Meeting. The 2010 General Meeting approved proposals to amend the remuneration policy. Vopak will continue to facilitate proxy voting. As of 1 July 2010 Dutch law provides for a mandatory registration date for the exercising of voting and attendance rights of 28 days before the day of the shareholders' meeting.

The Dutch Corporate Governance Code

Vopak has evaluated its corporate governance structure against the Code and concluded that it satisfies the principles and best practice provisions of the Code with the five (unchanged compared to 2009) exceptions below to the best practice provisions of the Code applied in 2010.

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

The term of Mr De Kreij's contract of employment is not in accordance with this provision. The contract was concluded for an indefinite period of time and before the Code came into effect.

Best practice provision II.2 (independence of Supervisory Board members)

Two members of the Supervisory Board, Mr Van der Vorm and Mr Van den Driest, do not currently satisfy all independence criteria of the Code, which is not in accordance with this best-practice provision. The Supervisory Board and the Executive Board are of the opinion that both gentlemen offer considerable added value to the Supervisory Board. Regarding Mr Van der Vorm, this added value particularly consists of his capabilities, knowledge and experience in managing and investing in internationally operating companies. For Mr Van den Driest, his knowledge of logistic services, tank storage activities, the port of Rotterdam and familiarity with the company, which he acquired over many years in different capacities, as Chairman of the Executive Board up to 1 January 2006, in particular have considerable added value for the Supervisory Board. The General Meeting has approved the (re) appointment of Mr Van der Vorm and Mr Van den Driest during the respective General Meetings.

Best practice provision II.2.8 (maximum severance pay)

The contract of employment between Vopak and Mr De Kreij is not in accordance with this provision. In the event of his dismissal, Mr De Kreij will be contractually entitled to at least two years' salary. Such severance pay may also become due if Mr De Kreij cannot reasonably be asked to fulfill his duties any longer as a result of changes in circumstances, for example if a public bid is being made. The contract was concluded before the Code came into effect and rights acquired may not be impaired.

Best practice provision III.3 (expertise and composition Supervisory Board)

This best practice provision relates to diversity and states that the Supervisory Board should strive for a diverse composition as to gender and age and should formulate concrete targets to achieve this. The Supervisory Board of Vopak strives to a diverse composition of its board and has formulated key elements of the profile of members of the Supervisory Board. These elements are available on the corporate website, corporate governance section. Vopak does not strictly follow the recommendation to put an explicit target on diversity in terms of gender nor age and has not formulated concrete targets in this respect. The overriding principle for Vopak is that the Supervisory Board has a diverse composition of persons with a valuable contribution to the board in terms of experience and knowledge of the oil, petrochemical or LNG industry in the regions in which Vopak is active or other business knowledge.

Best practice provision III.5.11 (Remuneration Committee)

With respect to this best practice provision, it should be noted that Mr Van den Driest has been appointed Chairman of the Remuneration Committee in order to succeed Mr Van Loon who had to withdraw from the Supervisory Board in 2009 for health reasons. Mr Van den Driest left the company on 1 January 2006. The Supervisory Board believes that Mr Van den Driest is fully qualified to perform the role of Chairman of the Remuneration Committee given his background and experience. There is currently no intention to change the Chairmanship of the Remuneration Committee.

Vopak has various sets of regulations in place governing the performance of its various bodies and ensuring implementation of the rules applicable within Vopak. These regulations have been amended in line with the Code, recent legislative amendments and decisions made by the Supervisory Board from time to time. The regulations can be consulted on the Corporate Governance section of the company website: www.vopak.com. The regulations are:

- Regulations of the Executive Board
- Regulations of the Supervisory Board
- Regulations of the Audit Committee of the Supervisory Board
- Regulations of the Remuneration Committee of the Supervisory Board
- Regulations of the Selection and Appointment Committee of the Supervisory Board
- Regulations in respect of the ownership of and transactions in Vopak shares and certain other financial instruments as amended on the basis of the Act on Financial Supervision. Vopak also maintains the Insider Lists specified by this Act
- Regulations on suspected irregularities ('whistle-blower regulation')

The following items also appear on the website:

- Articles of Association
- Information on the members of the Executive Board and Supervisory Board and the composition of the core committees
- Profile of the Supervisory Board
- Retirement schedule for the Supervisory Board members
- Retirement schedule for the Executive Board members
- Policy related to bilateral contacts with shareholders
- Code of Conduct
- Corporate Governance Compliance Manual
- Remuneration report, containing the main points of the remuneration policy
- Report of Stichting Administratiekantoor Financierings-preferente Aandelen Vopak
- Management Authorization Policy
- Corporate Governance Statement

Anti-takeover Measures

Vopak's principal defense against a hostile takeover is the company's ability to issue cumulative preference shares ('Protective preference shares') to Stichting Vopak. Such defensive preference shares will be issued, should Stichting Vopak exercise its option right. On 18 October 1999, the General Meeting decided to grant Stichting Vopak the right to take up protective preference shares up to a maximum nominal amount equal to 100% of the share capital issued at that time to third parties in the form of ordinary and financing preference shares, less one ordinary share. Vopak and Stichting Vopak further formalized their relationship with regard to the option right in an option agreement of 1 November 1999. This agreement was amended on 5 May 2004, whereby the original put option granted to Vopak was cancelled. The granting of the option to Stichting Vopak has been entered in the Company Registry and is disclosed in this Annual Report. The object of Stichting Vopak is to promote the interests of Vopak and of the enterprises undertaken by Vopak and companies affiliated to the Vopak group, in such a way that the interests of Vopak and of those enterprises, and of all stakeholders are safeguarded to the greatest possible extent and, to the best of its ability, to resist influences which, opposing those interests, could impair the independence and/or continuity and/or the identity of Vopak, and those enterprises, and to undertake all actions relating to or conducive to the above objectives. The Board of Stichting Vopak therefore determines whether and when it is necessary to issue the protective preference shares. The anti-takeover measures outlined can be taken in, for example, a takeover situation if taking them is in the interests of Vopak to establish its position in respect of the hostile party and its plans, and to create opportunities for seeking alternatives. As necessary, Vopak reviews its anti-takeover measures against implementation acts enacted from time to time pursuant to EU directives.

Information referred to in Section 1 of the Takeover Directive (Article 10) Decree.

Capital structure

A description of Vopak's capital structure, the various classes of shares and the rights and obligations attached to them can be found in Note 22 of the financial statements on page 127. At 31 December 2010, a total of 127,835,430 ordinary shares had been issued, as well as 41,400,000 financing preference shares, all with a nominal value of EUR 0.50 each. At 31 December 2010, the ordinary shares represented 75.54% of the issued share capital, with the financing preference shares representing 24.46%.

Restrictions on the transfer of shares and depositary receipts for shares

Vopak's Articles of Association do not provide for a restriction on the transfer of ordinary shares. They do, however, provide for a restriction on the transfer of financing preference shares. Financing preference shares may only be transferred to natural persons, subject to specific exceptions involving Stichting Vopak and other parties pursuant to Article 10A, paragraph 7 of the Articles of Association. No restrictions apply to the transfer of depositary receipts for financing preference shares issued by the Stichting Administratiekantoor Financieringspreferente Aandelen Vopak. Furthermore, what is known as the 1% rule applies to the financing preference shares (see Article 10A, paragraph 2 of the Articles of Association). With regard to the protective preference shares, the Articles of Association provide that any transfer requires approval from the Executive Board.

Major holdings subject to mandatory disclosure

More information on major shareholdings that are subject to mandatory disclosure pursuant to Sections 5:34, 5:35, and 5:43 of the Decree can be found in the section 'Royal Vopak shareholders' on page 67.

System of control over employee share plans

Information on share plans can be found on page 136 of the Annual Report (Share Ownership Plan).

Restrictions on voting rights attaching to financing preference shares

A description of the depositary receipts for financing preference shares and a restriction on the voting rights attaching to those shares can be found in the section 'Stichting Administratiekantoor Financieringspreferente Aandelen Vopak ('the Foundation') on page 166.

Rules governing the appointment and dismissal of members of the Executive Board and Supervisory Board and the amendment of the Articles of Association

Under Vopak's Articles of Association, members of the Executive Board and Supervisory Board are appointed and dismissed by the general meeting of shareholders. Upon the appointment of members of the Executive Board, the Supervisory Board will always make a non-binding nomination. Upon the appointment of members of the Supervisory Board, the Supervisory Board may make a non-binding nomination.
The general meeting of shareholders may only resolve to amend the Articles of Association following a proposal from the Executive Board that is subject to approval from the Supervisory Board. Such a resolution of the general meeting of shareholders requires a majority of at least two-thirds of the number of votes validly cast.

Share issuance and repurchase

The general meeting of shareholders or the Executive Board, if so designated by the general meeting of shareholders, resolves or decides on the issuance of shares. Any share issuance is subject to approval from the Supervisory Board. At 31 December 2010, no authorization to issue shares had been granted to the Executive Board. The Executive Board is authorized until 28 October 2011, however, to repurchase fully paid-up shares in Vopak's capital, subject to approval from the Supervisory Board. Any repurchase will be limited to the maximum number held by virtue of the law and the Articles of Association (10% at 31 December 2010). Their purchase price must be between the nominal value of the ordinary shares and 110% of the average share price listed on the five most recent trading days prior to the date of the purchase.

Key agreements containing change-of-control provisions

An agreement entered into with the holders of financing preference shares on 8 July 2009 provides that, in the event that a public bid for the shares in Vopak's capital is made that may result in a change of control over the shares carrying the right to cast more than 50% of the votes attaching to all issued shares in its capital, Vopak will be obliged, subject to approval from the holders of a majority of the depositary receipts for financing preference shares, to convene a general meeting of shareholders before the period set for offering shares under the public bid has expired, in which a resolution to cancel all outstanding financing preference shares will be placed on the agenda for discussion.

Please also refer to the change-of-control provision on loans on page 106.

With respect to agreements entered into with members of the Executive Board and employees that provide for payment upon termination of their employment following a public bid, please refer to the description of the long-term incentive plan (LTIP) on page 96 and the Corporate Governance section, particularly the explanation of the departure from best practice provision II.2.8 of the Code on page 71.

2010 Financial Statements


OLD # 3

Contents

Consolidated Financial Statements

Consolidated Statement of Income

In EUR millions	Note		2010		2009
Revenues		1,106.3		1,001.1	
Other operating income	2	8.5		20.9	
Total operating income			**1,114.8**		**1,022.0**
Personnel expenses	3	293.5		274.4	
Depreciation, amortization and impairment	4	151.5		131.1	
Other operating expenses	5	311.2		285.9	
Total operating expenses			**756.2**		**691.4**
Operating profit			**358.6**		**330.6**
Result of joint ventures using the equity method	6		83.4		60.5
Group operating profit			**442.0**		**391.1**
Interest and dividend income	7	4.6		6.7	
Finance costs	8	- 73.0		- 52.4	
Net finance costs			**- 68.4**		**- 45.7**
Profit before income tax			**373.6**		**345.4**
Income tax	9		- 72.8		- 68.9
Net profit			**300.8**		**276.5**
Attributable to:					
- Holders of ordinary shares		261.9		247.6	
- Holders of financing preference shares		8.2		3.6	
- Non-controlling interests		30.7		25.3	
Net profit			**300.8**		**276.5**
Basic earnings per ordinary share	10		**2.06**		**1.96**
Diluted earnings per ordinary share	10		**2.06**		**1.96**

Consolidated Statement of Comprehensive Income

In EUR millions	Note		2010		2009
Net profit			**300.8**		**276.5**
Exchange differences and effective portion of hedges on net investments in foreign activities		48.7		6.6	
Use of exchange differences and effective portion of hedges on net investments in foreign activities	23	0.2		- 0.6	
Effective portion of changes in fair value of cash flow hedges		- 1.5		- 1.2	
Use of effective portion of cash flow hedges to statement of income	23	- 0.6		1.2	
Effective portion of changes in fair value of cash flow hedges joint ventures	23	- 11.5		0.2	
Other comprehensive income for the period, net of tax			**35.3**		**6.2**
Total comprehensive income for the year			**336.1**		**282.7**
Attributable to:					
- Holders of ordinary shares		282.5		253.9	
- Holders of financing preference shares		8.2		3.6	
Total comprehensive income attributable to owners of parent			290.7		257.5
Non-controlling interests			45.4		25.2
Total comprehensive income for the year			**336.1**		**282.7**

Consolidated Statement of Financial Position at 31 December

In EUR millions	Note		2010		2009
ASSETS					
Intangible assets	11		53.9		41.0
Property, plant and equipment	12		2,546.1		2,050.7
Joint ventures	13	607.0		494.9	
Loans granted	15	7.9		1.0	
Other financial assets	16	0.8		0.8	
Financial assets			615.7		496.7
Deferred taxes	17		6.4		5.6
Derivative financial instruments	31		3.3		9.3
Pensions and other employee benefits	27		114.1		98.0
Other non-current assets	18		31.0		28.7
Total non-current assets			**3,370.5**		**2,730.0**
Trade and other receivables	19	216.0		182.2	
Loans granted	15	5.3		11.0	
Prepayments		24.9		20.9	
Derivative financial instruments	31	28.5		2.5	
Cash and cash equivalents	20	181.8		189.4	
Assets held for sale	21	3.9		–	
Pensions and other employee benefits	27	0.1		–	
Total current assets			**460.5**		**406.0**
Total assets			**3,831.0**		**3,136.0**
EQUITY					
Issued capital	22	84.6		84.6	
Share premium	22	281.2		281.2	
Treasury shares	22	- 14.9		- 5.7	
Other reserves	23	4.1		- 15.4	
Retained earnings	24	1,098.4		907.5	
Shareholders' equity			1,453.4		1,252.2
Non-controlling interests	25		96.7		80.6
Total equity			**1,550.1**		**1,332.8**
LIABILITIES					
Interest-bearing loans	26	1,388.5		1,165.2	
Derivative financial instruments	31	9.2		19.8	
Pensions and other employee benefits	27	37.6		43.6	
Deferred taxes	17	204.0		161.5	
Other provisions	29	22.9		22.0	
Total non-current liabilities			**1,662.2**		**1,412.1**
Bank overdrafts	20	34.0		16.8	
Interest-bearing loans	26	190.7		25.1	
Derivative financial instruments	31	31.8		18.1	
Trade and other payables	30	306.1		280.8	
Taxes payable		38.7		25.3	
Pensions and other employee benefits	27	2.5		2.9	
Other provisions	29	14.9		22.1	
Total current liabilities			**618.7**		**391.1**
Total liabilities			**2,280.9**		**1,803.2**
Total equity and liabilities			**3,831.0**		**3,136.0**

Consolidated Statement of Changes in Equity

In EUR millions	Note	Equity attributable to owners of parent						Non-controlling interests	Total equity
		Issued capital	Share premium	Treasury shares	Other reserves	Retained earnings	Total		
Balance at 1 January 2009		**81.9**	**165.2**	**- 3.3**	**- 21.2**	**710.4**	**933.0**	**76.0**	**1,009.0**
Comprehensive income for the year (see page 78)		**–**	**–**	**–**	**5.8**	**251.7**	**257.5**	**25.2**	**282.7**
- Issuance new shares	22	7.2	132.1				139.3		139.3
- Dividend paid in cash	24, 25					- 20.5	- 20.5	- 20.6	- 41.1
- Dividend paid in stock	22, 24		- 14.6			- 35.4	- 50.0		- 50.0
- Repurchase own shares	22			- 2.9			- 2.9		- 2.9
- Withdrawal financing preference shares	22	- 4.5	- 1.5				- 6.0		- 6.0
- Measurement of equity-settled share-based payment arrangements	24					1.3	1.3		1.3
- Issued to option holders	22			0.5			0.5		0.5
Total transactions with owners		**2.7**	**116.0**	**- 2.4**	**–**	**- 54.6**	**61.7**	**- 20.6**	**41.1**
Balance at 31 December 2009		**84.6**	**281.2**	**- 5.7**	**- 15.4**	**907.5**	**1,252.2**	**80.6**	**1,332.8**
Comprehensive income for the year (see page 78)		**–**	**–**	**–**	**19.5**	**271.2**	**290.7**	**45.4**	**336.1**
- Dividend paid in cash	24, 25					- 82.4	- 82.4	- 36.4	- 118.8
- Repurchase own shares	22			- 9.2			- 9.2		- 9.2
- Non-controlling interest movement due to acquisition	25							7.1	7.1
- Measurement of equity-settled share-based payment arrangements	24					2.1	2.1		2.1
Total transactions with owners		**–**	**–**	**- 9.2**	**–**	**- 80.3**	**- 89.5**	**- 29.3**	**- 118.8**
Balance at 31 December 2010		**84.6**	**281.2**	**- 14.9**	**4.1**	**1,098.4**	**1,453.4**	**96.7**	**1,550.1**

Consolidated Statement of Cash Flows

In EUR millions	Note		2010		2009
Cash flows from operating activities (gross)	33	**455.1**		450.6	
Interest received	7	3.7		6.3	
Dividend received	7	0.9		0.4	
Finance costs paid		- 70.0		- 45.5	
Settlement of derivative financial instruments					
(interest rate swaps)		6.7		–	
Income tax paid		- 11.2		- 41.5	
Cash flows from operating activities (net)			**385.2**		370.3
Investments:					
- Intangible assets	11	- 11.9		- 5.8	
- Property, plant and equipment	12	- 456.5		- 455.4	
- Joint ventures	13	- 42.5		- 36.3	
- Loans granted	15	- 8.8		- 21.4	
- Other non-current assets		- 2.2		- 7.5	
- Acquisition of subsidiaries including goodwill (see page 109)		- 32.9		- 1.2	
- Acquisition of joint ventures	13	- 9.9		- 7.2	
Total investments			**- 564.7**		- 534.8
Disposals:					
- Intangible assets		0.4		–	
- Property, plant and equipment		–		12.4	
- Loans granted	15	12.4		75.2	
- Assets held for sale		–		16.3	
Total disposals			**12.8**		103.9
Total cash flows from investing activities (excluding derivatives)			**- 551.9**		- 430.9
Settlement of derivatives (net investment hedges)			- 53.0		3.0
Cash flows from investing activities (including derivatives)			**- 604.9**		- 427.9
Financing activities:					
- Repayment of interest-bearing loans	26	- 143.5		- 485.7	
- Proceeds from interest-bearing loans	26	451.5		727.7	
- Withdrawal financing preference shares	22	–		- 6.0	
- Issuance financing preference shares	22	–		89.2	
- Dividend paid in cash	24	- 79.6		- 18.5	
- Dividend paid on financing preference shares	24	- 2.8		- 2.0	
- Repurchase of own shares	22	- 9.2		- 2.9	
- Options exercised	22	–		0.5	
- Movements in short-term financing		- 27.7		- 48.1	
Cash flows from financing activities			**188.7**		254.2
Net cash flows			**- 31.0**		196.6
Exchange differences			6.0		0.5
Net change in cash and cash equivalents due to (de)consolidation			0.2		0.1
Net change in cash and cash equivalents (including bank overdrafts)			**- 24.8**		197.2
Net cash and cash equivalents (including bank overdrafts) at 1 January			**172.6**		- 24.6
Net cash and cash equivalents (including bank overdrafts) at 31 December	20		**147.8**		172.6

Principles

General

Royal Vopak, with its registered office in Rotterdam (the Netherlands), is the world's largest independent tank terminal operator specializing in the storage and transfer of liquid and gaseous chemical and oil products. Upon request, Vopak provides additional services to customers at the terminal.

The consolidated financial statements of the company for the year ended at 31 December 2010 contain the figures of the company and its subsidiaries (jointly referred to as the 'Group'), as well as the interests of the Group in joint ventures (to which the equity method is applied). The financial statements were approved by the Executive Board and the Supervisory Board on 10 March 2011 and are subject to adoption by the shareholders during the Annual General Meeting.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU).
The amendments to standards and interpretations endorsed by the EU were as follows:

(a) New and amended standards adopted by the Group
The Group has adopted the following new and amended IFRSs as of 1 January 2010:

- Accounting for business combinations
  From 1 January 2010, the Group has applied revised IFRS 3 *Business combinations* (2008) in accounting for business combinations. The change in accounting policy has been applied prospectively. The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared to IFRS 3: (i) All considerations transferred to acquire a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the statement of income; (ii) The acquirer can elect to measure any non-controlling interest on a transaction-by-transaction basis, either at fair value as of the acquisition date or at its proportionate interest in the identifiable assets and liabilities of the acquiree; (iii) When an acquisition is achieved in successive share purchases (step acquisition), the identifiable assets and liabilities of the acquiree are recognized at fair value when control is obtained. A gain or loss is recognized in profit or loss for the difference between the fair value of the previously held equity interest in the acquiree and its carrying amount; and (iv) All acquisition-related costs are to be expensed.

  During 2010 the revised standard had no impact on the financial statements of the Group as there were no transactions constituting a business combination.

- Accounting for acquisitions and disposals of non-controlling interests
  From 1 January 2010 the Group has applied IAS 27 *Consolidated and Separate Financial Statements* (2008) in accounting for acquisitions and disposals of non-controlling interests. Under the new accounting policy, acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognized as a result of such transactions. Previously, goodwill was recognized on the acquisition of non-controlling interests in a subsidiary, which represented the excess of the cost of the additional investment over the carrying amount of the interest in the net assets acquired at the date of the transaction. The change in accounting policy has been applied prospectively and has had no impact as there were no transactions with non-controlling interests in 2010.

- Accounting for non-current assets held for sale and discontinued operations
  The amendment to IFRS 5 Non-current assets held for sale and discontinued operations became effective and has been applied by the Group as of 1 January 2010. Disposal sale plans had no material impact on the consolidated financial statements for the year 2010.

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

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

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following standards and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2011 or later periods, but the Group has not early adopted them:

- IFRS 9 *Financial instruments*
  This standard, issued in November 2009, is the first step in the process to replace IAS 39 *Financial instruments: recognition and measurement*. IFRS 9 introduces new requirements for classifying and measuring financial assets and is likely to affect the Group's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. However, the standard has not yet been endorsed by the EU. We do not expect a significant impact on the Group's financial statements.

- Revised IAS 24 *Related party disclosures*
  IAS 24 (revised) is mandatory for periods beginning on or after 1 January 2011. Early application, in whole or in part, is permitted. However, the standard has not yet been endorsed by the EU.
  The revised standard clarifies and simplifies the definition of a related party. The Group will apply the revised standard from 1 January 2011. When the revised standard is applied, the Group and the parent will need to disclose any transactions between its subsidiaries and its joint ventures. We do not expect a significant impact on the related party transaction disclosures as there are no executory contracts between the subsidiaries and the joint ventures.

- IFRIC 19 *Extinguishing financial liabilities with equity instruments*
  The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognized in profit or loss, which is measured as the differences between the carrying amount of the financial liability and the fair value of the equity instruments issued. If the fair value of the equity instruments cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished. The Group will apply the interpretation from 1 January 2011, subject to endorsement by the EU. It is not expected to have any impact on the Group or the parent entity's financial statements.

- Other amendments and new interpretations
  Other amendments to existing standards and new interpretations have been published and are mandatory for the Group's accounting periods beginning on 1 January 2011. These amendments in standards and new interpretations effective as from 1 January 2011 and endorsed by the EU have no significant impact on the Group's basis of consolidation and disclosure requirements.

Basis of preparation

The consolidated financial statements are presented in euros and rounded to hundred thousands. They are based on the historical cost principle unless stated otherwise in the accounting policies stated below.

Preparing the consolidated financial statements in accordance with IFRS means that the Group must use insights, estimations and assumptions that could affect the reported assets and liabilities and the information provided on contingent assets and liabilities as at the statement of financial position date as well as the reported income and expenses. The actual results may differ from these estimations.

The estimations and the underlying assumptions are continuously reviewed. Adjustments are made in the period in which the estimations were reviewed if the adjustment affects that period, or in the relevant period and the future periods if the adjustment affects both the current and future periods.

Management insights into the application of IFRS that have a major impact on the financial statements and estimations with a significant risk of a material adjustment in a subsequent year are:

(a) Useful life and residual value of property, plant and equipment

Property, plant and equipment form a substantial part of the total assets of the company, while period depreciation charges form a substantial part of the annual operating expenses. The useful life and residual value determined by the Board based on its estimations and assumptions have a major impact on the measurement and determination of results of the property, plant and equipment. The useful life of property, plant and equipment is partly estimated based on their useful productive lives, experiences related to such assets, the maintenance history and the period during which economic benefits from utilization of the asset accrued to the company. Periodic reviews show whether changes have occurred in estimations and assumptions as a result of which the useful life and/or residual value need to be adjusted. Such an adjustment will be made prospectively.

(b) Estimated impairments

The Group annually reviews goodwill for impairment. This also applies to other assets if there is reason to do so. The principles explained under Impairments of assets (see page 91) are applied.

(c) Pensions and other employee benefits

The pension charges for defined benefit pension plans depend on future assumptions. A sensitivity analysis is included in note 27.

(d) Taxes

Deferred tax assets, including those arising from carry-forward losses, are recognized if it is likely that taxable profit is available against which losses can be set off. In determining this, Vopak uses estimations and assumptions that also affect the measurement of the deferred tax assets. A maturity schedule of the unrecognized carry-forward losses is included in note 17.

(e) Environmental provisions

In accordance with the policies stated under Other provisions, environmental provisions are formed based on current legislation and the best estimate of future expenses (see also note 29 and note 36).

(f) Derivative financial instruments
The fair value of a derivative financial instrument not traded on active markets is measured as the present value of the expected future cash flows under the contract. In determining this value, a valuation model is used that is based on the interest rates and the exchange rates as at the end of the reporting period. For a sensitivity analysis we refer to the chapter Financial Risks and Risk Management.

The accounting policies based on IFRS, as described below, have been applied consistently for the years 2010 and 2009 by all entities.

Basis of consolidation

Subsidiaries
The consolidated financial statements incorporate the financial statements of Royal Vopak and its subsidiaries. Subsidiaries are companies over whose policies the Group directly or indirectly exercises control. Control exists when the Group is able to govern the financial and operating policies of a company in order to incorporate the benefits from the activity. This is generally the case if the Group, either directly or indirectly, holds more than half of the voting rights. 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 acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The consideration transferred for the acquisition of a subsidiary are the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any assets or liability resulting from a contingent consideration arrangement. Subsequent changes to the fair value of the contingent consideration are recognized in profit or loss, except if the contingent consideration is classified as equity. Then it is not remeasured and settlement is accounted for within equity. Acquisition-related costs are expensed as incurred. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the statement of income.

Upon loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss.
If the Group retains any interest in the previous subsidiary as a jointly-controlled interest, then the Group will recognize only that portion of the gain or loss which is attributable to the interests of the other venturers.

For a list of the principal subsidiaries, please refer to page 171 of this report.

Transactions with non-controlling interests
The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of the net asset of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

The Group has changed its accounting policy for transactions with non-controlling interests from 1 January 2010 when revised IAS 27 *Consolidated and separate financial statements* became effective. Previously transactions with non-controlling interests were treated as transactions with parties external to the Group. Disposals therefore resulted in gains or losses in profit or loss and purchases resulted in the recognition of goodwill. On disposal or partial disposal, a proportionate interest in the reserves attributable to the subsidiary was reclassified to profit or loss or directly to retained earnings.

The Group has applied the new policy prospectively to transactions occurring on or after 1 January 2010. Consequently, no adjustments were necessary to any of the amounts previously recognized in the financial statements.

Determining the fair value of a business combination
Fair value is defined in IFRS as the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. There are three generally accepted approaches for determining the fair value: the market approach, the income approach, and the cost approach.

The market approach measures value based on recent transactions for assets which can be considered reasonably similar to that being assessed.

The income approach is based on the premise that the value of an asset can be measured by the present value of the future earning capacity that is available for distribution to the owners of the asset. The most commonly used approach is the discounted cash flow method. This involves forecasting the appropriate cash flow stream over an appropriate period and then discounting it back at an appropriate discount rate given the time value of money, inflation and the risk inherent in ownership of assets being valued. The Greenfield approach is a derivative of the income approach and is used when valuation of an asset against market value is not possible due to lack of tendering prices. It values an asset by calculating the value of a hypothetical start-up company that starts its business with no assets except the asset to be valued. Since the company has no other assets, the value of the asset under consideration has to equal the value of the start-up company. To apply this method it is necessary to construct a business plan for a hypothetical start-up of the terminal.

The cost approach is based upon the principle of replacement and recognizes that a prudent investor will pay no more for an asset than the cost to replace it new. Use of the cost approach results in a concept referred to as depreciated replacement cost where the term depreciated refers to a reduction of utility.

Vopak uses all of these approaches depending on the business rationale. Property, plant and equipment is valued on depreciated replacement cost as there is no active market for this asset. Land and the intangible land use rights are based on market value. Concession rights, licenses and customer relationships are based on the income approach. For the other intangibles at each acquisition the business driver will be determined. The valuation is normally determined by an independent appraiser.

Joint ventures
A joint venture is a contractual agreement under which two or more parties conduct an economic activity and unanimous approval is required for the financial and operating policies.

The results of joint ventures are recognized based on the equity method from the date on which the joint control begins until the date on which it ceases. If the share in the losses exceeds the carrying amount of an equity-accounted company, including any other receivables forming part of the net investment in the company, the carrying amount is written down to nil and (to the extent that the Group has not undertaken any further commitments or payments relating to the company in question) no further losses are allocated to the Group.

When an interest in a joint venture is acquired, the acquisition method of accounting is used. The cost of the investment includes transaction costs. Under the equity method, goodwill (less accumulated impairments) is allocated to the carrying amount of the investment. When an interest in a joint venture is sold, the gain on the sale is recognized separately under Result of joint ventures using the equity method.

For a list of the principal joint ventures, please refer to page 172 of this report.

Other financial assets
The other interests in which the Group does not exercise any significant influence are classified under Other financial assets. This is generally the case if the interest is less than 20%. These interests are carried at fair value, unless a fair value cannot be estimated. In the latter case, they are carried at cost. Dividends received are recognized in the statement of income.

Elimination of transactions in consolidated financial statements
All transactions between group companies, balances and unrealized gains and losses on transactions between group companies are eliminated when preparing the consolidated financial statements. Unrealized gains arising from transactions with joint ventures are eliminated to the extent of the interest of the Group in the equity. Unrealized losses are eliminated in the same manner as unrealized gains, but only to the extent that there is no evidence of impairment.

Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Board, which is the chief operating decision maker according to IFRS 8. The segments are based on geographical markets. Business activities that can not be allocated to any other segment are reported under Non-allocated. These include primarily headquarter costs and expenses related to other interests like real estate interests in Rotterdam, our interest in Gate terminal (under construction), and studies to explore other development activities for the storage of LNG. When significant operations are transferred between segments, comparative period figures are reclassified.

Foreign currency translation

Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured in the currency that applies to the primary economic environment in which the entity operates (the functional currency). The consolidated figures are presented in euros, the company's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income, except when deferred in other comprehensive income as qualifying cash flow hedges and net investment hedges.

Financial statements of foreign activities
The assets and liabilities of foreign entities, including goodwill and fair value adjustments at the time of the acquisition, are translated into the presentation currency at the rate prevailing at the end of the reporting period. The items of the statement of income of foreign activities, excluding foreign operations in hyperinflationary economies, are translated at the average exchange rates for the reporting period.

The income and expenses of foreign operations in hyperinflationary economies are translated to euro at the exchange rate at reporting date. Prior to translating the financial statements of foreign operations in hyperinflationary economies, their financial statements for the current year are restated to account for changes in the general purchasing power of the local currency. The restatement is based on relevant price indices at the reporting date.

There are no significant foreign activities in a country with hyperinflation.

Net investments in foreign activities
Foreign currency differences resulting from the translation of the net investments in foreign activities are recognized in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation reserve is allocated to the non-controlling interests. The exchange differences on loans drawn and other financial instruments in foreign currencies are also taken to the translation reserve, through other comprehensive income, to the extent that these hedge the exchange risks on net investments in foreign companies and are effective. The currency part of the fair value changes in derivative financial instruments to hedge net investments in foreign activities has also been taken to the translation reserve with effect from 1 January 2005.

When a foreign activity is disposed of such that control, joint control or significant influence is lost, the entire cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant portion of the cumulative amount is not transferred to profit or loss but reattributed to non-controlling interests. On disposal of a foreign activity with a non-controlling interest the cumulative amount relating to the non-controlling interests shall be derecognized, but shall not be reclassified to profit or loss. When the Group disposes of only part of its investment in a joint venture that includes a foreign operation while retaining joint control or significant influence, the relevant portion of the cumulative amount recognized in the translation reserve is reclassified to profit or loss. Disposal may occur either through sale, liquidation, repayment of share capital or abandonment of all, or part of, the entity.

Foreign exchange differences arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognized directly in equity in the translation reserve.

The following main exchange rates are used in the financial statements:

	Closing exchange rate		Average exchange rate	
EUR 1.00 is equivalent to	2010	2009	2010	2009
US dollar	1.34	1.43	1.33	1.39
Singapore dollar	1.71	2.01	1.81	2.02
Chinese yuan	8.81	9.77	8.98	9.53
Brazilian real	2.22	2.49	2.33	2.77

Income

Revenues
Revenue is recognized in the statement of income to the extent it seems probable that the economic benefit associated with a service will flow to the Group and the revenue can be reliably measured.
The revenue is recognized in the statement of income in proportion to the stage of the rendered performance as at the end of the reporting period. Tank rentals including minimum guaranteed throughputs are recognized on a straight-line basis over the contractual period. Revenues from excess throughputs and other services are recognized on completion of the services. If the revenue cannot be reliably measured, only the income up to the level of the expenses to be claimed will be recognized.
Modifications of property, plant and equipment upfront paid by customers are accounted for as prepaid revenues and recognized in the statement of income over the contractual period on a straight-line basis.

Other operating income

Gains on the sale of assets are deemed realized at the time the benefits and the risks of the sale are entirely borne by the buyer and there is no uncertainty as to whether the agreed payment is received. Gains on the sale of subsidiaries are realized at the time control is no longer exercised.

Grants by way of compensation for impairments are recognized under Other operating income.

Interest and dividend income

Interest income from granted loans and dividends from other financial assets (over whose financial and operating policies the Group has no significant influence) are presented under Interest and dividend income.

Interest income is deemed to be realized when it seems likely that the economic benefits will go to the Group and the income can be reliably measured. The income benefits are recognized in the period to which they relate, taking into account the effective interest rate of the loan, unless there are doubts regarding the recoverability.

Dividends of other financial assets are recognized in the statement of income as soon as they are granted.

The Group has changed its accounting policy for dividends paid out of pre-acquisition profits from 1 January 2010 when the revised IAS 27 *Consolidated and separate financial statements* became effective. Previously, dividends paid out of pre-acquisition profits were deducted from the cost of the investment. According to the revised IAS 27 the investor is no longer required, when preparing its separate financial statements, to determine whether a dividend received from an investment in a subsidiary or jointly controlled entity is paid out of post- or pre-acquisition profits. Instead, the investor is required to recognize such a dividend as income in profit and loss. The new accounting policy is applied prospectively in accordance with the transition provisions. It was therefore not necessary to make any adjustments to any of the amounts previously recognized in the financial statements.

Expenses

Other operating expenses

Losses on the sale of assets are presented under Other operating expenses and are recognized as soon as they are foreseen. Losses on the sale of subsidiaries are realized at the time the subsidiary is offered for sale. Research costs relating to new storage capacity to be built are recognized in the statement of income in the year in which the costs are incurred.

Leased assets, of which the benefits and risks remain substantially with the lease provider, are regarded as operating leases. Payments made for operating leases are charged to the statement of income on a straight-line basis over the lease term. If an operating lease is terminated early, any financial obligation or penalty owed to the owner will be taken to the statement of income in the period in which the lease was terminated.

Government grants are recognized when it is reasonably certain that they will be received and the Group will comply with the applicable conditions. Grants by way of compensation for costs incurred, except for impairments, are deducted from the costs and recognized in the same period in which the costs are incurred.

Finance costs

Finance costs consist of interest and exchange differences on loans drawn and of results on hedging instruments recognized in the statement of income.

Interest expense is recognized in the period to which it relates, taking into account the effective interest rate. The interest costs component of finance lease payments is recognized in the statement of income using the effective interest method.

Exceptional items

The items in the statement of income include items that are exceptional by nature. These exceptional items include impairments, reversed impairments, additions to and releases from provisions for restructuring, results on assets sold, gains on the sale of subsidiaries and joint ventures, and any other provisions being formed or released. To increase transparency, these exceptional items are disclosed separately in the notes.

Intangible assets

Goodwill

Goodwill represents the difference between the purchase price and Vopak's share in the fair value of the acquired identifiable assets, liabilities and contingent liabilities of the company acquired at the time Vopak obtains control (acquisition method).

Goodwill is carried at cost less accumulated impairments. Goodwill is allocated to cash-generating units, i.e. individual terminals or a group of terminals, and is tested annually for impairment. Impairment losses on goodwill are not reversed. In the case of joint ventures, the carrying amount of goodwill is included in the carrying amount.

Other intangible assets

Software is carried at historical cost, net of straight-line amortization based on its expected useful life and any potential impairment. Software under construction is carried at the costs incurred up to the end of the reporting period. The expected useful life of software is subject to a maximum of seven years.

Other intangible assets also comprise contractual customer relationships, concessions and favorable leases ensuing from business combinations. These are carried at their initial market value at the time of the acquisition, net of straight-line amortization and impairments. Amortization is based on a period of five to thirty years, which is the term of the contract or the term of validity.

Other items are mainly licenses that are carried at historical cost, net of straight-line amortization. Amortization is based on a period of five years, which is the term of validity.

Property, plant and equipment

Own assets

Property, plant and equipment are broken down into their components and carried at historical cost, net of accumulated straight-line depreciation based on the expected useful life and taking into account the expected residual value and impairments. Historical cost includes the initial acquisition cost plus other direct acquisition costs (such as unrecoverable taxes or transport) and construction costs that can be allocated directly (such as hours of own employees and advisory fees). To the extent that dismantling obligations exist at the end of the useful life, these and any amendments thereto are included in the cost of the assets.
For investment projects, interest expense related to the period of time during which active construction is ongoing is capitalized when the period is exceeding one year. Capitalization ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use are complete. As the financing activity of the Group is coordinated centrally the capitalization rate is in principle based on the weighted average of the borrowing costs of the Group. The capitalized interest expense is amortized over the estimated useful life of the underlying asset.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. Costs of repairs and maintenance that do not increase the future economic benefits are regarded as expenses.

Depreciation is computed from the date the asset is available for use using the straight-line method over the expected useful life and taking the estimated residual value into account. The useful life of the main assets is as follows:

- Buildings	10 - 40 years
- Main components of tank storage terminals	10 - 40 years
- IT hardware	3 - 5 years
- Machinery, equipment and fixtures	3 - 10 years

The residual value and useful life are reviewed annually and adjusted if necessary. Land is not depreciated.

Property, plant and equipment under construction are carried at the costs incurred up to the end of the reporting period. Spare parts are classified under Property, plant and equipment to which it relates and is carried at the lower of cost and net recoverable amount.

Grants by way of compensation for costs incurred in connection with investments are deducted from the costs of the assets and carried in the profit or loss over the life of the assets.

Leased assets
At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is subject of a lease if fulfillment of the arrangement is dependent on the use of that specific asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

The lease of fixed assets, the benefits and risks attached to the ownership of which are substantially taken over by the Group, are considered finance leases. Assets acquired through finance leases are initially carried in the statement of financial position at an amount equivalent to the lower of fair value and present value of the minimum lease payments at the time the lease is entered into. These assets are subsequently carried at their initial value less accumulated depreciation and impairments.

Other leases are operating leases and are not recognized in the Group's statement of financial position.

Impairment of assets

General
For the carrying amount of the non-current assets, other than deferred tax assets, assets will be reviewed for possible impairment on the end of each reporting period. Should this be the case, the recoverable amount of the asset must be estimated. If the carrying amount of an asset, either independently or as part of a cash-generating unit, is higher than the recoverable amount, the difference is charged to the statement of income as an impairment.

Goodwill is reviewed for impairment annually, unless there is reason to do so more frequently.

Impairments of a cash-generating unit are initially allocated to goodwill and subsequently allocated to the other assets of the cash-generating unit on a proportionate basis. Impairments of intangible assets and property, plant and equipment are presented in the statement of income under Depreciation, amortization and impairment.

For financial assets the group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The impairments for joint ventures and loans granted are presented under Result of joint ventures using the equity method and Finance costs respectively. For the impairment of trade and other receivables we refer to Current assets.

Calculating the recoverable amount

The recoverable amount of a non-current asset is the higher of fair value, less expected selling expenses, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects both the current interest rate and the risks specific to the asset.

For non-current assets that do not generate independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversal of impairments

Reversal of impairment is effected in the case of indications of a change in recoverable amount. An impairment of goodwill is never reversed.

The increase in the carrying amount of an asset resulting from the reversal of impairment may never be higher than the carrying amount (after depreciation or amortization) measured if no impairment had been recognized in preceding years.

Financial assets classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months. Otherwise, they are classified as non-current. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. Dividend income from financial assets at fair value through profit or loss is recognized in the statement of income as part of other income when the Group’s right to receive payments is established. The Group’s financial assets at fair value through profit or loss are other financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. The Group’s loan and receivables comprise: loans granted, trade and other receivables, and cash and cash equivalents. For the accounting principles we also refer to Loans granted and drawn and Current assets.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences, are recognized in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognized, the gain or loss accumulated in equity is reclassified to profit or loss. For the accounting principles we also refer to Asset held for sale.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Derivative financial instruments

Derivative financial instruments are initially recognized at fair value at trade date and subsequently, for the full term of the contract, carried at fair value based on a market quotation or a derivative financial instrument valuation model.

Accounting of movements in value depends on the nature of the hedged items and to what extent the derivative financial instruments qualify for hedge accounting.

In applying hedge accounting, the link between the hedging instrument and the underlying position, as well as the background of the relevant transaction, is documented when the hedge transaction is entered into. The parameters (term, nominal amount, etc.) of the hedged position and the hedging instrument will, in principle, be identical. In addition, the method of determining effectiveness is also documented at the time the transaction is entered into and thereafter. The frequency of measuring the effectiveness of the hedges runs synchronous to the publication of the Group's results. Hedge accounting is only applied if all of the above requirements have been met and the effectiveness has been demonstrated and documented.

If hedge accounting is not applied, all value adjustments are taken to the statement of income. With respect to hedge accounting, Vopak makes a distinction between cash flow hedges, fair value hedges and hedges of net investments in foreign companies. If the aforementioned requirements of hedge accounting are met, recognition is as follows:

Cash flow hedges

The effective part of changes in the fair value of derivative financial instruments that are designated and qualify as cash flow hedges are recognized in other comprehensive income. The profit or loss as a result of ineffectiveness is recognized directly in the statement of income. This also applies to the interest component that is a result of the time value of money in the valuation of the derivative financial instrument.

Amounts accumulated in equity are reclassified to profit or loss at the same time as the hedged transaction affects profit or loss. The effects are shown under Finance costs.

If the established agreement or the foreseeable transaction that is hedged results in the recognition of a non-financial asset, the accumulated gains or losses previously deferred in equity are removed from equity and recognized in the initial recognition of the asset or liability.

If a hedging instrument or the hedge relationship is terminated but the hedged transaction is still expected to take place, the accumulated gains or losses will remain in equity at that time and will subsequently be recognized in the income statement when the transaction takes place. If the hedged transaction is no longer probable, the accumulated gains or losses recognized in equity will be recognized directly in the statement of income as finance costs.

Fair value hedges

If a fair value hedge is used, the hedging instrument is carried at fair value and the changes in fair value are taken to the statement of income. The hedged position is recognized at fair value to the extent that the movements in the fair value are caused by the hedged risk. These movements in value are likewise recognized directly in the statement of income. The group only applies fair value hedge accounting for hedging fixed interest risk on loans drawn.

Hedging of net investments in foreign activities

If a debt denominated in foreign currency hedges a net investment in a foreign operation in the same currency, the exchange differences due to translation of the net investment and the debt into euros are recognized in other comprehensive income, to the extent that the hedge is effective. The ineffective part is recognized in the statement of income under Finance costs.

If a derivative financial instrument hedges a net investment in a foreign activity, the part of the profit or loss that was determined as an effective hedge will be recognized in other comprehensive income. The ineffective part of the hedge and the interest component of the fair value movement of the derivative financial instrument are taken to the statement of income.

Accumulated exchange losses and gains in equity are reclassified at the time foreign activities are (partially) disposed of.

Current assets

Trade and other receivables are carried at amortized cost. A provision for impairments is formed if there is objective evidence as at the end of the reporting period that the Group will not be able to recover the receivables on the original conditions. The amount of the provision is the difference between the carrying amount of the receivable and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is charged to other operating expenses in the statement of income. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited against other operating expenses in the statement of income.

Cash and cash equivalents comprise of cash, cash in bank and short-term deposits. The Group has concluded notional interest pooling contracts with banks stating that interest will be charged on the net balance of the bank accounts. However, there is no right of setoff for these contracts. The debit balances are consequently not set off against the credit balances on the statement of financial position.

Assets held for sale

Non-current assets and disposal groups are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower value of the carrying amount and the fair value less expected selling costs. When specific criteria for the held for sale have been met the non-current assets subject to depreciation or amortization are no longer depreciated or amortized. The assets and liabilities are presented separately under Total current assets and Total current liabilities respectively. In addition, equity accounting for joint ventures ceases once classified as held for sale.

Equity

Share capital

The transaction costs of an equity transaction are recognized as a reduction in equity, net of tax. The financing preference shares qualify as equity under the IAS 32 criteria. Incremental costs directly attributable to the issue of new shares are shown in equity as a reduction, net of tax, from the proceeds.

Treasury shares
Shares that are repurchased to cover equity-settled share-based payments are included in the financial statements of the Group. The purchase price of the shares is charged to equity. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium. Treasury shares are not taken into account in the calculation of earnings per share.

Dividends
Dividends are recognized as a liability from the moment they are granted until they are actually paid out.

Loans granted and drawn
Interest-bearing loans are initially carried at cost, plus or less transaction costs, and are subsequently carried at amortized cost, with the difference between the cost and the redemption value taken to the statement of income over the term of the loan, based on the effective interest method.

Loans for which the interest rate has been converted in a hedge relation from fixed to floating by means of a fair value hedge are revalued for the value adjustment that can be allocated to the risk that is hedged.

Employee benefits

Pensions and other employee benefits
The pension plans are generally administered by separate company pension funds and partly insured with insurance companies.

The pension charges for defined benefit pension plans are based on actuarial calculations, specifically the projected unit credit method. The effect of this method is that the charges are spread fairly evenly over the service years of employees.

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 from 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.

The actuarial results are determined individually for each defined benefit plan and include the effect of the difference between the assumed actuarial parameters and reality, and the changes in assumed actuarial parameters. All actuarial results exceeding a margin of 10% of the fair value of the higher of assets of the fund and the present value of the future liabilities at the beginning of the financial year are recognized in the statement of income over the average remaining service years of employees.

To calculate the present value, a discount rate is used based on the interest rates on high-quality corporate bonds with durations approximating the terms of the pension liabilities. Contributions to defined contribution schemes are taken to the statement of income for the year in which they are due.

Multi-employer plans that include defined benefit pension plans but for which insufficient information is available for the Group to make IAS 19 calculations are treated as if they were defined contribution.

Share-based compensation
The Group operates a number of equity-settled share-based compensation plans (LTIPs 2007, 2008, 2009 and 50% of the LTIP 2010) and a cash-settled share-based compensation plan (50% of the LTIP 2010) under which the entity receives services from employees as consideration for respectively equity instruments of the Group and the equivalent in cash of equity instruments.

Equity-settled share-based compensation plans
The fair value of the employee services received in exchange for the equity instruments is recognized as an expense in the statement of income and a corresponding adjustment to equity. The total amount to be expensed is determined by reference to the fair value of the grants measured at the applicable grant date, excluding the impact of any service and non-market performance vesting conditions (like profitability growth targets and remaining an employee of the entity over a specified time period). Non-market vesting conditions are included in assumptions about the number of shares that are expected to vest. The total amount expensed is recognized over the vesting period, which is the period over which all of the vesting conditions are to be satisfied. The vesting period starts at the first date of the performance period and ends at vesting date, being the last day of the performance period. At the end of each reporting period, Vopak determines if it is necessary to revise the expectation of the number of shares that are expected to vest based on the non-market vesting conditions. On vesting date Vopak will revise the estimate to equal the number of equity instruments that ultimately vest. Effects of revising the original estimates are recognized in the statement of income with an equivalent adjustment in equity.

Cash-settled share-based compensation
The cash-settled share-based compensation is an equivalent in cash of the number of shares that are expected to vest. Contrary to equity-settled arrangements the fair value of the employee services is not determined at grant date but at each reporting date and at the settlement date. The fair value of the amount payable to employees in respect of the cash-settled share-based compensation is recognized as an expense with a corresponding increase of liabilities, until the end of the vesting period, on which date the employees unconditionally become entitled to payment. The vesting period starts at the first date of performance period and ends at vesting date, being the last day of the performance period. Any changes in the fair value of the liability and any revised expectations of the number of shares that are expected to vest based on the non-market vesting conditions are recognized as personnel expenses in profit or loss.

Change of Control
In the event of a significant change of the management and/or structure of the company or part of the company resulting from a merger, takeover, sale, divestiture or similar transaction (Change of Control) the Supervisory Board is entitled to cancel the conditionally granted shares and pay the participants a (pro rata) amount in cash based on the average stock price over the quarter preceding the date of the press release announcing the intended transaction. As the likelihood of such a situation occurring is considered remote, for this period they are treated entirely as an equity share-based payments plan.

Other types of remuneration
Long-term remuneration settled in cash that depends on the development of the earnings per ordinary share during a period of three years is allocated to these years based on the latest estimates. Liabilities are recognized via provisions and remeasured at the end of each reporting period.

Other provisions
Provisions are formed for legal or constructive obligations that arose in the past, the amount of which, though uncertain, can be reliably estimated and where it is probable that settlement of the obligations will entail a cash outflow. If the time horizon is significant, the size of the provision is based on the expected future cash flows discounted at a pre-tax rate that reflects the current market rate of interest as well as the specific risks associated with the liabilities.

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.

A provision for reorganization is formed when Vopak has approved a detailed and formalized reorganization plan and when the reorganization has either commenced or been made public.

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

Vopak recognizes a provision for loss-making contracts if the expected benefits to be derived from a contract are lower than the unavoidable costs. The unavoidable costs reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling the obligations under the contract and any compensation or penalties arising from failure to fulfil it.

Vopak is subject to legislation encouraging reductions in greenhouse gas emissions and has been awarded CO_2 emission rights for a limited number of terminals. Emission rights are reserved for meeting delivery obligations and are recognized at cost (usually zero). Revenue is recognized when surplus emission rights are sold to third parties. When actual emissions exceed the emission rights available to Vopak, a provision is recognized for the expected additional costs.

Taxes

Taxes on profit or loss for the financial year comprise current and deferred taxes. Taxes are recognized in the statement of income unless they relate to items directly recognized in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, with tax rates used as determined by law as at the end of the reporting period, plus any adjustments to prior-year tax payable.

Deferred taxes are provided for using the liability method, whereby provisions are made for all taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. No deferred taxes are provided for the following temporary differences:

- Goodwill not deductible for tax purposes.
- Initial recognition of assets and liabilities that affect neither accounting nor taxable profit.
- Differences relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future.

The calculation is based on tax rates enacted or substantively enacted, as at the end of the reporting period.

Deferred tax assets arising on offsettable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, and available tax losses carried forward are recognized only for the amount for which it is probable that sufficient future taxable profits will be available against which these differences or losses can be set off.

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

Trade and other payables

Trade and other payables are generally recognized at amortized cost using the effective interest method.

Cash flow policies

The cash flow statement is drawn up based on the indirect method. Cash flows denominated in foreign currencies are translated at average exchange rates. Exchange and translation gains and losses on cash and cash equivalents (including current liabilities arising from credit facilities) are presented separately. The cash flows in the cash flow statement are shown separately under operating activities, investing activities and financing activities.

Dividend received from joint ventures and result joint ventures are both presented under Cash flows from operating activities (gross). Receipts and expenditures relating to interest and dividends received on participating interests of less than 20% are stated under Cash flows from operating activities (net).

The acquired financial interests (subsidiaries and joint ventures) are included under Cash flows from investing activities.

Dividend distributions are stated under Cash flows from financing activities.

Company statement of income

An abridged company statement of income is presented in accordance with Section 402 of Book 2 of the Dutch Civil Code.

Financial Risks and Risk Management

Risks and risk management

The Group is exposed to a number of financial risks inherent in its day-to-day operations. These risks are connected with the effects of movements in exchange rates and interest rates. The Group is also exposed to credit risk and liquidity risk.

Risks are identified by Corporate Treasury, the central treasury department. The Executive Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. Reports on risk and risk management are submitted on a regular basis.

Hedging alternatives are discussed by the Operational Finance Committee, a body comprising representatives from the various financial disciplines at head office, prior to approval for the transactions being requested from the Executive Board.

In order to control the risks attached to fluctuations in foreign currencies and interest rates, Vopak uses derivative financial instruments in accordance with a financial policy approved by the Executive Board. This financial policy is designed to control the effects of such risks on cash flows, equity and results. No speculative positions are adopted.

The main derivative financial instruments used by the Group are forward exchange contracts, interest rate swaps and cross currency interest rate swaps.

Market risks and risk management

Currency risks and risk management

The Group operates internationally and is exposed to foreign currency exchange risk arising mainly from US dollar (USD), Singapore dollar (SGD), Chinese yuan (CNY), Brazilian real (BRL) and Japanese yen (JPY). Foreign currency exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

The primary objective of the currency risk policy is to protect the value of Vopak's cash flows. Account is taken of future cash flows from investments and disposals as well as cash flows from operating and financing activities. Each quarter, currency risks are identified and the hedging strategy is reviewed and subsequently presented to the Executive Board for approval.

The risks associated with commercial transaction positions arising from operating activities are limited for Vopak, since operating income and operating expenses are, as a rule, largely denominated in the same currency. However, in some countries (in particular, in Latin America), a substantial portion of the income flow is in US dollar (USD) whereas the operating expenses are denominated in local currencies. In these countries, the aim is to hedge the transaction risk naturally. Any material net transaction position can be hedged in full by means of forward exchange contracts.

The main foreign currency risk results from investments in foreign operations whose net assets are exposed to foreign currency translation risk. The group result is also impacted by translating the result of foreign currency operations.

Translation risk arising from the investments in foreign operations

Net investments in foreign activities are, in principle, hedged by loans in the same currency and forward exchange contracts, while applying hedge accounting. The amount of the hedge is determined mainly by the expected net financing position : EBITDA ratio of subsidiaries for the next three years, taking into account the tax effects and hedging costs. In certain situations, such as in the event of new investments, the decision may be made to hedge more than would be possible based on the optimal net financing position : EBITDA ratio. In such situations, the nominal value of the hedge might exceed the carrying amount of the underlying asset.
As was the case in 2009, there were no hedges that exceeded the carrying amount of the underlying assets in the 2010 financial year.

In line with the currency risk policy, Vopak has converted fixed-interest loans respectively USD 373 million, GBP 20 million and JPY 16 billion into fixed-interest loans for a total amount of EUR 435 million by means of cross currency interest rate swaps (CCIRS) as the funding in these foreign currencies were higher than the related investments and loans in foreign operations. The fair value changes relating to the currency part of the principal of the CCIRS are recognized directly in the statement of income offsetting the exchange differences on the hedged loans.

Prospective and retrospective hedge effectiveness tests are performed for hedge accounting purposes at each reporting date. The results of these effectiveness tests should satisfy the effectiveness criterion (between 80% and 125%) as defined in IAS 39. All hedges were effective in 2010 and 2009.

Sensitivity of exchange rate changes of financial instruments

The value of debt and hedging instruments denominated in currencies other than the functional currency of the entities holding them are subject to exchange rate movements. The sensitivity analysis shows how changes in exchange rates affect net profit and shareholders' equity.
The sensitivity analysis for currency risks is based on the following assumptions:

- The transaction risk on the foreign currency accounts receivable and accounts payable resulting from commercial transactions is excluded from this analysis as the risk is considered to be immaterial.
- The difference between the highest and lowest exchange rates on the reporting dates for the financial years was calculated as an indication for a reasonably possible change in exchange rates.
- Scenario analyses were performed in the treasury management system to determine the fair value change of derivative financial instruments.
- The currency risk on intercompany balances is taken into account in the analysis.
- The effect on net profit is measured for a one-year period.
- Showing the sensitivity for exchange differences on net investments is not required under IFRS 7 but is included as the movement of the hedges are offset by movements in the net investments.

The US dollar (USD), the Singapore dollar (SGD), the Chinese yuan (CNY), the Brazilian real (BRL) and as from 2010 the Japanese yen (JPY) were the main currencies for which Vopak ran translation risks. The sensitivity to these currencies for the positions at 31 December 2010 and 31 December 2009 can be broken down as follows.

Sensitivity of statement of financial position items at 31 December 2010

	USD		SGD		CNY		BRL		JPY	
Closing exchange rate 2010	1.34	1.34	1.71	1.71	8.81	8.81	2.22	2.22	108.63	108.63
Reasonably possible change [1]	12%	- 12%	14%	- 14%	13%	- 13%	18%	- 18%	18%	- 18%
Effect on net profit	**- 0.8**	**1.0**	**- 0.3**	**0.4**	**- 0.6**	**0.8**	**0.2**	**- 0.2**	**–**	**–**
Exchange differences on net investments	- 40.5	51.7	- 19.0	25.2	- 20.0	26.1	- 11.2	16.2	- 5.1	7.4
Effective part of hedges of net investments	34.5	- 44.0	18.0	- 23.8	8.9	- 11.6	1.7	- 2.4	4.2	- 6.0
Effect on revaluation reserve derivatives	- 0.7	1.0	0.4	- 0.4	–	–	–	–	- 3.2	5.2
Effect on shareholders' equity	**- 6.7**	**8.7**	**- 0.6**	**1.0**	**- 11.1**	**14.5**	**- 9.5**	**13.8**	**- 4.1**	**6.6**

[1] A negative deviation indicates that the foreign currency has appreciated against the euro

Sensitivity of statement of financial position items at 31 December 2009

	USD		SGD		CNY		BRL	
Closing exchange rate 2009	1.43	1.43	2.01	2.01	9.77	9.77	2.49	2.49
Reasonably possible change [1]	16%	- 16%	7%	- 7%	16%	- 16%	23%	- 23%
Effect on net profit	**- 0.7**	**1.0**	**- 0.5**	**0.6**	**- 0.6**	**0.8**	**–**	**–**
Exchange differences on net investments	- 58.9	81.9	- 9.3	10.7	- 16.7	23.2	- 8.4	13.4
Effective part of hedges of net investments	38.9	- 54.1	8.4	- 9.6	9.5	- 13.2	1.8	- 2.9
Effect on revaluation reserve derivatives	- 2.5	5.1	0.1	- 0.1	–	–	–	–
Effect on shareholders' equity	**- 22.5**	**32.9**	**- 0.8**	**1.0**	**- 7.2**	**10.0**	**- 6.6**	**10.5**

[1] A negative deviation indicates that the foreign currency has appreciated against the euro

Sensitivity of exchange rate changes arising from the translation of the results of foreign currency operations

The group result is also impacted by translating the result of foreign currency operations.

The translation risk of converting the net result of foreign entities into euros mainly concerns the Singapore dollar (SGD) and the US dollar (USD). The sensitivity to these currencies is as follows.

A 10 dollar cent change in the EUR/USD exchange rate approximately affects Vopak's figures as follows (based on figures for 2010):

- Revenues would differ by EUR 13.6 million (2009: EUR 12.5 million).
- Group operating profit (EBIT) would differ by EUR 4.7 million (2009: EUR 5.9 million).
- Net profit would differ by EUR 3.3 million (2009: EUR 4.6 million).

A 10 dollar cent change in the EUR/SGD exchange rate approximately affects Vopak's figures as follows (based on figures for 2010):

- Revenues would differ by EUR 10.9 million (2009: EUR 7.5 million).
- Group operating profit (EBIT) would differ by EUR 6.4 million (2009: EUR 4.1 million).
- Net profit would differ by EUR 3.6 million (2009: EUR 2.4 million).

Interest rate risk and interest rate risk management

Vopak's policy on interest rate risks aims to control the net finance costs resulting from fluctuations in market interest rates, taking into account the long-term profile of the company. Loans granted/Borrowings issued at fixed interest rates expose the group to fair value interest rate risk. Loans granted/Borrowings issued at floating rate expose the group to cash flow interest rate risk.

Interest rate swaps may be used to take advantage of market opportunities to reduce costs and interest rate risk. Interest rate risks are identified and possible hedges considered when obtaining or providing new financing.

At 31 December 2010, taking account of interest rate swaps, 91% (2009: 93%) of the total interest-bearing loans of EUR 1,579.2 million (2009: EUR 1,190.3 million) was financed at a fixed interest rate with remaining terms of up to twenty years. The increased fixed rate portion is a result of the new fixed-interest private placements which were used to repay the floating funds of the revolver credit facility. As a consequence of the fixed interest the company is both exposed to cash flow risk and fair value interest rate risk.

Hedging fixed foreign currency interest rates to fixed EUR interest rates

As part of the interest rate risk policy, Vopak has converted fixed-interest loans totalling USD 373 million into fixed-interest loans for the amount of EUR 267 million and GBP 20 million into a fixed-interest loan for the amount of EUR 22.7 million by means of cross currency interest rate swaps (CCIRS). The objective of these hedges is to restrict fluctuations in interest charges as a result from changes in the currency exchange rates. In 2010 Vopak issued new fixed-interest notes on the Asian private market for an amount of JPY 20 billion, of which JPY 16 billion is swapped into fixed-interest loans for the amount of EUR 146 million by means of CCIRS. Cash flow hedge accounting is applied for these CCIRSs.

The hedge effectiveness is measured both prospectively and retrospectively. As a minimum, the tests are performed as at the reporting date. The results of these effectiveness tests should satisfy the effectiveness criterion (between 80% and 125%) as defined in IAS 39. All hedges were effective in 2010 and 2009.

Hedging floating interest rates to fixed interest rates

Vopak converted SGD 147 million of a floating rate bank loan of SGD 200 million into a fixed SGD rate loan. Cash flow hedge accounting is applied to this hedge.

The hedge effectiveness is measured both prospectively and retrospectively. As a minimum, the tests are performed as at the reporting date. The results of these effectiveness tests should satisfy the effectiveness criterion (between 80% and 125%) as defined in IAS 39. All hedges were effective in 2010 and 2009.

Hedging fixed interest rates to floating interest rates

The current interest-bearing debt consists largely of fixed-interest financing. In 2010, SGD 100 million of this interest-bearing debt was converted into a floating rate debt through interest rate swaps. Fair value hedge accounting is applied to this hedge.

The hedge effectiveness is measured both prospectively and retrospectively. As a minimum, the tests are performed as at the reporting date. The results of these effectiveness tests should satisfy the effectiveness criterion (between 80% and 125%) as defined in IAS 39. All hedges were effective in 2010 and 2009.

Sensitivity of changes in market interest rates (IFRS 7)

The sensitivity analysis shows how changes in market interest rates affect net profit and shareholders' equity, for which the analysis for interest rate risks is based on the following assumptions:

- The difference in market interest rates at 1 January and 31 December of the financial years was calculated to determine the reasonably possible change in market interest rates. However due to the volatility of the market interest rates Vopak has used a fixed percentage of 25% as a reasonable change at year-end 2010 and year-end 2009.
- Scenario analyses were performed in the treasury management system to determine the fair value change of derivative financial instruments.
- With non-derivative fixed-rate financial instruments, changes in market interest rates only affect profit if they are carried at fair value. As such, changes in the interest rate have no effect on the fixed-interest financial instruments of the Group as these are all recognized at amortized cost.
- The analysis includes the effect of changes in market interest rates on floating rate non-derivative financial instruments.
- The effect of changes in market interest rates on financial instruments allocated as hedges of a net investment in a foreign entity is recognized in the statement of income under Finance costs and taken into account when performing the sensitivity analysis on the assumption that the amount of the hedge remains unchanged.
- The effect of changes in market interest rates on financial instruments allocated as cash flow hedge is recognized in the derivative financial instrument revaluation reserve component of shareholders' equity and taken into account when performing the shareholders' equity sensitivity analysis.
- In the event of a fair value hedge whereby a fixed interest rate is converted into a floating rate through an interest rate swap, the hedging instrument is carried at fair value and the changes in fair value are taken to the statement of income. The hedged risk portion of the hedged positions is likewise recognized at fair value and the changes in value are taken directly to the statement of income. Since the hedge relationship is 100% effective, the effect of the movement in fair value of the hedging instrument is completely compensated by the movement in fair value of the hedged position and as such do not have an impact on equity. The impact on the income statement is included in the analysis.
- Changes in the fair value of derivative financial instruments not forming part of a hedge relationship as referred to in IAS 39 are accounted for under Finance costs and are taken into account when performing sensitivity analyses.
- The effect on net profit is measured for a one-year period.

Sensitivity of changes in market interest rates for 2010

		EUR		USD		SGD		JPY
Closing level 3-month interest rate 2010	0.79%	0.79%	0.65%	0.65%	0.40%	0.40%	0.04%	0.04%
Reasonably possible change	25%	- 25%	25%	- 25%	25%	- 25%	25%	- 25%
Effect on net profit	**- 0.1**	**0.1**	**- 1.7**	**1.7**	**- 0.5**	**0.5**	**–**	**–**
Effect on revaluation reserve								
derivatives shareholders' equity	**41.7**	**- 48.3**	**–**	**–**	**0.1**	**- 0.1**	**- 13.4**	**15.1**

Sensitivity of changes in market interest rates for 2009

		EUR		USD		SGD
Closing level 3-month interest rate 2009	0.70%	0.70%	0.25%	0.25%	0.50%	0.50%
Reasonably possible change	25%	- 25%	25%	- 25%	25%	- 25%
Effect on net profit	**- 0.3**	**0.3**	**- 0.2**	**0.2**	**- 0.7**	**0.7**
Effect on revaluation reserve						
derivatives shareholders' equity	**20.3**	**- 22.6**	**- 0.6**	**0.6**	**1.1**	**- 1.1**

Other price risks
The group has no significant equity or bonds which are valued at fair value as available-for-sale or fair value through statement of income.

Credit risk and credit risk management
Vopak's maximum exposure to credit risks is the carrying amount of financial assets amounting to EUR 442.8 million (2009: EUR 395.4 million) (see notes 14 and 31) and the credit replacing guarantees amounting to EUR 58.7 million (2009: EUR 30.7 million). Loans granted to joint ventures are not secured by collaterals. Exposure to the risk of bad debt is limited as the value of the product stored for these clients usually exceeds the value of the receivables and Vopak generally has the right of retention although other claims may have priority ranking over the right of retention in a bankruptcy case. Assessing the financial positions of counterparties is part of our credit management and tendering process, but cannot exclude all credit risk. Since the global financial crisis Vopak has intensified credit management and monitoring of outstanding receivables and stored products.

The Group's management considers that all the financial assets that are not impaired or past due for each of the reporting dates under review are of good quality. The credit risk for cash and cash equivalents and derivative financial instruments is considered negligible. As far as possible, financial instruments and cash and cash equivalents are spread evenly across a select group of financial institutions with daily limiting the cash and cash equivalents within the Group. The exposure to each financial institution is assessed regularly and appropriate action is taken within Vopak's treasury policy.

Liquidity risks and liquidity risk management
Liquidity risk is defined as the risk that the group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Vopak is a capital-intensive company. 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 program. Vopak seeks access to the capital markets and flexibility at acceptable finance costs. The liquidity requirements are continuously monitored and funding is planned in such a way as to avoid excessive short-term financing needs. The long-term liquidity risk is assessed prior to every major investment obligation and the current financing policy is reviewed on the basis of this assessment and adjusted where necessary. The group works actively to maintain and further develop the diversified funding base it already has, with regard to the number of markets and the number of investors.

In 2010 Vopak issued new senior unsecured Notes in the Asian Private Placement market for the amounts of SGD 225 million and JPY 20 billion. The Singapore dollar and the Japanese yen PPs have 'bullet maturities' of respectively 7.2 and 30 years.

Corporate Treasury acts as an in-house bank that internally allocates funds raised centrally. Surplus cash held by the operating entities over and above balance required for working capital management is transferred to Corporate Treasury and operating companies are funded by a combination of equity and inter-company loans. The bank loan of Vopak Terminals Singapore Pte. Ltd. (SGD 200 million) is an exception. Joint ventures, where possible, are funded optimally with debt on a non-recourse basis for Vopak, with account being taken of local circumstances and contractual obligations. Active cash management is a daily responsibility and each quarter the liquidity requirements are identified based on thorough scenario planning. Corporate Treasury invests surplus cash in interest-bearing current accounts and deposit accounts. Due to the new private placements the revolving credit facility with a maturity date until August 2012 has been fully repaid. This facility may be drawn in various currencies and with different terms, up to an amount of EUR 1.0 billion. At year-end 2010 the facility is fully available (see note 26). At 31 December 2010 the group also has committed unused lines of credit of EUR 110.0 million that is available to meet short-term liquidity needs. There are no significant restrictions on the use of these facilities.

The table below analyses the group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. Derivative financial instruments are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The table also analyses the maturity profile of financial assets in order to provide a complete view of the contractual commitments and liquidity. The amounts disclosed in the table are the contractual undiscounted cash flows. The financial guarantees and securities are contingent liabilities.

Liquidity risk at 31 December 2010

				Years
In EUR millions	< 1	1-2	2-5	> 5
Cash and cash equivalents	181.8	–	–	–
Trade debtors	73.7	–	–	–
Other accounts receivable	142.3	–	–	–
Total undiscounted financial assets (excluding gross settled derivatives)	**397.8**	**–**	**–**	**–**
Redemption of interest-bearing loans	190.7	16.0	326.2	1,046.3
Interest payments	69.0	63.3	180.5	253.2
Trade creditors	48.7	–	–	–
Other trade payables	128.3	–	–	–
Cash-settled equity-based liability	–	–	1.4	–
Wage tax and social security charges	5.6	–	–	–
Financial guarantees and securities	91.3	–	–	–
Interest rate swaps	- 7.2	4.3	13.7	88.6
Total undiscounted financial liabilities (excluding gross settled derivatives)	**526.4**	**83.6**	**521.8**	**1,388.1**
Derivative financial instruments outflow	522.1	–	–	–
Derivative financial instruments inflow	- 513.8	–	–	–
Total undiscounted gross settled derivatives	**8.3**	**–**	**–**	**–**
Liquidity movement	**- 136.9**	**- 83.6**	**- 521.8**	**- 1,388.1**

Liquidity risk at 31 December 2009

				Years
In EUR millions	< 1	1-2	2-5	> 5
Cash and cash equivalents	189.4	–	–	–
Trade debtors	67.4	–	–	–
Other accounts receivable	114.8	–	–	–
Total undiscounted financial assets (excluding gross settled derivatives)	**371.6**	**–**	**–**	**–**
Redemption of interest-bearing loans	25.1	179.5	204.4	781.3
Interest payments	65.9	56.4	146.1	266.4
Trade creditors	38.6	–	–	–
Other trade payables	93.0	–	–	–
Wage tax and social security charges	5.6	–	–	–
Financial guarantees and securities	65.3	–	–	–
Interest rate swaps	8.9	17.1	0.2	- 0.1
Total undiscounted financial liabilities (excluding gross settled derivatives)	**302.4**	**253.0**	**350.7**	**1,047.6**
Derivative financial instruments outflow	539.6	–	–	–
Derivative financial instruments inflow	- 533.6	–	–	–
Total undiscounted gross settled derivatives	**6.0**	**–**	**–**	**–**
Liquidity movement	**63.2**	**- 253.0**	**- 350.7**	**- 1,047.6**

The lenders have the right to demand complete repayment of the outstanding amounts in case any person or any group of persons acting together, except for the shareholders with a shareholding of more than 5 per cent as per end of 2010, acquires control of more than 50% of the voting rights of Koninklijke Vopak N.V. (Change of Control).

Management of pension risk

Vopak operates a number of pension schemes including defined benefit schemes. The Dutch pension scheme represents 83% of the total defined benefit plans, whilst the pension schemes in the United Stated and United Kingdom each represents approximately 6% of the total defined benefit plans. The liabilities and pension charges related to the defined benefit schemes are subject to risks regarding changes in discount rates, plan asset values and returns derived from these assets, future salary increases, inflation and life expectancy. Such changes can negatively influence the liabilities and necessitate additional future pension charges under IAS 19. A sensitivity analysis with respect to the impact on pension charges of changes in the major assumptions is included in note 27 to the consolidated statement of financial position.

The risks of market related fluctuations in the value of plan assets are managed through prudent investments strategies and close risk monitoring. The investment strategies are set in line with liabilities and local practice and usually derive from asset liability studies executed in consultation with external advisors. The investment strategies are within the relevant directions of regulatory authorities (in the Netherlands: 'De Nederlandsche Bank').

On a local basis cash contributions may be needed if local funding levels deteriorate. These contributions are subject to local arrangements and legal requirements. As far as possible Vopak aims to reduce the volatility in cash contributions.

Segment Reporting

All amounts are in EUR millions, unless stated otherwise.

General

The segmentation is based on the internal organization of the Group and the management reporting structure as required by IFRS 8. The Group is organized in market regions, divided into five divisions. In these regions, the Group acts as independent tank terminal operator specialized in the storage and transfer of liquid and gaseous chemical and oil products, with complementary logistics services (other activities) provided to customers at its terminals.

Segmentation

	Revenues		Depreciation and amortization		Result of joint ventures		Group operating profit	
Statement of income	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Chemicals Europe, Middle East & Africa	325.1	312.7	46.4	39.3	1.5	1.8	91.1	92.1
of which the Netherlands	*179.0*	*174.9*	*27.2*	*21.5*	*0.3*	*–*	*51.1*	*53.8*
Oil Europe, Middle East & Africa	278.1	269.5	29.9	25.9	41.3	32.1	151.6	140.7
of which the Netherlands	*204.4*	*190.5*	*20.9*	*18.8*	*1.3*	*2.2*	*100.1*	*88.7*
Asia	272.5	206.2	48.0	39.6	33.9	25.7	169.9	124.6
of which Singapore	*195.7*	*151.1*	*31.2*	*28.1*	*–*	*–*	*115.6*	*84.1*
North America	138.3	131.7	15.5	13.0	8.6	3.6	43.8	46.1
Latin America	88.2	77.9	10.8	7.8	1.1	0.7	28.5	24.3
Non-allocated	4.1	3.1	2.3	2.5	- 3.0	- 3.4	- 42.9	- 36.7
Total	**1,106.3**	**1,001.1**	**152.9**	**128.1**	**83.4**	**60.5**	**442.0**	**391.1**
Reconciliation with the consolidated net profit								
Group operating profit							442.0	391.1
Net finance costs							- 68.4	- 45.7
Profit before income tax							373.6	345.4
Income tax							- 72.8	- 68.9
Net profit							**300.8**	**276.5**

As the Group neither allocates interest expense to segments nor account for taxes in them, there is no segmented disclosure of the net profit. There are no single external customers with 10 per cent or more of the Group's total revenues.

In addition to amortization and depreciation, a reversal of an impairment of EUR 1.4 million was recognized by the division Oil Europe, Middle East & Africa for the relocation of the Waltershof terminal to another Vopak location in Hamburg.

The result of joint ventures included a total impairment of EUR 1.6 million. At the division Oil Europe, Middle East & Africa an impairment of EUR 0.6 million was taken for the joint venture Interstream Barging B.V. (the Netherlands) at the reclassification to held for sale. Under Non-allocated an impairment of EUR 1.0 million was taken for the development of a LNG-project in Eemshaven (the Netherlands), in which Vopak had a 25% equity stake, as there was not enough economic basis to come to a positive investment proposal.

In 2009 the result of joint ventures included a total impairment of EUR 5.6 million which was recognized for Vopak's interests in the joint venture Xiamen, China (EUR 3.1 million) and in real estate in Rotterdam, the Netherlands (EUR 2.5 million). On group company level a total impairment of 3.0 million was recognized in 2009 for a pipeline connection in Lanshan, China, (EUR 0.5 million) and the relocation of the Waltershof terminal to another Vopak location in Hamburg, Germany (EUR 2.5 million).

Statement of financial position	Assets of subsidiaries 2010	Assets of subsidiaries 2009	Joint ventures 2010	Joint ventures 2009	Total assets 2010	Total assets 2009	Total liabilities 2010	Total liabilities 2009
Chemicals Europe, Middle East & Africa	754.0	673.1	18.3	18.4	772.3	691.5	126.9	104.9
of which the Netherlands	*412.0*	*366.9*	*1.8*	*1.5*	*413.8*	*368.4*	*51.0*	*45.9*
Oil Europe, Middle East & Africa	752.1	525.1	196.7	160.0	948.8	685.1	141.0	151.4
of which the Netherlands	*563.9*	*418.0*	*2.0*	*7.2*	*565.9*	*425.2*	*50.4*	*54.1*
Asia	869.9	754.5	245.0	194.1	1,114.9	948.6	259.6	211.6
of which Singapore	*497.9*	*443.5*	–	–	*497.9*	*443.5*	*226.7*	*184.2*
North America	302.3	213.9	100.5	86.2	402.8	300.1	90.5	71.5
Latin America	269.8	174.6	6.6	4.3	276.4	178.9	40.0	28.9
Non-allocated	275.9	299.9	39.9	31.9	315.8	331.8	1,622.9	1,234.9
Total	**3,224.0**	**2,641.1**	**607.0**	**494.9**	**3,831.0**	**3,136.0**	**2,280.9**	**1,803.2**

Investments [1]	Intangible assets 2010	Intangible assets 2009	Property, plant and equipment 2010	Property, plant and equipment 2009	Other non-current assets 2010	Other non-current assets 2009	Joint ventures 2010	Joint ventures 2009	Total 2010	Total 2009
Chemicals Europe, Middle East & Africa	2.0	0.9	97.2	110.1	0.1	0.1	–	–	99.3	111.1
of which the Netherlands	*0.8*	*0.4*	*51.9*	*85.6*	–	–	–	–	*52.7*	*86.0*
Oil Europe, Middle East & Africa	0.8	1.0	220.8	173.1	–	–	4.3	–	225.9	174.1
of which the Netherlands	*0.2*	*0.6*	*166.7*	*147.7*	–	–	–	–	*166.9*	*148.3*
Asia	1.8	0.2	42.9	95.7	1.8	6.9	17.0	17.8	63.5	120.6
of which Singapore	*0.1*	*0.1*	*17.3*	*42.1*	*1.8*	*0.3*	–	–	*19.2*	*42.5*
North America	0.7	0.4	58.8	27.3	–	–	–	–	59.5	27.7
Latin America	1.7	1.0	34.5	48.5	0.3	0.5	1.8	–	38.3	50.0
Non-allocated	4.9	2.3	2.3	0.7	–	–	19.4	18.5	26.6	21.5
Total	**11.9**	**5.8**	**456.5**	**455.4**	**2.2**	**7.5**	**42.5**	**36.3**	**513.1**	**505.0**

[1] Excluding loans granted and acquisition of subsidiaries and joint ventures

Changes in Subsidiaries

Subsidiaries

Subsidiaries are fully consolidated from the date on which control is transferred to Vopak and are deconsolidated from the date on which Vopak's control ceases. The changes and the effects on Vopak's financial position were as follows:

	2010	2009	
In EUR millions	Acquisitions	Acquisitions	Divestments
Intangible assets other than goodwill	8.0	1.6	–
Property, plant and equipment	28.6	–	- 11.7
Loans granted	3.3	–	–
Deferred tax	0.3	–	–
Other non-current assets	–	–	- 1.3
Total non-current assets	**40.2**	**1.6**	**- 13.0**
Cash and cash equivalents	0.2	0.1	- 0.6
Other current assets	0.8	0.1	- 1.6
Total current assets	**1.0**	**0.2**	**- 2.2**
Total assets	**41.2**	**1.8**	**- 15.2**
Deferred tax	–	0.5	- 1.1
Total non-current liabilities	**–**	**0.5**	**- 1.1**
Other current liabilities	1.2	0.1	- 2.8
Total current liabilities	**1.2**	**0.1**	**- 2.8**
Total liabilities	**1.2**	**0.6**	**- 3.9**
Net identifiable assets and liabilities at fair value respectively carrying value	**40.0**	**1.2**	**- 11.3**
Deferred payment	–	- 2.9	–
Non-controlling interests	- 7.1	–	–
Use of exchange differences on net investments in foreign entities (to statement of income)	–	–	0.4
Goodwill on acquisitions	–	2.9	–
Transfer to held for sale	–	–	11.3
Divestment assets held for sale	–	–	- 11.3
Gains (-) and losses on sale of controlling interest subsidiaries	–	–	- 5.4
Cash and cash equivalents paid and received (-)	**32.9**	**1.2**	**- 16.3**
Cash and cash equivalents of subsidiaries acquired (-) and sold	- 0.2	- 0.1	–
Net cash flows paid and received (-)	**32.7**	**1.1**	**- 16.3**

2010

Acquisitions
On 28 April 2010 Vopak acquired a 80% stake in the Spanish company Alpetrol. Alpetrol holds a concession granted by the Algeciras Port Authorities and obtained all relevant permits for the construction and operation of a bulk liquid storage terminal in the port of Algeciras.

In December 2010 Vopak acquired a 79% stake in the State Street terminal in Perth Amboy, New Jersey (USA). The terminal has been decommissioned for 15 years and consists of 26 owned acres with rights pertaining to shoreline and water usage on the Arthur Van Kil River. It is our intention to revamp part of the existing facilities and build new capacity to be used for the storage of oil products.

Both transactions are accounted for as asset acquisitions as the assets and liabilities assumed do not constitute a business.

2009

Acquisitions
In 2009, Vopak made two acquisitions with limited impact. In Germany, agency operations were acquired and in France, Vopak acquired a 90% interest in the development of an LNG terminal in Fos-sur-Mer.

Divestments
On 17 November 2009 Vopak divested its terminal in Basle, Switzerland. This generated a net cash flow of EUR 16.3 million and a gain of EUR 5.4 million.

Notes to the Consolidated Statement of Income

All amounts are in EUR millions, unless stated otherwise.

1. Exceptional items

	Note	2010	2009
Write-off project costs	5	- 2.2	–
Use of grant to compensate impairments	2	–	2.5
Impairments	4	–	- 3.0
Reversal of impairment	4	1.4	–
Reversal of use of grant to compensate impairments	2	- 1.4	–
Impairment joint ventures	6	- 1.6	- 5.6
Gains on deconsolidations of subsidiaries	2	0.5	0.8
Gains on sale of property, plant and equipment	2	–	5.7
Gains on sale of assets held for sale	2	–	5.4
Group operating profit		**- 3.3**	**5.8**
Tax on above-mentioned items		0.4	- 1.1
Total effect on net profit		**- 2.9**	**4.7**

2. Other operating income

	Note	2010	2009
Gains on deconsolidations of subsidiaries		0.5	0.8
Gains on sale of property, plant and equipment		1.6	8.3
Gains on sale of assets held for sale		–	5.4
Reversal of use of grant to compensate impairments	12	- 1.4	–
Use of grant to compensate impairments	12	–	2.5
Other		7.8	3.9
Total		**8.5**	**20.9**

Gains on deconsolidations of subsidiaries related to the last adjustment of the selling price of Standic terminal (EUR 0.5 million) which was disposed of in 2007.

3. Personnel expenses

	Note	2010	2009
Wages and salaries		211.8	191.0
Social security charges		27.8	25.3
Contribution to pension schemes (defined contribution)	27	9.1	7.7
Pension charges (defined benefit plans)	27	10.0	19.0
Long-term incentive plans	28	4.3	2.5
Other long-term pension and other employee benefits		0.1	0.1
Early retirement		2.9	2.6
Other personnel costs		27.5	26.2
Total		**293.5**	**274.4**

Average number of employees (in FTEs)
During the year under review, the Group employed an average of 4,004 employees and temporary staff (2009: 3,911).

Movements in the number of own employees (in FTEs)

	2010	2009
Number at 1 January	**3,707**	**3,669**
Acquisitions	4	5
Deconsolidations	–	- 28
Entered service/left service	52	61
Number at 31 December	**3,763**	**3,707**

4. Depreciation, amortization and impairment

	Note	2010	2009
Intangible assets	11	7.8	7.6
Property, plant and equipment	12	145.1	120.5
Impairments	12	–	3.0
Reversal of impairments	12	- 1.4	–
Total		**151.5**	**131.1**

5. Other operating expenses

	2010	2009
Maintenance	54.4	50.1
Operating lease	41.7	36.4
Energy and utilities	47.7	46.4
Environmental, safety and cleaning	27.6	25.3
Insurance	20.4	23.5
Advisory fees	26.6	22.0
Third party logistics	15.2	11.7
Travel	11.0	8.2
Losses on sale of intangible assets and property, plant and equipment	2.7	1.0
Write-off project costs	2.2	–
Provisions for onerous contracts	–	0.7
Reversal of provision for onerous contracts	- 0.3	–
Other	62.0	60.6
Total	**311.2**	**285.9**

In 2010 in total EUR 1.3 million of costs were compensated by grants. Furthermore, a demolition provision of EUR 2.7 million has been reversed, which was originally compensated by a grant. This grant was also reversed (see note 12). In 2009 in total EUR 2.4 million of costs were compensated by grants.
The write-off of project costs (EUR 2.2 million) relates to a discontinued project in North America.

The fees listed below relate to the procedures applied to the company and its consolidated group entities by PricewaterhouseCoopers Accountants N.V., the Netherlands, the external auditor as referred to in Section 1(1) of the Dutch Accounting Firms Oversight Act (Dutch acronym: Wta), as well as by other Dutch and foreign-based PricewaterhouseCoopers individual partnerships and legal entities, including their tax services and advisory groups:

	2010	2009
Financial statements audit fees	1.2	1.1
Other assurance fees	0.2	0.1
Tax fees	0.2	0.3
Total	**1.6**	**1.5**

The total fees of PricewaterhouseCoopers Accountants N.V., the Netherlands, charged to the company and its consolidated group entities amounted to EUR 0.8 million in 2010 (2009: EUR 0.6 million).

The financial statements audit fees include the aggregate fees in each of 2010 and 2009 for professional services rendered for the audit of Vopak's annual financial statements and annual statutory financial statements of subsidiaries or services that are normally provided by the auditor in connection with the audits. The other assurance fees include the aggregate fees billed for assurance and related services including due diligence and assurance services related to potential acquisitions. The tax category includes tax advisory and compliance services.

A description of the work performed by the Audit Committee in order to safeguard auditor independence is set out in the Report of the Supervisory Board (see page 15).

6. Result of joint ventures using the equity method

	Note	2010	2009
Result of joint ventures	13	85.0	66.1
Impairments joint ventures	13	- 1.6	- 5.6
Total		**83.4**	**60.5**

When a triggering event occurs, such as a material adverse market event or a significant change in forecasts or assumptions, Vopak performs an impairment test on the joint ventures likely to be affected. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

During 2010 an impairment of EUR 0.6 million was recognized for the joint venture Interstream Barging B.V., when our equity participation was reclassified to assets held for sale (see note 21). Furthermore, an impairment of EUR 1.0 million was taken for the LNG-project in Eemshaven (the Netherlands) as there was not enough economic basis to come to a positive investment proposal.
In 2009 impairments were recognized for the joint venture in Xiamen, China (EUR 3.1 million) and for participating interest in real estate in the Netherlands (EUR 2.5 million).

With respect to joint ventures, to the extent that tank storage activities are concerned, the effects of the proportionate consolidation method, based on the principles that apply to the Group's consolidated financial statements, on the statement of income and the statement of financial position are shown below.

Statement of income	2010	2009
Revenues	**259.0**	**219.4**
Group operating profit	**111.5**	**89.5**
Net profit of tank storage activities	83.1	60.8
Net profit of other activities	0.3	- 0.3
Total net profit	**83.4**	**60.5**

Statement of financial position	Note	2010	2009
Total non-current assets		1,080.7	832.4
Total current assets		111.1	81.3
Total assets		**1,191.8**	**913.7**
Total non-current liabilities		- 494.9	- 356.0
Total current liabilities		- 107.9	- 86.8
Total liabilities		**- 602.8**	**- 442.8**
Joint ventures in tank storage activities		**589.0**	**470.9**
Joint ventures in other activities		18.0	24.0
Joint ventures	13	**607.0**	**494.9**

The effects of the proportionate consolidation method on the statement of financial position and statement of income of the Group are shown on page 41.

7. Interest and dividend income

	2010	2009
Interest income	3.7	6.3
Dividends on other financial assets	0.9	0.4
Total	**4.6**	**6.7**

8. Finance costs

	Note		2010		2009
Interest expense			79.4		51.0
Capitalized interest			- 10.3		- 6.9
Interest component of provisions	27, 29		1.1		1.7
Exchange differences:					
- Use of translation reserve (hedged item)	23	0.2		- 0.1	
- Use of translation reserve (hedged instruments)	23	–		–	
- Other		- 14.9		3.0	
			- 14.7		2.9
Derivative financial instruments:					
- Interest component derivative financial instruments (net investment hedge)		0.9		0.9	
- Fair value adjustments to derivative financial instruments (no hedge accounting)		15.1		- 0.6	
- Fair value adjustments to interest rate swaps (fair value hedge)		–		- 0.8	
- Fair value adjustments to loans (fair value hedge)		–		0.7	
- Use of revaluation reserve derivatives (cash flow hedge)	23	- 0.8		1.6	
			15.2		1.8
Commitment fee			1.1		0.9
Other			1.2		1.0
Total			**73.0**		**52.4**

Capitalized interest during construction was subject to an average interest rate of 5.0% (2009: 5.1%).

9. Income tax

9.1 Recognized in the statement of income

		2010		2009
Current taxes				
Current financial year	53.0		45.6	
Adjustments for prior years	- 13.3		- 1.0	
		39.7		44.6
Deferred taxes				
Adjustments for prior years	10.3		–	
Temporary differences	25.6		26.3	
Recognition of tax losses and tax credits	- 1.5		1.0	
Changes in tax rates	- 1.3		- 3.0	
		33.1		24.3
Tax on profit		**72.8**		**68.9**

9.2 Reconciliation of effective tax rate

The income tax expense for 2010 amounted to EUR 72.8 million (2009: EUR 68.9 million). The effective tax rate for 2010 was 19.5% (2009: 19.9%). The biggest change in the make-up of the effective tax rate for 2010 relates to the change in the weighted average statutory tax rate compared to last year as shown in the following table.

		2010		2009
Profit before income tax		373.6		345.4
Tax on profit		72.8		68.9
Effective tax rate		**19.5%**		19.9%
Composition:	Amount	%	Amount	%
- Weighted average statutory tax rates	92.6	24.8	90.4	26.1
- Participation exemption	- 20.7	- 5.5	- 16.7	- 4.8
- Non-deductible expenses	7.1	1.9	5.5	1.6
- Changes in tax rates	- 1.3	- 0.4	- 2.9	- 0.8
- Recognition of tax losses and tax credits	2.3	0.6	–	–
- Tax facilities	- 0.9	- 0.2	- 1.2	- 0.4
- Movements in prior-year taxes	- 3.0	- 0.8	- 1.0	- 0.3
- Other effects	- 3.3	- 0.9	- 5.2	- 1.5
Effective tax rate	**72.8**	**19.5**	**68.9**	**19.9**

9.3 Taxes recognized in other comprehensive income

	Note	2010	2009
On exchange differences and hedges	23	- 26.4	3.0
On use of exchange differences and hedges	23	–	–
On changes in the value of cash flow hedges	23	- 0.6	- 0.6
On use of cash flow hedges	23	- 0.2	0.4
Total		**- 27.2**	**2.8**

10. Earnings per ordinary share

Basic earnings per ordinary share are calculated by dividing the net profit attributable to holders of ordinary shares by the time-weighted average number of outstanding ordinary shares (excluding the average number of treasury shares). The weighted average number of outstanding shares was 127,296,101 in 2010 (2009: 126,388,446).

In calculating the diluted earnings per ordinary share, the weighted average number of outstanding shares is adjusted for the dilutive effects of all dilutive potential ordinary shares, like share option schemes. Both at 31 December 2010 and 31 December 2009 no options were outstanding, there was no dilutive effect.

The composition of the weighted average number of outstanding shares and of the diluted weighted average number of outstanding shares is as follows:

In thousands	Note	2010	2009
Issued ordinary shares at 1 January	22	127,475	124,662
Issuance of new ordinary shares	22	–	1,848
Repurchase for treasury stock	22	- 179	- 142
Sales from treasury stock	22	–	20
Weighted average number of ordinary shares at 31 December		**127,296**	**126,388**
Dilutive effect		–	–
Diluted weighted average number of ordinary shares at 31 December		**127,296**	**126,388**

During 2010 Vopak repurchased 300,000 of its own shares for the equity-settled share-based long-term incentive plan (2009: 190,000). When the vesting conditions are met then the equity settlement will result in an increase of the number of outstanding shares.

Notes to the Consolidated Statement of Financial Position

All amounts are in EUR millions, unless stated otherwise.

11. Intangible assets

Movements in intangible assets were as follows:

	Note	Goodwill	Software	Other	Total
Purchase price of operating assets		14.3	55.0	7.4	76.7
Accumulated amortization and impairment		- 0.1	- 36.7	- 4.3	- 41.1
Carrying amount in use		14.2	18.3	3.1	35.6
Purchase price under construction		–	3.2	–	3.2
Carrying amount at 1 January 2009		**14.2**	**21.5**	**3.1**	**38.8**
Movements:					
- Acquisitions		2.9	–	1.6	4.5
- Additions		–	5.4	0.4	5.8
- Disposals		–	- 0.5	–	- 0.5
- Amortization	4	–	- 6.7	- 0.9	- 7.6
- Exchange differences		- 0.1	–	0.1	–
Carrying amount at 31 December 2009		**17.0**	**19.7**	**4.3**	**41.0**
Purchase price of operating assets		17.1	58.2	9.4	84.7
Accumulated amortization and impairment		- 0.1	- 43.5	- 5.1	- 48.7
Carrying amount in use		17.0	14.7	4.3	36.0
Purchase price under construction		–	5.0	–	5.0
Carrying amount at 31 December 2009		**17.0**	**19.7**	**4.3**	**41.0**
Movements:					
- Acquisitions		–	–	8.0	8.0
- Additions		–	10.5	1.4	11.9
- Disposals		–	- 0.4	–	- 0.4
- Amortization	4	–	- 6.4	- 1.4	- 7.8
- Exchange differences		0.4	0.6	0.2	1.2
Carrying amount at 31 December 2010		**17.4**	**24.0**	**12.5**	**53.9**
Purchase price of operating assets		17.4	67.0	19.4	103.8
Accumulated amortization and impairment		–	- 51.0	- 6.9	- 57.9
Carrying amount in use		17.4	16.0	12.5	45.9
Purchase price under construction		–	8.0	–	8.0
Carrying amount at 31 December 2010		**17.4**	**24.0**	**12.5**	**53.9**

In 2010 there were no acquisitions constituting a business combination.

On 16 July 2009 Vopak and Shell announced to jointly develop a liquefied natural gas (LNG) terminal at Fos-sur-Mer, France. Vopak has acquired a 90% share and Société des Pétroles Shell shall hold the remaining 10%. Fos Faster will be developed as part of the expansion strategy of the Grand Port Maritime de Marseille and in close cooperation with the Port Authority.
For entrance to the project Vopak will compensate Shell of which the discounted value is recognized as goodwill (EUR 2.9 million).

Impairment tests for goodwill

The cash flow generating components to which goodwill is allocated are reviewed for impairments. The recoverable amount is based on the value-in-use calculation. These calculations use cash flow projections based on group operating profits and sustaining capital expenditures of the budget for the coming year and the two subsequent planning years. Cash flows beyond the previously mentioned period of three years are extrapolated, using a stable or decreasing growth rate, unless an increasing rate can be substantiated. Given that the cash flows are estimated before taxes, the discount rates used are pre-tax rates based on the risk-free rates for 15-year bonds issued by the government in the relevant market, adjusted for a risk premium and specific risks relating to the countries.

During 2010 and 2009 no impairment of goodwill was recognized.

12. Property, plant and equipment

Movements in property, plant and equipment were as follows:

	Note	Land	Buildings	Tank storage terminals	Machinery and equipment	Total
Purchase price of operating assets		36.1	170.6	2,344.5	132.1	2,683.3
Accumulated depreciation and impairment		–	- 81.5	- 1,148.4	- 80.1	- 1,310.0
Carrying amount in use		36.1	89.1	1,196.1	52.0	1,373.3
Purchase price under construction		25.9	4.2	276.9	12.7	319.7
Carrying amount at 1 January 2009		**62.0**	**93.3**	**1,473.0**	**64.7**	**1,693.0**
Movements:						
- Additions		11.7	19.9	401.8	22.0	455.4
- Disposals		–	- 0.2	- 1.9	- 0.1	- 2.2
- Reclassification to assets held for sale		- 4.1	- 1.4	- 6.2	–	- 11.7
- Depreciation	4	–	- 5.5	- 105.5	- 9.5	- 120.5
- Impairment	4	–	–	- 3.0	–	- 3.0
- Exchange differences		- 0.3	1.2	38.5	0.3	39.7
Carrying amount at 31 December 2009		**69.3**	**107.3**	**1,796.7**	**77.4**	**2,050.7**
Purchase price of operating assets		44.0	188.3	2,763.6	149.5	3,145.4
Accumulated depreciation and impairment		–	- 85.7	- 1,242.8	- 89.5	- 1,418.0
Carrying amount in use		44.0	102.6	1,520.8	60.0	1,727.4
Purchase price under construction		25.3	4.7	275.9	17.4	323.3
Carrying amount at 31 December 2009		**69.3**	**107.3**	**1,796.7**	**77.4**	**2,050.7**
Movements:						
- Acquisitions		15.6	–	13.0	–	28.6
- Additions		0.2	12.6	432.7	11.0	456.5
- Reclassification		–	- 14.2	14.2	–	–
- Disposals		–	- 0.9	- 1.2	- 0.4	- 2.5
- Depreciation	4	–	- 6.4	- 127.5	- 11.2	- 145.1
- Reversal of impairment	4	–	–	1.4	–	1.4
- Exchange differences		5.7	9.1	136.4	5.3	156.5
Carrying amount at 31 December 2010		**90.8**	**107.5**	**2,265.7**	**82.1**	**2,546.1**
Purchase price of operating assets		48.1	196.4	3,224.8	173.9	3,643.2
Accumulated depreciation and impairment		–	- 97.8	- 1,418.9	- 104.3	- 1,621.0
Carrying amount in use		48.1	98.6	1,805.9	69.6	2,022.2
Purchase price under construction		42.7	8.9	459.8	12.5	523.9
Carrying amount at 31 December 2010		**90.8**	**107.5**	**2,265.7**	**82.1**	**2,546.1**

No equipment was leased on finance leases as at 31 December 2010 and at 31 December 2009.

Grants by way of compensation for costs incurred in connection with assets are deducted from the assets and recognized in the statement of income over the life of the assets.

On 24 July 2007 Vopak concluded an agreement with the Hamburg Port Authority Anstalt to relocate the activities of the terminal on the Waltershof site to another location of Vopak Dupeg Terminal Hamburg GmbH, so that the authorities can use the site for other activities. In previous years Vopak has received compensation of EUR 101 million for the cost of the relocation and a grant of EUR 3 million was received in 2009 for the relocation of the office building.

The movement in grants were as follows:

	Note		2010		2009
Carrying value at 1 January			**45.1**		**55.9**
Grant received			–		17.7
- Investments		- 23.1		- 23.6	
- Impairment of property, plant and equipment		–		- 2.5	
- Reversal of impairment		1.4		–	
- Reversal of demolition provision		2.7		–	
- Revenue of scrap metal		1.3		–	
- Costs attributable to relocation	5	- 1.3		- 2.4	
Used			- 19.0		- 28.5
Carrying value at 31 December			**26.1**		**45.1**
Non-current liabilities			–		–
Current liabilities	30		26.1		45.1
Carrying value at 31 December			**26.1**		**45.1**

For the acquisitions and deconsolidations we refer to page 109.

A number of major projects which were still underway at 31 December 2009 were commissioned in 2010. In Asia the capacity for storage of chemical products was expanded at Zhangjiagang (China) by 190,000 cbm. In Brazil the capacity was increased by 38,600 cbm at Alemoa and in Sweden by 53,000 cbm. In total the subsidiaries added some 303,000 cbm capacity, which was partly offset (aggregated 142,000 cbm) due to the demolition of capacity at amongst others Hamburg (Germany) and Vlaardingen (the Netherlands).

At 31 December 2010, the cost of the assets under construction totaled EUR 523.9 million, of which EUR 332.7 million is attributable to large-scale projects. The main projects at the subsidiaries are:

- the new terminal at Westpoort (Amsterdam, the Netherlands), of which the first phase of 620,000 cbm is expected to be commissioned in 2011;
- the expansion of the capacity by 160,000 cbm for the storage of fuel oil at the Europoort terminal in Rotterdam, the Netherlands (commissioning in 2011); and
- the construction of a new storage terminal for oil products with a capacity of 403,000 cbm in Algeciras, strategically located in Spain on the Straits of Gibraltar and the Mediterranean Sea. This terminal is expected to be commissioned at the end of 2012.

13. Joint ventures

Movements in joint ventures, including goodwill, were as follows:

	Note	2010	2009
Carrying amount at 1 January		**494.9**	**431.8**
Share in profit	6	85.0	66.1
Dividends received	33	- 44.7	- 31.4
Investments		42.5	36.3
Acquisitions		9.9	7.2
Impairments	6	- 1.6	- 5.6
Fair value changes of derivative financial instruments	23	- 11.5	0.2
Reclassification to assets held for sale	21	- 3.9	–
Exchange differences		36.4	- 9.7
Carrying amount at 31 December		**607.0**	**494.9**

None of the joint ventures is listed on the stock exchange. Joint ventures are an important part of the Group. For a representative insight into the economic scope, the effects are shown on page 41 in the statement of financial position and the statement of income of the Group on application of the proportionate consolidation method to the joint ventures, to the extent that tank storage activities are concerned.

2010

Acquisitions

On 26 May 2010 Vopak has acquired 50% of the shares in the Sealink Storage Company (Sealink). Sealink owns 23.2 hectares land in Dongguan in the Province of Guangdong, which is located on the east bank of the Pearl River Delta in the South of China. The company also holds a concession granted by the authorities and obtained all relevant permits for the construction and operation of a bulk liquid storage terminal on this plot of land in Dongguan. Vopak and its local business partner will start the phased construction of a storage terminal and jetties for chemicals and clean petroleum products with a maximum future storage capacity of 400,000 cubic meters (cbm) on Lisha Island in Dongguan. This former island, which is connected to the main land by roads, has become one of the major chemical logistic centers for the Pearl River Delta. The first phase of 153,000 cbm is expected to be commissioned in the first quarter of 2012. The terminal will provide independent storage and transshipment services to the petrochemical industry. Dongguan is strategically located on the east bank of the Pearl River Delta and is part of the economic heart of Southern China. The Pearl River Delta is one of the leading economic regions of China and a major manufacturing center.

On 20 July 2010 Vopak increased its interest in Gate terminal B.V. from 40% to 42.5%.

2009

Acquisitions

On 20 February 2009 one of the shareholders of the joint venture Vopak Horizon Fujairah Limited has divested its 10% stake. This stake has been acquired by the remaining shareholders, which means that Vopak's share has been increased by $3^1/_3$% up to $33^1/_3$%.

14. Classification of financial instruments

Financial instruments at fair value

The financial assets and liabilities measured at fair value in the statement of financial position require to be classified and disclosed in a three-tier fair value hierarchy, which prioritizes the inputs used in measuring the fair value as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: unobservable inputs reflecting the reporting entity's own assumptions or external inputs from inactive markets.

The level within which the financial asset and liability is classified is determined based on the lowest level of significant input.

The financial assets and liabilities measured at fair value in the statement of financial position at 31 December 2010 and at 31 December 2009 are only grouped into the fair value hierarchy level 2. The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2010 and 31 December 2009.

	Note	2010	2009
Assets at fair value:			
Other financial assets	16	0.8	0.8
Derivative financial instruments designated as hedging instruments	31	31.5	10.5
Derivative financial instruments held for trading	31	0.3	1.3
Total		**32.6**	**12.6**
Liabilities at fair value:			
Derivative financial instruments designated as hedging instruments	31	- 38.4	- 32.6
Derivative financial instruments held for trading	31	- 2.6	- 5.3
Total		**- 41.0**	**- 37.9**
Net at fair value		**- 8.4**	**- 25.3**

The methods and valuation techniques used for measuring fair value of the derivative financial instruments are unchanged compared to the previous year.

Normally the derivatives entered into by the Group are not traded in active markets. The fair value of these contracts is estimated using a valuation technique that maximizes the use of observable market inputs, e.g. market exchange and interest rates (Level 2). The fair value of interest rate swaps and cross currency interest rate swaps is calculated by discounting the expected future cash flows using the applicable yield curves.

The fair value of forward currency contracts reflects the net present value of the unrealized results from revaluing the contracts at the current exchange rates and yield curves applicable at the end of the year.

Financial instruments carried at amortized cost

The following table summarizes the Group's financial assets and financial liabilities that are carried at amortized cost at year-end 2010 and year-end 2009.

	Note	Carrying amount 2010	Carrying amount 2009	Fair value 2010	Fair value 2009
Loans and receivables					
Loans to joint ventures	15	5.6	9.4	5.6	9.4
Other loans	15	7.6	2.6	7.6	2.6
Trade receivables	19	73.7	67.4	73.7	67.4
Other receivables	19	142.3	114.8	142.3	114.8
Cash and cash equivalents	20	181.8	189.4	181.8	189.4
		411.0	**383.6**	**411.0**	**383.6**
Other financial liabilities					
Bank overdrafts	20	- 34.0	- 16.8	- 34.0	- 16.8
US Private Placements	26	- 1,020.1	- 983.4	- 1,177.9	- 1,115.0
SGD Private Placements	26	- 253.8	- 103.5	- 284.2	- 118.6
JPY Private Placement	26	-184.1	–	- 222.0	–
Bank loans	26	- 116.7	- 99.5	- 118.7	- 101.7
Other long-term loans	26	- 4.5	- 3.9	- 4.5	- 3.9
Trade creditors	30	- 48.7	- 38.6	- 48.7	- 38.6
		- 1,661.9	**-1,245.7**	**- 1,890.0**	**- 1,394.6**
Net at amortized cost		**- 1,250.9**	**- 862.1**	**- 1,479.0**	**- 1,011.0**
Unrecognized financial instruments					
Standby credit facility	26			1,000.0	1,000.0
Standby bank loans				110.0	110.0
Total				**1,110.0**	**1,110.0**

The fair value of loans drawn and granted is calculated by discounting the cash flows, using the swap curve as a basis.

15. Loans granted

Movements in loans granted were as follows:

	Loans to joint ventures 2010	Loans to joint ventures 2009	Other loans 2010	Other loans 2009	Total 2010	Total 2009
Carrying amount at 1 January	**9.4**	**66.9**	**2.6**	–	**12.0**	**66.9**
Movements:						
- Loans granted	5.6	18.8	3.2	2.6	8.8	21.4
- Repayments	- 10.5	- 75.2	- 1.9	–	- 12.4	- 75.2
- Exchange differences	1.1	- 1.1	0.4	–	1.5	- 1.1
- Acquisitions	–	–	3.3	–	3.3	–
Carrying amount at 31 December	**5.6**	**9.4**	**7.6**	**2.6**	**13.2**	**12.0**
Non-current receivables	2.0	–	5.9	1.0	7.9	1.0
Current receivables	3.6	9.4	1.7	1.6	5.3	11.0
Carrying amount at 31 December	**5.6**	**9.4**	**7.6**	**2.6**	**13.2**	**12.0**

Loans granted include no subordinated loans.

Please see note 31 for information on the effective interest rates and the periods in which they are reviewed. Fair value is presented in note 14. With respect to the loans granted that are neither impaired nor past due, there are no indications as of the reporting date that the debtors will not meet their payment obligations. As of 31 December 2010 the expected maturities are as follows:

	2011	2012	2013	2014	2015	Total
Loans to joint ventures	3.5	–	–	–	–	3.5
Other loans	1.8	5.9	2.0	–	–	9.7
Total	**5.3**	**5.9**	**2.0**	**–**	**–**	**13.2**

16. Other financial assets

The other financial assets comprise for the most part Vopak's interests of less than 20% in companies over which Vopak has no significant influence.

17. Deferred taxes

The deferred tax assets and liabilities were allocated as follows:

		Temporary differences						
	Carry forward losses	Property plant & equipment	Loans granted	Employee benefits	Other	Other	Offset deferred tax assets and liabilities	Balance sheet
Assets	9.9	6.0	–	2.7	5.4	0.8	- 18.2	6.6
Liabilities	–	- 117.5	- 2.9	- 3.9	- 20.3	–	18.2	- 126.4
Balance 1 January 2009	**9.9**	**- 111.5**	**- 2.9**	**- 1.2**	**- 14.9**	**0.8**		**- 119.8**
Movements:								
- Acquisitions/divestments	–	0.9	–	0.2	- 0.5	–		0.6
- Other comprehensive income	–	- 1.2	- 2.9	0.1	0.3	–		- 3.7
- Other	–	- 0.1	–	–	- 0.2	–		- 0.3
- Statement of income	2.0	- 8.3	- 1.8	- 18.6	- 7.2	1.2		- 32.7
Balance 31 December 2009	**11.9**	**- 120.2**	**- 7.6**	**- 19.5**	**- 22.5**	**2.0**		**- 155.9**
Assets	11.9	13.8	–	4.1	4.6	2.0	- 30.8	5.6
Liabilities	–	- 134.0	- 7.6	- 23.6	- 27.1	–	30.8	- 161.5
Balance 31 December 2009	**11.9**	**- 120.2**	**- 7.6**	**- 19.5**	**- 22.5**	**2.0**		**- 155.9**
Movements:								
- Acquisitions/divestments	0.3	–	–	–	–	–		0.3
- Other comprehensive income	–	- 14.0	- 1.2	- 0.2	1.0	0.1		- 14.3
- Other	5.4	–	–	–	–	–		5.4
- Statement of income	2.1	- 34.8	1.1	- 4.9	4.2	- 0.8		- 33.1
Balance 31 December 2010	**19.7**	**- 169.0**	**- 7.7**	**- 24.6**	**- 17.3**	**1.3**		**- 197.6**
Assets	19.7	12.4	–	3.9	7.5	1.3	- 38.4	6.4
Liabilities	–	- 181.4	- 7.7	- 28.5	- 24.8	–	38.4	- 204.0
Balance 31 December 2010	**19.7**	**- 169.0**	**- 7.7**	**- 24.6**	**- 17.3**	**1.3**		**- 197.6**

Deferred tax assets and liabilities are offset against each other to the extent that this is a legally enforceable right and the deferrals belong to the same fiscal unit. The decision to account for deferred tax assets is taken annually per each fiscal unit after critically assessing whether conditions are sufficient to realize these deferred tax assets, based on the strategic plans and related tax plans.

Carry-forward losses for which deferred tax assets have not fully been recognized amounted to EUR 20.9 million at 31 December 2010 (2009: EUR 9.8 million). The maturity schedule is as follows:

2011	0.5
2012	0.1
2013	0.7
2014	3.4
2015 and further years	3.6
Offsettable for an unlimited period	12.6
Total	**20.9**

Deferred tax assets have not been recognized because it is not probable that sufficient taxable profit will be available to utilize the deferred tax asset in time.

In determining the deferred tax liabilities, withholding tax and any other tax due for unremitted earnings of subsidiaries were not recognized. These earnings have been permanently reinvested.

18. Other non-current assets

The prepaid land use rights are allocated to the period to which they relate. The terms remaining at 31 December 2010 vary between 27 to 44 years.

19. Trade and other receivables

	2010	2009
Trade debtors gross	75.4	69.9
Provision for impairment of trade debtors	- 1.7	- 2.5
Trade debtors net	73.7	67.4
Other receivables	142.3	114.8
Total	**216.0**	**182.2**

The fair value of outstanding amounts is almost equal to the carrying amount. There was no indication as at the statement of financial position date that these receivables will not be recovered, other than as already provided for.

At 31 December 2010, trade receivables of EUR 21.1 million (2009: EUR 26.0 million) were past due but not impaired. Exposure to bad debts is mostly related to rendering services to international manufacturers. The value of the products stored for these clients usually exceeds the value of the receivables and Vopak generally has the right of retention. The ageing analysis of these trade receivables is as follows:

			2010			2009
	Gross	Provision	Net	Gross	Provision	Net
Not past due	52.7	0.1	52.6	41.9	0.5	41.4
Past due up to 3 months	19.8	–	19.8	20.6	0.9	19.7
Past due 3 to 6 months	–	–	–	0.5	0.2	0.3
Past due more than 6 months	2.9	1.6	1.3	6.9	0.9	6.0
Total	**75.4**	**1.7**	**73.7**	**69.9**	**2.5**	**67.4**

Movements on the provision for impairment of trade receivables are as follows:

	2010	2009
Balance at 1 January	**2.5**	**2.1**
Impairments	0.6	1.2
Reversal of impairments	- 1.3	- 0.9
Receivables written off during the year as uncollectible	- 0.3	–
Exchange differences	0.2	0.1
Balance at 31 December	**1.7**	**2.5**

The creation and release of provision for impaired trade receivables were recognized under Other operating expenses.

For Other receivables there are no amounts overdue nor impaired and there have been no defaults in the past.

20. Cash and cash equivalents

	2010	2009
Cash and bank	69.7	60.0
Short-term deposits	112.1	129.4
Total	**181.8**	**189.4**

The effective interest rate on short-term deposits at year-end 2010 was 4.3% (2009: 0.4%); these deposits have an average term of 18 days (2009: 14 days) and are subject to limited value changes. The carrying amount is deemed equivalent to the fair value at the statement of financial position date.

Reconciliation with the consolidated cash flow statement is as follows:

	2010	2009
Cash and cash equivalents	181.8	189.4
Bank overdrafts	- 34.0	- 16.8
Total	**147.8**	**172.6**

The cash and cash equivalents were at free disposal of the Group as well as at 31 December 2010 as at 31 December 2009.

21. Assets held for sale

Movements in the assets held for sale were as follows:

	Asset	Liability
Balance at 1 January 2009	**–**	**–**
Reclassifications to assets held for sale	15.2	3.9
Disposals	- 15.2	- 3.9
Balance at 31 December 2009	**–**	**–**
Reclassifications to assets held for sale	3.9	–
Balance at 31 December 2010	**3.9**	**–**

During 2010 the joint venture Interstream Barging B.V. was reclassified to assets held for sale following the commitment of the Group's management, in December 2010, to a plan to sell our share (50%). In the result joint ventures (see note 6) an impairment loss of EUR 0.6 million was recognized on the remeasurement to the lower of its carrying amount and its fair value less costs to sell.

22. Issued capital, share premium and treasury shares

At the Annual General Meeting held on 27 April 2010, shareholders resolved to amend the articles of association resulting in a split of all share classes, whereby each old share with a nominal value of EUR 1.00 has been replaced by two new shares with a nominal value of EUR 0.50 each. The articles of association were amended on 17 May resulting in the following information:

The company's authorized share capital amounts at 31 December 2010 to EUR 190,800,000, divided into 140,000,000 ordinary shares, 190,800,000 protective preference shares and 50,800,000 financing preference shares, all with a nominal value of EUR 0.50 each.

The issued share capital at 31 December 2010 consists of 127,835,430 ordinary shares and 41,400,000 financing preference shares. Of the issued ordinary shares, 660,000 are held in the treasury stock in connection with existing commitments under the long-term incentive plans.

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

				Numbers			Amounts
	Issued ordinary shares	Financing preference shares	Total shares	Treasury shares	Issued capital	Share premium	Treasury shares
Balance at 1 January 2009	**62,450,656**	**19,451,000**	**81,901,656**	**- 120,000**	**81.9**	**165.2**	**- 3.3**
Issuance ordinary shares	1,467,059	–	1,467,059		1.5	48.6	–
Dividend paid in stock	–	–	–	–	–	- 14.6	–
Issuance financing preference shares	–	5,694,000	5,694,000	–	5.7	83.5	–
Withdrawal financing preference shares	–	- 4,445,000	- 4,445,000	–	- 4.5	- 1.5	–
Repurchase own shares	–	–	–	- 95,000	–	–	- 2.9
Issued to option holders	–	–	–	35,000	–	–	0.5
Balance at 31 December 2009	**63,917,715**	**20,700,000**	**84,617,715**	**- 180,000**	**84.6**	**281.2**	**- 5.7**
Share split	63,917,715	20,700,000	84,617,715	- 180,000	–	–	–
Repurchase own shares	–	–	–	- 300,000	–	–	- 9.2
Balance at 31 December 2010	**127,835,430**	**41,400,000**	**169,235,430**	**- 660,000**	**84.6**	**281.2**	**- 14.9**

Since the new financing preference share program took effect on 31 August 2009, under which the amount outstanding was increased by EUR 84 million to EUR 110 million, the dividend percentage on the outstanding financing preference shares (nominal value plus share premium) has been 7.45% (previously 4.73% over 26 million). The percentage will be set again every five years. The dividend for 2010 will amount to EUR 8.2 million (2009: EUR 3.6 million).

Under the Articles of Association, a dividend can only be distributed on financing preference shares following a decision by the Executive Board, subject to the approval of the Supervisory Board, to transfer all or part of the profit to equity. If the transfer to equity 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 equity 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 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 authorized to make decisions to distribute dividends from the share premium and the dividend reserve for the financing preference shares.

Dividend will only be distributed on 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 balance of the share premium for the outstanding 41,400,000 cumulative financing preference shares amounts to EUR 88.5 million as at 31 December 2010.

In 2010 Vopak repurchased 300,000 own shares to cover future obligations as a result of the Long Term Incentive Plan for the Executive Board and senior management. The shares will be granted if specific financial performance criteria are met (see note 28). The average purchase price is EUR 30.66 per share.

23. Other reserves

Movements in other reserves were as follows:

	Translation reserve	Revaluation reserve derivatives	Revaluation reserve assets	Total other reserves
Balance at 1 January 2009	**- 8.7**	**- 20.2**	**7.7**	**- 21.2**
Exchange differences on net investments	4.8	–	–	4.8
Effective part of hedges of net investments	5.2	–	–	5.2
Tax effect on exchange differences and hedges	- 3.0	–	–	- 3.0
Use of exchange differences on net investments (to statement of income)	- 0.6	–	–	- 0.6
Movements in effective part of cash flow hedges	–	- 2.1	–	- 2.1
Tax effect on movements in cash flow hedges	–	0.6	–	0.6
Use of effective part of cash flow hedges (to statement of income)	–	1.6	–	1.6
Tax effect on use of cash flow hedges	–	- 0.4	–	- 0.4
Movements in effective part of cash flow hedges joint ventures	–	0.2	–	0.2
Depreciation on revaluation of assets	–	–	- 0.8	- 0.8
Tax effect on depreciation on revaluation of assets	–	–	0.3	0.3
Balance at 31 December 2009	**- 2.3**	**- 20.3**	**7.2**	**- 15.4**
Exchange differences on net investments	101.6	–	–	101.6
Effective part of hedges of net investments	- 94.3	–	–	- 94.3
Tax effect on exchange differences and hedges	26.4	–	–	26.4
Use of exchange differences on net investments (to statement of income)	0.2	–	–	0.2
Movements in effective part of cash flow hedges	–	- 1.8	–	- 1.8
Tax effect on movements in cash flow hedges	–	0.6	–	0.6
Use of effective part of cash flow hedges (to statement of income)	–	- 0.8	–	- 0.8
Tax effect on use of cash flow hedges	–	0.2	–	0.2
Movements in effective part of cash flow hedges joint ventures	–	- 11.5	–	- 11.5
Depreciation on revaluation of assets	–	–	- 1.8	- 1.8
Tax effect on depreciation on revaluation of assets	–	–	0.7	0.7
Balance at 31 December 2010	**31.6**	**- 33.6**	**6.1**	**4.1**

The translation reserve includes all exchange differences resulting from the translation of the financial statements of foreign entities. They also include the exchange differences on liabilities and the effective currency component of fair value changes of derivative financial instruments (net of tax), to the extent that they hedge the net investments of the Group in foreign entities and hedge accounting is applied.

The revaluation reserve derivatives contains the effective part of the accumulated change in the fair value of the cash flow hedges, net of tax, in respect of which the hedged future transaction has not yet taken place.

The schedule for use is as follows:

	2011	2012	2013	2014	2015	> 2015	Total
Schedule for use of revaluation reserve derivatives	**13.4**	**10.2**	**16.3**	**8.3**	**2.5**	**- 17.1**	**33.6**

The higher depreciation on revaluation on assets compared to last year (2010: EUR - 1.8 million, 2009: EUR - 0.8 million) is mainly caused by the demolition of the terminal in Waltershof (Germany).

24. Retained earnings

Movements in retained earnings were as follows:

	2010	2009
Balance at 1 January	**907.5**	**710.4**
Dividend paid in cash	- 82.4	- 20.5
Dividend paid in stock	–	- 35.4
Measurement of equity-settled share-based payment arrangements	2.1	1.3
Release of revaluation reserve due to depreciation	1.1	0.5
Net profit attributable to shareholders	270.1	251.2
Balance at 31 December	**1,098.4**	**907.5**

Of the retained earnings, EUR 865.7 million can be distributed freely (see page 153).

25. Non-controlling interests

Statement of changes in non-controlling interests:

	2010	2009
Balance at 1 January	**80.6**	**76.0**
Net profit	30.7	25.3
Dividend	- 36.4	- 20.6
Movements in effective part of cash flow hedges	- 0.2	0.3
Acquisitions	7.1	–
Exchange differences	14.9	- 0.4
Balance at 31 December	**96.7**	**80.6**

The profit for the 2010 financial year includes no exceptional item (2009: EUR 0.2 million negative).

26. Interest-bearing loans

During 2010 Vopak has issued new senior unsecured Notes in the Asian Private Placement market of respectively Singapore dollar 225 million (approximately EUR 125 million) and Japanese yen 20 billion (approximately EUR 184 million).

The Singapore dollars were drawn in November 2010 and have a 'bullet maturity' of 7.2 years and a fixed interest rate of 4%. The Japanese yens were drawn in December 2010 and have a 'bullet maturity' of 30 years and a fixed interest rate of 2.9%.

The US Private Placement financing program entered into in 2001 still totalling of EUR 239.6 allows a maximum Senior Net debt : EBITDA ratio of 3.75, with a floating interest rate increasing by 25 basis points for ratios between 3.00 and 3.25 and by 75 basis points for ratios between 3.25 and 3.50. The interest rate increases by 200 basis points for ratios from 3.50.

The senior unsecured US Private Placement totalling of USD 375 million entered into in May 2007 has tranches with terms of 8, 10, 12 and 15 years, all redeemable at the end of the term. The 8-year tranche (USD 75 million) has a floating interest rate. The other three tranches of USD 100 million each have a fixed interest rate, with an average interest rate of approximately 6%.

The US Private Placement program drawn in December 2009, consists of various tranches with maturities ranging from 8 to 20 years in 3 different currencies of which 575 million is denominated in USD. The annual fixed interest rates for these US PPs are between 4.75% for the 8 years Euro tranche and 6.02% for the 20 years USD tranche with a weighted average annual interest rate of 5.5%.

The Singapore Private Placements drawn in 2009 have a remaining 'bullet maturity' of 3.7 years and a fixed interest of 5%.

The EUR 1 billion Revolving Credit Facility entered into in August 2007 can be drawn in amounts in the various currencies and repaid at any time. The Facility runs until August 2012. The Facility was fully available at the end of 2010.

Vopak Terminals Singapore Pte. Ltd. entered into floating rate bank loans in August 2006 and October 2008 for respectively SGD 116 million and 84 million. The tranches mature in April 2013 and September 2015 and have a weighted average annual interest rate at the end of 2010 of 1.24%.

This note provides further information on the contractual provisions of the interest-bearing loans, which are measured at amortized cost. For further details on possible currency and interest rate risks, please see note 31. The fair value is presented in note 14.

A break-down is set out below:

	Note	2010	2009
Non-current interest-bearing loans			
US Private Placements	26.1	829.4	958.7
SGD Private Placements	26.2	253.8	103.5
JPY Private Placement	26.3	184.1	–
Bank loans	26.4	116.7	99.5
Credit facilities	26.5	–	–
Other long-term loans		4.5	3.5
Total		**1,388.5**	**1,165.2**
Current interest-bearing loans			
US Private Placements	26.1	190.7	24.7
Other long-term loans		–	0.4
Total		**190.7**	**25.1**
Total interest-bearing loans		**1,579.2**	**1,190.3**

Movements in interest-bearing loans were as follows:

	2010	2009
Balance at 1 January	**1,190.3**	**972.1**
SGD Private Placements drawn	124.8	101.7
JPY Private Placement drawn	184.1	–
Credit facilities drawn	141.9	173.3
US Private Placements drawn	–	452.7
Bank loans and other long-term loans drawn	0.7	–
Repayments credit facilities	- 143.5	- 485.7
Repayments US Private Placements	- 27.3	- 27.7
Repayments bank loans and other long-term loans	- 0.4	- 20.4
Effects of effective interest method	1.2	1.1
Effective part of fair value changes interest rate swaps (fixed to floating)	–	- 0.8
Acquisitions	–	2.9
Exchange differences	107.4	21.1
Balance at 31 December	**1,579.2**	**1,190.3**

The repayment obligations for the non-current liabilities are as follows:

2012	16.0
2013	94.3
2014	124.7
2015	107.2
After 2015	1,046.3
Total non-current liabilities at 31 December 2010	**1,388.5**

Breakdown of loans by currency:

	Local currency		Euro	
	2010	2009	2010	2009
Euro (EUR)	56.4	55.9	56.4	55.9
US dollar (USD)	1,206.7	1,242.1	898.2	863.7
Pound sterling (GBP)	60.0	60.0	70.0	67.7
Singapore dollar (SGD)	635.0	410.0	370.5	203.0
Japanese yen (JPY)	20,000.0	–	184.1	–
Total			**1,579.2**	**1,190.3**

26.1 US Private Placements

The total US Private Placements (US PP) amounts to EUR 1,020.1 million, with an average remaining term of 7.8 years. The maximum remaining nominal term is 19 years and in most cases repayment is effected as at the end of the term. A regular repayment of EUR 190.7 million will be effected in 2011.

The following main conditions apply to the US PP programs:
- The Senior Net debt to EBITDA ratio may not exceed 3.75. Furthermore, the Net debt (including subordinated loans) to EBITDA ratio for the US PP program entered into in 2007 may not exceed 4.25.
- The ratio between the EBITDA and the net finance costs (Interest Cover Ratio or 'ICR') may not drop below 4.0 for the 2001 program and not below 3.5 for the 2007 and 2009 US PP programs.
- As from 30 June 2010, shareholders' equity may not be less than EUR 725 million.
- A number of sub-holding companies have provided guarantees regarding compliance with the obligations under the terms of this financing.

26.2 SGD Private Placements

The following main conditions apply to the Singapore Private Placements (Singapore PP) of SGD 435 million:
- The Net debt : EBITDA ratio may not exceed 3.75.
- The ICR may not be lower than 3.5.
- For the 2009 Singapore PP a number of sub-holding companies have provided guarantees regarding compliance with the obligations under the terms of this financing. For the 2010 Singapore PP only one sub-holding company has provided a guarantee as per year-end 2010.

26.3 JPY Private Placement

The following main conditions apply to the JPY 20 billion Private Placement:
- The Net debt : EBITDA ratio may not exceed 3.75.
- The ICR may not be lower than 3.5.
- One sub-holding company has provided a guarantee regarding compliance with the obligations under the terms of this financing as per end of 2010.

26.4 Bank loans

The bank loan of SGD 200 million drawn by Vopak Terminals Singapore Pte. Ltd. (VTS) was granted on the basis of VTS's credit standing and is subject to the following financial ratios:
- The Debt : Equity ratio may not exceed 1.5 : 1.
- The ratio between EBITDA and the net finance costs should be at least 4 : 1.
- Shareholders' equity must be at least SGD 150.0 million.

26.5 Credit facilities

The EUR 1 billion credit facility was fully available at year-end 2010 and at year-end 2009. The ratios applicable to these bank loans are the same as those for the Singapore Private Placement (see 26.2)

26.6 Financial ratios

At 31 December 2010, Royal Vopak comfortably met the applicable financial ratios referred to in paragraphs 26.1, 26.2, and 26.3. Based on the consolidated figures, the ratios as at 31 December 2010 were as follows:
- The Net debt : EBITDA ratio was 2.63 (31 December 2009: 2.23). For a breakdown of the calculation of the Net debt, please see page 42 of this report.
- The ICR was 8.2 (31 December 2009: 10.4).
- The minimum required shareholders' equity, in accordance with the calculation method outlined in paragraph 26.1, is EUR 725 million (year-end 2009: EUR 710 million).
  The shareholders' equity for ratio calculation was EUR 1,458.4 million (31 December 2009: EUR 1,258.1 million).

Vopak Terminals Singapore Pte. Ltd. also met the financial ratios referred to in paragraph 26.4 at 31 December 2010 and 31 December 2009.

27. Pensions and other employee benefits

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

	2010	2009
Balance at 1 January	**- 51.5**	**- 31.4**
Movements:		
- Net periodic pension charges	19.1	26.7
- Interest accrual employer's contribution provision for years of past service	0.7	0.8
- Employer's contribution	- 42.9	- 49.5
- Reclassifications to assets held for sale	–	1.4
- Exchange differences	0.3	- 0.1
- Other	0.2	0.6
Balance at 31 December	**- 74.1**	**- 51.5**
Current assets	- 0.1	–
Non-current assets	- 114.1	- 98.0
Current liabilities	2.5	2.9
Non-current liabilities	37.6	43.6
Balance at 31 December	**- 74.1**	**- 51.5**

The following tables summarize the effects on the statement of financial position, the statement of income and assumptions underlying the actuarial calculations relating to the principal average or final pay plans and the other benefit plans.

The majority of employees are covered by defined benefit plans, defined contribution plans or mandatory external pension plans. The defined benefit plans are plans in the Netherlands, the United States, the United Kingdom, Germany, and Belgium. In the Netherlands, most plans are average pay pension plans, while the other countries mostly operate final pay pension plans. The measurement of obligations under defined benefit plans takes future salary increases into account and uses a discount rate equal to the interest rate on high-quality corporate bonds 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 results. The actuarial result does not entail a funding obligation. It arises from a calculation method to allocate the plan liabilities to individual years.

To the extent that unrecognized net actuarial results exceed the margin of 10% of the greater of plan assets and defined benefit obligations, they are allocated to the results over a period of about 13 years, equal to the average future term of service.

Where applicable the asset ceiling test was performed in accordance with IAS 19.58 and IFRIC 14.

Out of the defined contribution plans, one plan relates to a multi-employer plan that takes the form of a defined benefit plan. The contribution to this multi-employer plan is treated as defined contribution because no information has been provided to enable to account for it as defined benefit plan.

Due to legislative changes in the Netherlands, the early retirement schemes for employees born on or after 1 January 1950 were curtailed as per 1 January 2006. These employees were offered defined contribution plans and a contribution to the life-cycle scheme instead. A provision was formed in 2006 for future contributions that correspond to the years of past service. The employer contribution to these defined contribution plans amounted to EUR 5.1 million in 2010 (2009: EUR 5.1 million), of which EUR 2.7 million (2009: EUR 2.6 million) is compensated for by the release from the provision for defined contribution plans for years of past service.

	Note	The Netherlands 2010	2009	Foreign 2010	2009	Total 2010	2009
Movements in pension obligations							
Obligations at 1 January		**604.3**	586.3	**123.5**	124.7	**727.8**	711.0
Movements:							
- Disposals/curtailments		–	–	–	- 0.9	–	- 0.9
- Costs of rights accrued in the financial year		8.2	7.6	3.4	3.0	11.6	10.6
- Interest expenses		30.8	31.3	7.1	7.0	37.9	38.3
- Actuarial gains (-) and losses		41.4	14.0	2.9	7.7	44.3	21.7
- Benefits paid from the pension fund		- 36.5	- 34.9	- 3.9	- 6.0	- 40.4	- 40.9
- Benefits paid directly by the employer		–	–	- 1.6	- 1.6	- 1.6	- 1.6
- Reclassifications to assets held for sale	21	–	–	–	- 12.1	–	- 12.1
- Exchange differences		–	–	4.5	1.7	4.5	1.7
Obligations at 31 December		**648.2**	604.3	**135.9**	123.5	**784.1**	727.8
Movements in plan assets							
Fair value of plan assets at 1 January		**595.8**	547.4	**77.5**	76.7	**673.3**	624.1
Movements:							
- Disposals/curtailments		–	–	–	- 0.2	–	- 0.2
- Expected return on assets		36.8	30.0	6.0	5.3	42.8	35.3
- Actuarial gains and losses (-)		36.5	21.9	3.5	7.0	40.0	28.9
- Employer's contributions		22.7	31.4	8.4	7.8	31.1	39.2
- Employees' contributions		0.6	0.5	0.3	0.4	0.9	0.9
- Benefits paid		- 37.2	- 35.4	- 5.7	- 8.0	- 42.9	- 43.4
- Reclassifications to assets held for sale	21	–	–	–	- 13.4	–	- 13.4
- Exchange differences		–	–	3.1	1.9	3.1	1.9
Fair value of plan assets at 31 December		**655.2**	595.8	**93.1**	77.5	**748.3**	673.3
Obligations less fair value of plan assets at 31 December		**- 7.0**	8.5	**42.8**	46.0	**35.8**	54.5
Net actuarial gains and losses (-) not yet recognized		- 102.7	- 99.7	- 21.5	- 22.5	- 124.2	- 122.2
Net pension assets (-) and obligations under defined benefit plans recognized at 31 December		**- 109.7**	- 91.2	**21.3**	23.5	**- 88.4**	- 67.7
Net pension obligations under defined contribution plans		12.9	15.2	1.4	1.0	14.3	16.2
Net pension obligations recognized at 31 December		**- 96.8**	- 76.0	**22.7**	24.5	**- 74.1**	- 51.5
Assumptions based on weighted average at 31 December							
Discount rate		5.25%	5.25%	5.33%	5.63%	5.26%	5.31%
Expected return on plan assets		5.30%	6.25%	6.33%	7.21%	5.44%	6.40%
Expected general salary increase		3.00%	3.00%	3.95%	3.77%	3.14%	3.13%
Expected price index increase		2.00%	2.00%	2.95%	2.77%	2.14%	2.13%
Components of net periodic pension charges							
Current service costs		8.2	7.6	3.4	3.0	11.6	10.6
Interest expense		30.8	31.3	7.1	7.0	37.9	38.3
Expected return on plan assets		- 36.8	- 30.1	- 6.0	- 5.2	- 42.8	- 35.3
Amortization of actuarial gains and losses		2.0	4.0	1.3	1.4	3.3	5.4
Pension charges defined benefit plans	3	**4.2**	12.8	**5.8**	6.2	**10.0**	19.0
Employer's contribution to defined contribution plans		7.1	7.1	4.7	3.2	11.8	10.3
Release of provision for employer's contribution corresponding to years of past service		- 2.7	- 2.6	–	–	- 2.7	- 2.6
Pension charges defined contribution plans	3	**4.4**	4.5	**4.7**	3.2	**9.1**	7.7
Net periodic pension charges		**8.6**	17.3	**10.5**	9.4	**19.1**	26.7

In addition to the assumptions reflected in the table, the calculations were also based on recent mortality tables, taking the developments in mortality rates into account through projections or surpluses. These led to the following life expectancy in years:

	The Netherlands		Foreign	
	2010	**2009**	**2010**	**2009**
Age 45				
Men	41.7	38.5	40.1	39.8
Women	43.6	40.7	43.1	42.8
Age 65				
Men	21.4	18.7	20.8	20.5
Women	23.9	21.7	23.7	23.3

Local historical data was used for the purposes of dismissal and disability calculations.

Composition plan assets

Plan assets are comprised as follows:

	The Netherlands				Foreign			
		2010		**2009**		**2010**		**2009**
Bonds	446.8	68%	405.1	68%	37.1	40%	30.9	40%
Equity instruments	197.9	30%	178.7	30%	53.2	57%	46.1	59%
Real estate	10.5	2%	12.0	2%	2.8	3%	0.5	1%
Total	**655.2**	**100%**	**595.8**	**100%**	**93.1**	**100%**	**77.5**	**100%**

Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

The German pension plans are not funded; the defined benefit obligations for these plans total EUR 15.1 million (2009: EUR 15.1 million). The pension funds have not invested directly in shares in Koninklijke Vopak N.V., parts of the Group or in real-estate of the Group.

Expected contribution and impact on result

In 2010, the total employer contribution for defined benefit plans amounted to EUR 31.1 million and no major change in this contribution is expected for 2011. The pension charge from defined benefit plans is expected to increase from EUR 10 million in 2010 to approximately EUR 17 million in 2011, mainly due to the expected increase on the interest expenses and the expected decrease on the return on plan assets (EUR 4.6 million in total).

Historical figures

The amounts in respect of defined benefit plans are as follows at 31 December of the current year under review and previous years under review:

	2010	**2009**	**2008**	**2007**	**2006**
Obligations	784.1	727.8	711.0	716.0	817.7
Fair value of plan assets	748.3	673.3	624.1	764.9	761.6
Obligations minus fair value at 31 December	**35.8**	**54.5**	**86.9**	**- 48.9**	**56.1**
Actuarial gains (-) and losses pension obligations	**44.3**	**21.7**	**- 4.8**	**- 102.8**	**- 15.8**
Actuarial gains and losses (-) plan assets	**40.0**	**28.9**	**- 154.6**	**- 20.2**	**- 7.5**

Sensitivity analysis

The table below shows the estimated impact on the net period pension charges for each main assumption, allowing for a difference of one per cent (negative amounts mean a reduction in expenses).

	Increase 1%		Decrease 1%	
	2010	**2009**	**2010**	**2009**
Discount rate	- 3.4	- 3.8	7.5	6.8
Expected return on plan assets	- 6.5	- 5.9	6.5	5.9
Expected price index increase	12.4	11.2	- 8.0	- 8.0

Given the IFRS methodology, differences only become apparent in the net periodic pension charges for 2012 via amortization of net actuarial gains and losses not yet recognized. Differences compared with the assumption do not affect the net pension charges for 2011.

28. Long-term incentive plans (LTIPs)

28.1 Charge to income statement

The charge to the statement of income of the conditional long-term incentive awards is set out below:

In EUR thousands	Costs from LTIP 2010 equity-settled	Costs from LTIP 2010 cash-settled	Costs from performance shares granted in prior years	Costs from matching shares granted in prior years	Costs from 2008 Cash Plan	Total 2010	Total 2009
E.M. Hoekstra	29.0	32.6	–	–	–	61.6	–
J.P. de Kreij	105.5	120.1	188.0	204.8	–	618.4	220.9
F. Eulderink	98.7	112.4	–	–	–	211.1	–
Current members Executive Board	**233.2**	**265.1**	**188.0**	**204.8**	**–**	**891.1**	**220.9**
J.P.H. Broeders	–	–	47.4	- 139.9	–	- 92.5	274.5
F.D. de Koning	–	–	86.1	113.9	–	200.0	201.2
Former members Executive Board	**–**	**–**	**133.5**	**- 26.0**	**–**	**107.5**	**475.7**
Other	**450.7**	**492.2**	**735.9**	**215.8**	**1,377.8**	**3,272.4**	**1,807.9**
Total	**683.9**	**757.3**	**1,057.4**	**394.6**	**1,377.8**	**4,271.0**	**2,504.5**

Total carrying amount of liabilities for cash-settled share-based payment at 31 December 2010 amounts to EUR 0.8 million (31 December 2009: nil).

Unvested awards are forfeited if participants resign or their employment is terminated for cause. If the employment is terminated as a result of death, retirement or disability, the awards remain outstanding on a pro-rata basis subject to attainment of the predetermined performance conditions. Mr De Koning retired at 27 April 2010 and Mr Broeders resigned effective as per 1 March 2011.

28.2 Plans description

LTIP 2010

The new long-term variable income plan (Long Term Incentive Plan, 'LTIP') for the Executive Board and a number of key managers, awarded in 2010 consists of a 4-year period and aims to encourage to pursue a policy that focuses on long-term profitable growth and to reward Board members and the key managers for that policy if it is successful.

The LTIP 2010 rewards participants for the growth in Vopak's Earnings per Share ('EPS') performance during the period from 2010 through 2013 compared to the EPS performance of 2009. If a considerable, ambitious improvement in growth in EPS has been achieved during the said 4-year performance period, a long-term remuneration will be awarded that ranges from an annual 0% to 100% of the Chairman's average annual salary and from 0% to 82.5% annually for other Board members. For key managers these percentages are 0% to 52.5% or 0% to 37.5% of the average annual salary.

In addition to growth in EPS, the value of the award at the end of the vesting period will be determined by the development of Vopak share price during the plan period. Subject to the attainment of the performance condition 50% of the award will be paid in Vopak shares (equity-settled share-based payment) and 50% in cash (cash-settled share-based payment). The shares are to be held in a deposit for two years before they can be freely disposed of by the participants. The LTIP is awarded once every four years for a subsequent 4-year plan period. The financial objectives for these vesting conditions and the related award percentages were set by the Supervisory Board and have been approved by the Annual General Meeting prior to the date the conditional awards have been made.

The movement in the number of awarded plan LTIP 2010 is set out below.

	E.M. Hoekstra[1)]	J.P. de Kreij	F. Eulderink	J.P.H. Broeders	Other	Total
Equity-settled conditionally awarded	8,075	9,156	8,568	11,780	66,371	103,950
Cash-settled conditionally awarded	8,075	9,156	8,568	11,780	66,371	103,950
Equity-settled forfeited	–	–	–	- 11,780	–	- 11,780
Cash-settled forfeited	–	–	–	- 11,780	–	- 11,780
Outstanding at 31 December 2010	**16,150**	**18,312**	**17,136**	**–**	**132,742**	**184,340**

[1)] Awards made since date of appointment

The new LTIP replaces the long-term incentive plan that was annually awarded to the Executive Board starting in 2007 and comprised a Performance Share Plan (2008 and 2009) and a Share Ownership Plan (2007, 2008 and 2009), see below. In launching the new long-term incentive plan, it was agreed that the plans for 2007, 2008 and 2009 will be settled at the end of the plan periods in accordance with the terms and conditions agreed at the date of grant and will, therefore be phased out over the next few years.

Performance Share Plan 2008 and 2009

Under the Performance Share Plan 2008 and 2009 conditional ordinary shares in the company were awarded, which vest after three years following the start of the performance period to the extent that the associated service and performance conditions are met. These conditions are treated as non-market vesting conditions. The participants are not permitted to dispose of their vested shares released until they have met their minimum shareholding target, except for meeting their tax liability with respect of the vesting of the conditional shares released.

The plan rules allow for vesting up to a maximum of 150% of the number of shares awarded at the beginning of the performance period. Awards have been made with an underlying value of 50% of the fixed 2009 annual salary for the Chairman (2008: 45%) and at 45% of the fixed 2009 annual salary for the other members of the Executive Board (2008: 40%). For the awards made to other senior executives, award percentages of respectively 30% or 20% of the fixed annual salary have been applied.

The performance conditions attached to performance share awards are based on the financial performance of the company during the performance period of three years. The financial performance during those three calendar years is measured by the average ROCE and EBITDA growth for the awards made in 2008 (Plan 2008) and by average EPS growth for the awards made in 2009 (Plan 2009). The financial objectives for these vesting conditions and the related award percentages were set by the Supervisory Board and have been approved by the Annual General Meeting prior to the date the conditional awards have been made.

The movement in the number of awarded performance shares is set out below. The outstanding numbers at 1 January 2010 are adjusted due to the share split in May 2010.

	J.P. de Kreij	J.P.H. Broeders	F.D. de Koning	Other	Total
Outstanding at 1 January 2010	**23,382**	**30,318**	**21,896**	**90,668**	**166,264**
Conditionally awarded	–	–	–	–	–
Forfeited	–	- 19,246	–	- 2,468	- 21,714
Outstanding at 31 December 2010	**23,382**	**11,072**	**21,896**	**88,200**	**144,550**

These plans are recognized as equity-settled share-based payment transactions. The first unconditional award of shares under the Performance Share Plan 2008 will be effected in 2011.

Share Ownership Plan 2007, 2008 and 2009

To align the interest of the members of the Executive Board and a number of senior executives with those of shareholders they are also required to build up and keep a portfolio of Vopak shares which is equal to 100% of the fixed annual salary for the members of the Executive Board. For senior executives this portfolio of Vopak shares is equal to 50% or 25% of their fixed annual salary. The shareholding target is defined as a minimum number of shares that is calculated based on the average share prices of the fourth quarter of the prior year.

As from 2007, the participants of the Share Ownership Plan can purchase Vopak shares which are placed in a portfolio. The shares in the portfolio are released after this five-year blocking period, notwithstanding participants' obligation to maintain the shares in a portfolio at the target level.

As consideration for investing and keeping the shares in portfolio, the company annually awarded performance-related matching shares. The performance condition attached to the matching shares is linked to the EPS growth development during the five-year period as set by the Supervisory Board and has been approved by the Annual General Meeting prior to the date the awards were made. This performance condition is treated as a non-market vesting condition.

Depending the performance during the vesting period the number of matching shares can vest from 0% to 200% of the number of shares in the portfolio. The movement in the number of conditionally awarded matching shares is set out below. The outstanding numbers at 1 January 2010 are adjusted due to the share split.

	J.P. de Kreij	J.P.H. Broeders	F.D. de Koning	Other	Total
Outstanding at 1 January 2010	**32,718**	**38,492**	**29,184**	**43,436**	**143,830**
Conditionally awarded	–	–	–	–	–
Forfeited	–	- 38,492	–	- 670	- 39,162
Outstanding at 31 December 2010	**32,718**	**–**	**29,184**	**42,766**	**104,668**

These plans are recognized as equity-settled share-based payment transactions. The first unconditional grant of matching shares will be effected in 2012 and the last unconditional grant of matching shares in 2014.

Cash Plan

For employees who are not eligible to participate under the LTIP but who contribute significantly to the company's shareholder value a three-year Cash Plan 2008-2010 was introduced in 2008. The Cash Plan 2008-2010 provides for additional pay in the form of deferred compensation under the terms and conditions of the plan after a three years vesting period. The cash plan is granted to a group of senior managers individually selected by the Executive Board. The financial performance is measured by the EPS growth criterion for the three years period, which can rise from 0% to a maximum of 67.5% or 45% of the average salary over the vesting period. The total cost recognized during 2010 was EUR 1.4 million (2009: EUR 1.2 million).

28.3 Estimated value share-based payments

The Performance Share Plans and the Share Ownership Plans and 50% of the LTIP 2010 are equity-settled share-based payments. The other 50% of the LTIP 2010 is a cash-settled share-based payment. The calculations of the estimated fair value of the equity-settled share-based payments are measured at the applicable grant dates, being the dates on which the terms and conditions are accepted by the participants. For the cash-settled share-based payments no fair value is required at grant date but at each subsequent reporting date and settlement date and reflects the extent to which participants have rendered services to date. All valuations are made by an independent qualified appraiser.

The total charge to be recognized for the awards made, can only be estimated, because the actual vesting percentages of the share-based long-term incentive plans will not be known until the end of the respective vesting periods. The fair value of the equity-settled payment is based on the share price at the date of grant which has been reduced with the expected discounted future dividends payable during the respective vesting period, including dividend to be distributed in May 2014, since the holders of shares are not entitled to receive dividends during the vesting period. The fair value of the cash-settled payment is based on the share price at reporting date (EUR 35.35 per 31 December 2010) reduced with the expected discounted future dividends during the remaining vesting period. Expected dividends have been applied in accordance with the dividend policy of the company.

The estimated vesting percentages are based on scenario analysis. For the LTIP 2010 the estimated vesting percentage for the 4-year period amounts to 196% for the Chairman, 161% for the other Board members and 103% or 74% for the key managers.

For the Performance Share Plans the estimated vesting percentages amount to respectively 150% and 94% of the conditionally awarded shares for the 2008 Plan and the 2009 Plan. For the matching shares awarded under the Share Ownership Plan, the estimated vesting percentages amount to respectively 161%, 110% and 118% of the invested amount of own shares for the Plan 2007, Plan 2008 and Plan 2009. No expected forfeitures of awards made to key executives are currently assumed apart from the actual forfeitures due to termination of employment. The fair values of the employee services received in exchange for the award of the LTIP 2010, the Performance Share Plans and the Share Ownership Plans are recognized rateably over the vesting period of four years for the LTIP 2010, three years for the Performance Share Plans and of five years for the Share Ownership Plans.

The estimated vesting percentages of the non-market vesting conditions of the share-based payment arrangements are revised at the end of each reporting period and the vesting date and the difference is charged or credited to profit or loss, with a corresponding adjustment to equity for the equity-settled share-based payments and the liability recognized for the cash-settled share-based payments. The amounts recognized during 2010 were EUR 1.4 million for the LTIP 2010, EUR 1.1 million (2009: EUR 0.9 million) for the conditional awards outstanding under the Performance Share Plans and EUR 0.4 million (2009: EUR 0.4 million) for the conditional awards outstanding under the Share Ownership Plans as specified in the tables below.

LTIP 2010 [1)]

Participants	Grant date	Average share price at grant date	Fair value shares at grant date/ rep. date [2)]	Conditional shares awarded [3)]	Expected shares [4)]	Fair value at grant date/ rep. date [2)]	Allocated cost to 2010	Allocated cost to 2009
Equity-settled								
E.M. Hoekstra	01-09-2010	31.70	29.04	8,075	15,609	453,285	29,040	–
J.P. de Kreij	27-04-2010	31.84	28.63	9,156	14,741	421,961	105,490	–
F. Eulderink	27-04-2010	31.84	28.63	8,568	13,794	394,853	98,713	–
Other senior								
executives	10-06-2010	32.45	29.84	66,371	57,392	1,712,577	450,664	–
Total				**92,170**	**101,536**	**2,982,676**	**683,907**	**–**
Cash-settled								
E.M. Hoekstra	01-09-2010	31.70	32.59	8,075	15,609	508,697	32,590	–
J.P. de Kreij	27-04-2010	31.84	32.59	9,156	14,741	480,409	120,102	–
F. Eulderink	27-04-2010	31.84	32.59	8,568	13,794	449,546	112,387	–
Other senior								
executives	10-06-2010	32.45	32.59	66,371	57,392	1,870,405	492,196	–
Total				**92,170**	**101,536**	**3,309,057**	**757,275**	**–**
Total				**184,340**	**203,072**	**6,291,733**	**1,441,182**	**–**

1) Average share price at grant date, fair value shares at grant date and conditionally awarded shares are adjusted for the effect of the split of shares (see also note 22)

2) Fair value at grant date for the equity-settled LTIP 2010, fair value at reporting date for the cash-settled LTIP 2010

3) On a target level of 100%, based on the average expected salary over 2010-2013 since date of appointment

4) Expected shares for Mr Hoekstra are based on the expected vesting percentage applicable to a member of the Executive Board for the period 1 September 2010 until 31 December 2010 and the expected vesting percentage applicable to the Chairman of the Executive Board starting from 1 January 2011 until the end of the vesting period

Performance Share Plan [1)]

Participants	Grant date	Average share price at grant date	Fair value shares at grant date	Conditional shares awarded [2)]	Expected shares	Fair value at grant date	Allocated cost to 2010	Allocated cost to 2009
J.P. de Kreij	15-02-2008	16.93	15.47	8,660	12,990	200,890	100,883	62,056
	12-06-2009	17.91	16.14	14,722	13,986	225,664	87,097	63,346
J.P.H. Broeders	18-02-2008	17.08	15.62	11,072	16,607	259,319	130,215	80,115
	12-06-2009	17.91	16.14	forfeited	–	–	- 82,805	82,805
F.D. de Koning	12-02-2008	16.66	15.20	8,040	9,380	142,529	51,319	56,596
	12-06-2009	17.91	16.14	13,856	5,850	94,384	34,771	59,613
Other senior	7-03-2008/							
executives	1-07-2008	18.22	16.75	33,490	50,254	841,754	422,902	234,065
	12-06-2009	17.91	16.14	54,710	51,186	825,886	312,981	246,016
Total				**144,550**	**160,253**	**2,590,426**	**1,057,363**	884,612

1) Average share price at grant date, fair value shares at grant date and conditionally awarded shares are adjusted for the effect of the split of shares (see also note 22)

2) On a target level of 100%

Share Ownership Plan [1)]

Participants	Grant date	Average share price at grant date	Fair value shares at grant date	Conditional shares awarded [2)]	Expected shares	Fair value at grant date	Allocated cost to 2010	Allocated cost to 2009
J.P. de Kreij	15-02-2008	16.93	14.48	14,434	19,257	278,745	121,082	50,144
	12-06-2009	17.91	14.97	18,284	21,575	322,870	83,726	45,422
J.P.H. Broeders	18-02-2008	17.08	14.63	forfeited	–	–	- 85,019	56,742
	12-06-2009	17.91	14.97	forfeited	–	–	- 54,874	54,874
F.D. de Koning	12-02-2008	16.66	14.21	13,398	10,350	147,021	78,810	45,675
	12-06-2009	17.91	14.97	15,786	4,967	74,330	35,116	39,214
Other senior executives	7-03-2008/ 1-07-2008	18.22	15.76	13,512	13,659	215,267	83,507	37,844
	12-06-2009	17.91	14.97	29,254	34,189	511,638	132,287	74,334
Total				**104,668**	**103,997**	**1,549,871**	**394,635**	404,249

[1)] Average share price at grant date, fair value shares at grant date and conditionally awarded shares are adjusted for the effect of the split of shares (see also note 22)

[2)] On a target level of 100%

29. Other provisions

Movements in other provisions were as follows:

	Environmental liabilities	Reorgani-zation	Other	Total
Non-current liabilities	5.8	0.1	16.1	22.0
Current liabilities	5.1	0.1	16.9	22.1
Balance at 1 January 2010	**10.9**	**0.2**	**33.0**	**44.1**
Movements:				
- Additions	2.4	–	10.3	12.7
- Acquisitions	–	–	0.4	0.4
- Withdrawals	- 2.8	- 0.1	- 14.3	- 17.2
- Releases	- 0.1	–	- 3.4	- 3.5
- Interest accrual	0.2	–	0.2	0.4
- Exchange differences	0.1	–	0.8	0.9
Balance at 31 December 2010	**10.7**	**0.1**	**27.0**	**37.8**
Non-current liabilities	6.9	0.1	15.9	22.9
Current liabilities	3.8	–	11.1	14.9
Balance at 31 December 2010	**10.7**	**0.1**	**27.0**	**37.8**
Expected withdrawals				
< 1 year	3.8	–	11.1	14.9
1 - 2 years	2.5	0.1	6.7	9.3
2 - 3 years	2.1	–	1.3	3.4
3 - 4 years	0.8	–	0.8	1.6
4 - 5 years	0.7	–	0.3	1.0
> 5 years	0.8	–	6.8	7.6
Total	**10.7**	**0.1**	**27.0**	**37.8**

Vopak is obliged to clean up the soil at different locations. An accurate estimate of the provision for this environmental risk can only be made reliably after conducting a thorough survey and drawing up a management plan for the site, on the basis of which the governmental authorities issues an order. In 2010, this has led to an increase in the provision for environmental risks of EUR 2.4 million. This increase was recognized in the statement of income under Other operating expenses.

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

Other provisions include an amount of EUR 3.7 million for the 2008 Cash Plan and EUR 0.8 million for the cash-settled share-based payment of the LTIP 2010 (see note 28) and EUR 11.4 million relating to claims and damages incurred but not yet reported with regard to the insurance activities. In 2010 on balance EUR 6.5 million was added for expected claims. The release of EUR 3.4 million mainly relates to the reversal of the demolition provision for Waltershof, Germany (see note 12).

30. Trade and other payables

	Note	2010	2009
Trade payables		48.7	38.6
Wage tax and social security charges		5.6	5.6
Prepaid grants	12	26.1	45.1
Other creditors, accruals and deferred income		225.7	191.5
Total		**306.1**	**280.8**

31. Derivative financial instruments

General

The principal derivative financial instruments used by the Group are forward exchange contracts, interest rate swaps and cross currency interest rate swaps.

The market value of the derivative financial instruments as at 31 December 2010 and 31 December 2009 is shown below in order of maturity date:

Market value of the derivative financial instruments at 31-12-2010

	Years								
	< 1	1-2	2-3	3-4	4-5	> 5	Total	Assets	Liabilities
Currency risks									
Forward exchange contracts:									
- Hedge accounting	- 14.7	–	–	–	–	–	- 14.7	1.5	16.2
- No hedge accounting	- 1.8	- 0.5	–	–	–	–	- 2.3	0.3	2.6
Cross currency interest rate swaps:									
- No hedge accounting	12.3	–	–	–	–	1.5	13.8	26.8	13.0
Interest rate risks									
Interest rate swaps:									
- Cash flow hedge	–	- 1.7	–	–	- 2.2	–	- 3.9	–	3.9
- Fair value hedge	–	–	–	1.0	–	0.8	1.8	1.8	–
Cross currency interest rate swaps:									
- Hedge accounting	0.9	–	–	–	–	- 4.8	- 3.9	1.4	5.3
Total	**- 3.3**	**- 2.2**	**–**	**1.0**	**- 2.2**	**- 2.5**	**- 9.2**	**31.8**	**41.0**
Current	- 3.3	–	–	–	–	–	- 3.3	28.5	31.8
Non-current	–	- 2.2	–	1.0	- 2.2	- 2.5	- 5.9	3.3	9.2
Total	**- 3.3**	**- 2.2**	**–**	**1.0**	**- 2.2**	**- 2.5**	**- 9.2**	**31.8**	**41.0**

Market value of the derivative financial instruments at 31-12-2009

	Years								
	< 1	1-2	2-3	3-4	4-5	> 5	Total	Assets	Liabilities
Currency risks									
Forward exchange contracts:									
- Hedge accounting	- 6.6	–	–	–	–	–	- 6.6	0.4	7.0
- No hedge accounting	- 4.0	–	–	–	–	–	- 4.0	1.3	5.3
Cross currency interest rate swaps:									
- No hedge accounting	- 5.8	- 6.9	–	–	–	–	- 12.7	8.6	21.3
Interest rate risks									
Interest rate swaps:									
- Cash flow hedge	–	–	- 1.4	–	–	- 1.2	- 2.6	–	2.6
- Fair value hedge	0.7	–	–	–	–	–	0.7	0.7	–
Cross currency interest rate swaps:									
- Hedge accounting	0.1	- 1.0	–	–	–	–	- 0.9	0.8	1.7
Total	**- 15.6**	**- 7.9**	**- 1.4**	**–**	**–**	**- 1.2**	**- 26.1**	**11.8**	**37.9**
Current	- 15.6	–	–	–	–	–	- 15.6	2.5	18.1
Non-current	–	- 7.9	- 1.4	–	–	- 1.2	- 10.5	9.3	19.8
Total	**- 15.6**	**- 7.9**	**- 1.4**	**–**	**–**	**- 1.2**	**- 26.1**	**11.8**	**37.9**

Currency risks

When applying hedge accounting, the effective part of the movement in fair value of the forward exchange contracts is recognized in the translation reserve (equity component) from 1 January 2005, to the extent that they relate to the hedging of net investments in foreign activities. Reversal through the statement of income takes place proportionately if all or part of the underlying position is sold. Both the ineffective part and the interest component are recognized directly in the statement of income. All currency hedges for 2010 and 2009 were effective.

As part of the currency risk policy, the Group has converted fixed-interest USD loans (US PPs) totalling USD 373 million into fixed-interest loans for the amount of EUR 267 million by means of cross currency interest rate swaps (CCIRS). The terms of the CCIRS are as follows: USD 198 million until 20 June 2011 and USD 175 million until 19 December 2011. Next to the USD CCIRS, the Group has converted fixed-interest GBP loans totalling GBP 20.3 million into fixed-interest EUR loans for the amount of EUR 22.7 million. The term of this CCIRS is until 20 June 2011. Furthermore the Group has converted fixed-interest JPY loans of JPY 16 billion into fixed-interest loans for the amount of EUR 146 million by means of CCIRS. The maturity of these CCRISs is thirty years with a mandatory break between 7 to 10 years.

The fair value changes relating to the currency part of the principal of the CCIRS are recognized directly in the statement of income to compensate for the exchange differences on the hedged USD loans. The fair value changes relating to the fixed interest flows are recognized in equity under the revaluation reserve derivatives by means of hedge accounting (cash flow hedges). A loss of EUR 33.6 million, net of tax had been recognized in equity up to 31 December 2010 (see note 23).

Interest rate risks

By means of an interest rate swap, the Group converted in 2010 fixed-interest loans (Singapore PPs) totalling SGD 100 million to floating-interest loans. The maturity date of the swap is 5 September 2014. This interest rate swap was designated as being a fair value hedge. The part of the value adjustment of the instrument regarded as effective is in principle also recognized in the underlying loan.

Vopak Terminal Singapore Pte. Ltd. converted various floating-interest loans totalling SGD 147 million into fixed-interest loans by means of different interest rate swaps. The terms of these interest rate swaps are until 13 May 2012 and 17 August 2015 and are classified as cash flow hedges.

Effective interest rate and interest rate reset period

The following statements will provide insight into the effective interest rate as at 31 December 2010 and 31 December 2009 of interest-bearing assets and liabilities and the periods in which the interest rate is reviewed.

Effective interest rates and interest rate reset period at 31-12-2010

	Note	Effective interest	Total	< 1	1-2	2-3	3-4	4-5	Years > 5
Cash and cash equivalents and bank overdrafts	20	**2.3%**	**147.8**	**147.8**	**–**	**–**	**–**	**–**	**–**
Loans granted:									
- USD fixed interest		3.0%	6.0	3.5	2.5	–	–	–	–
- EUR fixed interest		1.6%	7.2	1.8	3.4	2.0	–	–	–
Total loans granted	15		**13.2**	**5.3**	**5.9**	**2.0**	**–**	**–**	**–**
Loans drawn:									
- EUR fixed interest		5.3%	- 56.4	–	–	- 8.0	–	–	- 48.4
- GBP fixed interest		6.3%	- 46.3	- 17.1	–	–	–	–	- 29.2
- GBP fixed interest with interest rate swaps		7.9%	- 23.7	- 23.7	–	–	–	–	–
- SGD fixed interest		4.4%	- 195.4	–	–	–	- 64.1	–	- 131.3
- SGD fixed interest with interest rate swap		5.0%	- 58.4	–	–	–	- 58.4	–	–
- SGD floating interest		1.4%	- 30.9	- 30.9	–	–	–	–	–
- SGD floating interest with interest rate swaps		0.7%	- 85.8	–	- 46.7	–	–	- 39.1	–
- USD fixed interest		5.6%	- 563.6	- 43.0	- 16.0	- 26.6	- 2.1	- 58.2	- 417.7
- USD fixed interest with interest rate swaps		6.5%	- 278.5	- 147.7	–	–	–	–	- 130.8
- USD floating interest		1.0%	- 56.1	- 56.1	–	–	–	–	–
- JPY fixed interest		2.9%	- 36.8	–	–	–	–	–	- 36.8
- JPY fixed interest with interest rate swap		2.9%	- 147.3	–	–	–	–	–	- 147.3
Total loans drawn	26		**- 1,579.2**	**- 318.5**	**- 62.7**	**- 34.6**	**- 124.6**	**- 97.3**	**- 941.5**
Derivative financial instruments (currency component fair value):									
- Effect of interest rate swaps from GBP fixed to EUR fixed interest (CCRIS):									
- GBP fixed interest		7.9%	23.7	23.7	–	–	–	–	–
- EUR fixed interest		7.8%	- 22.5	- 22.5	–	–	–	–	–
- Effect of interest rate swaps from JPY fixed to EUR fixed interest (CCIRS):									
- JPY fixed interest		2.9%	147.3	–	–	–	–	–	147.3
- EUR fixed interest		5.5%	- 145.8	–	–	–	–	–	- 145.8
- Effect of interest rate swaps from USD fixed to EUR fixed interest (CCIRS):									
USD fixed interest		6.5%	278.5	278.5	–	–	–	–	–
EUR fixed interest		6.8%	- 267.4	- 267.4	–	–	–	–	–
- Effect of interest rate swaps SGD from floating to fixed interest:									
SGD floating interest		0.4%	85.8	–	46.7	–	–	39.1	–
SGD fixed interest		3.2%	- 85.8	–	- 46.7	–	–	- 39.1	–
- Effect on interest rate swaps SGD from fixed to floating interest:									
SGD fixed interest		5.0%	58.4	–	–	–	58.4	–	–
SGD floating interest		3.6%	- 58.4	–	–	–	- 58.4	–	–
Total derivative financial instruments			**13.8**	**12.3**	**–**	**–**	**–**	**–**	**1.5**
Total			**- 1,404.4**	**- 153.1**	**- 56.8**	**- 32.6**	**- 124.6**	**- 97.3**	**- 940.0**

Effective interest rates and interest rate reset period at 31-12-2009

	Note	Effective interest	Total	Years < 1	1-2	2-3	3-4	4-5	> 5
Cash and cash equivalents and bank overdrafts	20	**0.3%**	**172.6**	**172.6**	**–**	**–**	**–**	**–**	**–**
Loans granted:									
- USD fixed interest		10.0%	9.4	9.4	–	–	–	–	–
- CHF fixed interest		5.0%	1.6	1.6	–	–	–	–	–
- USD floating interest		1.2%	1.0	1.0	–	–	–	–	–
Total loans granted	15		**12.0**	**12.0**	**–**	**–**	**–**	**–**	**–**
Loans drawn:									
- EUR fixed interest		5.3%	- 55.9	–	–	- 2.9	- 8.0	–	- 45.0
- GBP fixed interest		7.0%	- 67.7	–	- 39.5	–	–	–	- 28.2
- SGD fixed interest		5.2%	- 103.5	–	–	–	–	- 103.5	–
- SGD floating interest		1.2%	- 26.4	- 26.4	–	–	–	–	–
- SGD floating interest with interest rate swaps		1.2%	- 73.1	–	–	- 39.8	–	–	- 33.3
- USD fixed interest		5.6%	- 452.3	- 3.0	- 41.4	- 14.9	- 83.0	- 106.4	- 203.6
- USD fixed interest with interest rate swaps		5.6%	- 337.3	–	- 138.1	–	–	–	- 199.2
- USD fixed interest with interest rate swaps		7.8%	- 21.7	- 21.7	–	–	–	–	–
- USD floating interest		0.9%	- 52.4	- 52.4	–	–	–	–	–
Total loans drawn	26		**- 1,190.3**	**- 103.5**	**- 219.0**	**- 57.6**	**- 91.0**	**- 209.9**	**- 509.3**
Derivative financial instruments (currency component fair value):									
- Effect of interest rate swaps USD from fixed to floating interest:									
USD fixed interest		7.8%	21.7	21.7	–	–	–	–	–
USD floating interest		4.0%	- 21.7	- 21.7	–	–	–	–	–
- Effect of interest rate swaps from USD fixed to EUR fixed interest (CCIRS):									
USD fixed interest		6.7%	337.4	128.5	208.9	–	–	–	–
EUR fixed interest		7.0%	- 350.1	- 82.7	- 267.4	–	–	–	–
- Effect of interest rate swaps SGD from floating to fixed interest:									
SGD floating interest		0.7%	73.1	–	–	39.8	–	–	33.3
SGD fixed interest		3.2%	- 73.1	–	–	- 39.8	–	–	- 33.3
Total derivative financial instruments			**- 12.7**	**45.8**	**- 58.5**	**–**	**–**	**–**	**–**
Total			**- 1,018.4**	**126.9**	**- 277.5**	**- 57.6**	**- 91.0**	**- 209.9**	**- 509.3**

Credit risks

As at year-end, there was no significant concentration of credit risks at any of the counterparties regarding financial instruments and cash and cash equivalents.

32. Remuneration of Supervisory Board members and Executive Board members

32.1 Remuneration of Supervisory Board members

The remuneration of the members of the Supervisory Board consists of a gross remuneration component. The Supervisory Board members do not receive any profit-related bonuses, options or expense allowances. Members of Committees receive additional remuneration. The total remuneration paid to current and former Supervisory Board members in the financial year was EUR 0.3 million (2009: EUR 0.2 million).

The table below shows the amounts received by each member individually in 2010.

In EUR thousands	Gross remuneration	Audit Committee	Selection and Appointment Committee	Remuneration Committee	Total 2010	Total 2009
F.J.G.M. Cremers	42.5	10.0	–	–	52.5	52.5
C.J. van den Driest	42.5	–	–	7.5	50.0	50.0
A. van Rossum	60.0	–	5.0	5.0	70.0	70.0
M. van der Vorm	42.5	6.0	3.5	–	52.0	52.0
R.G.M. Zwitserloot [1]	42.5	6.0	–	–	48.5	12.1
Total current Supervisory Board members	**230.0**	**22.0**	**8.5**	**12.5**	**273.0**	**236.6**
R.M.F. van Loon [2]	–	–	–	–	–	12.5
Total former Supervisory Board members	**–**	**–**	**–**	**–**	**–**	**12.5**
Total	**230.0**	**22.0**	**8.5**	**12.5**	**273.0**	**249.1**

[1] Remuneration for 2009 relates to the period from 1 October 2009, the date of appointment

[2] Remuneration for 2009 relates to the period ended on 17 March 2009, the date of resignation

Mr van den Driest, a former Executive Board member, held 8,000 shares at year-end 2010 (2009: 8,000 shares). The other Supervisory Board members did not hold any shares in Royal Vopak at year-end 2010 and 2009. No loans, advances or guarantees have been provided to current or former Supervisory Board members.

32.2 Remuneration of Executive Board members

The table shows the remuneration of the Executive Board members. In accordance with IFRS, the long-term variable remuneration of compensation to be allocated for work performed during the financial year, irrespective of the actual payment. Total remuneration amounted to EUR 4.2 million (2009: EUR 3.3 million).

The breakdown for Executive Board members is as follows:

In EUR thousands	Salary 2010	Salary 2009	Short-term variable remuneration 2010	Short-term variable remuneration 2009	Long-term variable remuneration *) 2010	Long-term variable remuneration *) 2009	Pension 2010	Pension 2009	Total 2010	Total 2009
E.M. Hoekstra [1]	125	–	81	–	62	–	21	–	289	–
J.P. de Kreij	437	425	284	263	618	221	130	126	1,469	1,035
F. Eulderink [2]	390	–	260	–	211	–	91	–	952	–
Total current Executive Board members	**952**	425	**625**	263	**891**	221	**242**	126	**2,710**	1,035
J.P.H. Broeders [3]	550	500	397	344	- 93	275	138	125	992	1,244
F.D. de Koning [4]	133	400	90	248	200	201	45	139	468	988
Total former Executive Board members	**683**	900	**487**	592	**107**	476	**183**	264	**1,460**	2,232
Total	**1,635**	1,325	**1,112**	855	**998**	697	**425**	390	**4,170**	3,267

1) Remuneration for 2010 relates to the period from 1 September 2010, the date of appointment

2) Remuneration for 2010 relates to the period from 10 January 2010, the date of appointment

3) The date of resignation is 1 March 2011

4) Remuneration for 2010 relates to the period ended on 27 April 2010, the date of resignation

*) Is the fair value of the share-based awards. The fair value is the amount for which an item could be exchanged or settled between knowledgeable willing parties. Costs under IFRS deviate from the value attributed to the individual awards at the date of the grant, due to differences in calculation method. Under IFRS the fair value of the share-based award is charged to the statement of income over the vesting period.

The Executive Board members have a defined contribution plan. Under the plan, the standard retirement age is 65. However, Mr De Kreij will step down at the age of 60 in conformity with his employment contract.

The current Executive Board members are entitled to a short-term and long-term variable income component.

The short-term variable income, which is paid out in cash, is based on financial and non-financial targets and is subject to a maximum of the fixed salary for year 2010. The maximum is 75% and 67.5% for respectively the chairman (2009: 75%) and the other members (2009: 67.5%). The financial target component amounts to a maximum of 50% for the chairman (2009: 50%) and to a maximum of 45% for the other members (2009: 45%) and is, only based on an increase in EBITDA (Earnings Before Interest and Tax, Depreciation and Amortization) compared with the EBITDA of previous year. Both the financial as non-financial targets were determined by the Supervisory Board prior to the beginning of the year.

For 2010 both targets resulted in the following short-term variable component of the salary on an annual basis: Mr Hoekstra 65% (2009: not applicable), Mr De Kreij 65% (2009: 62%), Mr Eulderink 65% (2009: not applicable), Mr Broeders 72.2% (2009: 69%) and Mr De Koning 67.5% (2009: 62%).

The long-term variable income consists of the conditional awards under the LTIP 2010, the Performance Share Plan and the Share Ownership Plan and is described for the individual (former) members of the Executive Board in note 28.

Share ownership at 31 December 2010

The current exposure of the (former) members of the Executive Board members is shown in the next table. This includes unrestricted (including partner holdings) and restricted shares. The members of the Executive Board are further exposed to the company's share price through their unvested performance and matching shares (see note 28).

	Unrestricted shares held	Restricted shares held	Total shares held [1]
E.M. Hoekstra	–	4,306	4,306
J.P. de Kreij	267,282	32,718	300,000
Total current Executive Board members	**267,282**	**37,024**	**304,306**
J.P.H. Broeders	40,746	–	40,746
F.D. de Koning	30,792	–	30,792
Total former Executive Board members	**71,538**	**–**	**71,538**
Total	**338,820**	**37,024**	**375,844**

[1] Market value of Vopak shares at year-end is EUR 35.35 per share

All transactions involved were performed for the account and risk of the (former) Executive Board members concerned. The total numbers of shares held at year-end 2010 are the same as at year-end 2009. Due to the resignation of Mr Broeders and the retirement of Mr De Koning their restricted shares, respectively 38,492 and 29,184 at 31 December 2009, became unrestricted during 2010. Due to his resignation the awards for Mr Broeders as consideration for keeping the shares in portfolio from granting date until resignation date are fully forfeited. At vesting date Mr De Koning will be awarded pro rata for the period from granting date until retirement date.

33. Cash flows from operating activities (gross)

	Note	2010	2009
Net profit		**300.8**	**276.5**
Adjustments for:			
- Depreciation, amortization and impairment	4	151.5	131.1
- Net finance costs	7, 8	68.4	45.7
- Income tax	9	72.8	68.9
- Movements in other non-current assets		- 13.5	- 15.7
- Movements in provisions excluding deferred taxes		- 14.2	2.9
- Movements in non-controlling interests	25	- 36.4	- 20.6
- Dividend received from joint ventures	13	44.7	31.4
- Result joint ventures	6	- 83.4	- 60.5
- Measurement of equity-settled share-based payment arrangements	24	2.1	1.3
- Result on sale of intangible assets		–	0.5
- Result on sale of property, plant and equipment	2, 5	2.5	- 10.3
- Result on sale of assets held for sale	2	–	- 5.4
- Result on sale of subsidiaries	2	- 0.5	- 0.8
Realized value adjustments of derivative financial instruments		- 34.3	24.6
Movements in other current assets (excl. cash and cash equivalents)		- 39.1	20.3
Movements in other current liabilities (excluding bank overdrafts and dividends)		29.7	- 39.1
Effect of changes in exchange rates on other current assets and liabilities		4.0	- 0.2
Cash flows from operating activities (gross)		**455.1**	**450.6**

34. Operating lease

The amounts due in respect of non-cancellable operating leases are payable as follows:

	2010	2009
Less than one year	53.2	43.5
Between 1 and 5 years	176.9	143.5
More than 5 years	352.2	331.8
Total	**582.3**	**518.8**

The lease amounts due are mainly in respect of the leasehold on land and the lease of buildings.

In 2010, EUR 50.5 million was recognized as expenses in the statement of income relating to operating leases (2009: EUR 44.6 million).

35. Investment commitments undertaken

The investment commitments undertaken amount to EUR 381.0 million as at 31 December 2010 (2009: EUR 215.3 million).

36. Contingent assets and contingent liabilities

Guarantees and security provided for joint ventures and third parties amounted to EUR 91.3 million (2009: EUR 65.3 million). This includes the Vopak guarantee for the project financing (USD 60 million) of the joint venture Vopak Terminal Jakarta. The amounts of these guarantees and securities can be called within one year.

The Group is exposed to risks regarding environmental obligations arising from past activities. For example, a number of sites have to be decontaminated before being handed back at the end of the contractual period. Under current legislation, environmental plans and any other measures to be adopted have to be agreed with local, regional and national authorities as appropriate. As soon as such plans are approved or other legal obligations arise, a provision is formed based on the most reliable estimate possible of future expenses. The Executive Board is of the opinion that, based on information currently available, the provisions are adequate. However, given the degree of difficulty in making estimates, this does not guarantee that no additional costs will arise.

As a result of its day-to-day activities, the Group is involved in a number of legal proceedings.
No provisions have been formed, where the Executive Board is of the opinion that the final outcome will not create a cash outflow.

37. Related parties

Transactions with Supervisory Board members and Executive Board members
For the remuneration of Supervisory Board members and Executive Board members, please refer to note 32.

No loans, advances or guarantees have been provided to current or former members of the Supervisory Board and/or Executive Board.

In 2010, the Group did not conduct any transactions with companies in which Executive Board members and/or persons closely related to them have a significant financial interest.

Transactions with subsidiaries
Royal Vopak has a business relationship with its subsidiaries and joint ventures (see pages 171 and 172).

Related party transactions can arise with the Group's joint ventures comprise fees for the use of Vopak's services. Except as disclosed below, no related party transactions have been entered into during the year which might reasonably affect any decisions made by the users of these consolidated financial statements.

	2010	2009
Other operating income	5.9	3.3
Interest income on borrowings to joint ventures	1.0	4.1
Amounts owed by or owed to (-) joint ventures	5.6	9.4

For Vopak Terminal Bahamas a long-term incentive structure is in place for the benefit of Vopak. This incentive structure has been agreed with our partner at acquisition date and is linked to the financial long-term performance and successful expansion of the company. Due to the early stages of the related development activities there is insufficient information to make a reliable estimate of such incentives as at 31 December 2010.

Company Financial Statements

Company Statement of Income

In EUR millions	2010	2009
Profit of participating interests after tax	334.8	295.0
Other results after tax	- 64.7	- 43.8
Net profit	**270.1**	**251.2**

Company Statement of Financial Position at 31 December before Profit Appropriation

In EUR millions	Note	2010		2009	
Participating interests in group companies	2	1,680.8		1,231.8	
Loans granted	3	1,123.0		925.5	
Pensions and other employee benefits		90.5		80.7	
Derivative financial instruments	6	2.4		9.3	
Total non-current assets			**2,896.7**		**2,247.3**
Trade and other receivables		12.5		25.1	
Prepayments and accrued income		0.9		1.2	
Derivative financial instruments	6	27.0		1.7	
Cash and cash equivalents		55.6		110.6	
Total current assets			**96.0**		**138.6**
Bank overdrafts		28.5		0.4	
Current portion of interest-bearing loans	5	190.7		24.7	
Creditors and other liabilities		20.7		12.3	
Derivative financial instruments	6	21.9		13.6	
Total current liabilities			**261.8**		**51.0**
Current assets less current liabilities			**- 165.8**		**87.6**
Total assets less current liabilities			**2,730.9**		**2,334.9**
Interest-bearing loans	5	1,267.3		1,062.2	
Derivative financial instruments	6	4.8		17.3	
Non-current liabilities			**1,272.1**		**1,079.5**
Provisions	7		**5.4**		**3.2**
Share capital		84.6		84.6	
Share premium		281.2		281.2	
Share capital and share premium			365.8		365.8
Statutory reserve for participating interests		184.2		126.4	
Translation reserve		31.6		- 2.3	
Revaluation reserve derivatives		- 33.6		- 20.3	
Revaluation reserve assets		6.1		7.2	
Other reserves		629.2		524.2	
Unappropriated profit		270.1		251.2	
Other shareholders' equity components	4		1,087.6		886.4
Shareholders' equity			**1,453.4**		**1,252.2**
Total			**2,730.9**		**2,334.9**

Notes to the Company Financial Statements

An abridged company statement of income is presented in accordance with Section 402 of Book 2 of the Dutch Civil Code.

All amounts are in EUR millions, unless stated otherwise.

1. General

1.1 Accounting policies

The company financial statements have been drawn up in accordance with Dutch GAAP (Part 9 of Book 2 of the Dutch Civil Code). In doing so, the company made use of the possibility to apply the accounting policies (including the policies for the presentation of financial instruments as equity or loan capital) used in the consolidated financial statements to the company financial statements, as provided in Section 362 (8) of Book 2 of the Dutch Civil Code.

The accounting policies applied in the company financial statements are the same as those applied in the consolidated financial statements. The policies stated in the consolidated financial statements are applied, unless stated otherwise.

1.2 Participating interests in group companies

Interests in group companies and other companies over which Vopak exercises control or which it manages are carried at net asset value. The net asset value is determined by measuring the assets, provisions and debts and calculating the result according to the accounting policies applied in the consolidated financial statements.

2. Participating interests in group companies

	2010	2009
Carrying amount at 1 January	**1,231.8**	**1,015.3**
Investments	8.0	–
Disposals	–	- 4.0
Dividend	- 8.0	- 77.3
Exchange differences	100.8	3.1
Hedging	13.4	- 0.2
Profit	334.8	294.9
Carrying amount at 31 December	**1,680.8**	**1,231.8**

3. Loans granted

	2010	2009
Carrying amount at 1 January	**925.5**	**467.7**
Loans granted	1,148.8	611.5
Repayments	- 952.4	- 153.3
Exchange differences	1.1	- 0.4
Carrying amount at 31 December	**1,123.0**	**925.5**

At 31 December 2010, loans granted did not include any subordinated loans (2009: nil).

4. Shareholders' equity

Please see note 22 for movements in the number of shares, share capital and share premium.

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

Movements in the remaining components of shareholders' equity for 2010 and 2009 are shown below.

The translation reserve includes all exchange differences resulting from the translation of the financial statements of foreign entities and exchange differences resulting from the translation of liabilities and the effective part of the fair value changes in derivative financial instruments, net of tax, that hedge the net investment of the company in foreign entities.

The revaluation reserve derivatives contains the effective part of the accumulated net change in the fair value of the cash flow hedges (less tax) relating to cash flows in the future.

The revaluation reserve assets contains the revaluations due to step-up acquisitions.

After adjustment for the negative revaluation reserve derivatives (EUR 33.6 million) at 31 December 2010, a total of EUR 865.7 million (2009: EUR 752.8 million) is distributable from other reserves and unappropriated profit for 2010.

	Statutory reserve participating interests	Trans-lation reserve	Re-valuation reserve derivatives	Re-valuation reserve assets	Other reserves	Unappro-priated profit	Total
Balance at 1 January 2009	**89.9**	**- 8.7**	**- 20.2**	**7.7**	**404.0**	**213.2**	**685.9**
Profit appropriation	–	–	–	–	157.3	- 157.3	–
Dividend in cash	–	–	–	–	–	- 20.5	- 20.5
Dividend paid in stock	–	–	–	–	–	- 35.4	- 35.4
Exchange differences on net investments	–	4.8	–	–	–	–	4.8
Effective part of hedges of net investments	–	5.2	–	–	–	–	5.2
Tax effect on exchange differences and hedges	–	- 3.0	–	–	–	–	- 3.0
Use of exchange differences on net investments (to statement of income)	–	- 0.6	–	–	–	–	- 0.6
Changes in value of effective part of cash flow hedges	–	–	- 2.2	–	–	–	- 2.2
Tax effect of changes in value of cash flow hedges	–	–	0.9	–	–	–	0.9
Use of effective part of cash flow hedges (to statement of income)	–	–	1.6	–	–	–	1.6
Tax effect of use of cash flow hedges	–	–	- 0.4	–	–	–	- 0.4
Depreciation on revaluation reserve assets	–	–	–	- 0.5	0.5	–	–
Measurement of equity-settled share-based payment arrangement	–	–	–	–	1.3	–	1.3
Issued to option holders	–	–	–	–	0.5	–	0.5
Repurchase of own shares	–	–	–	–	- 2.9	–	- 2.9
Transferred from other reserves to statutory reserves	36.5	–	–	–	- 36.5	–	–
Profit for the year	–	–	–	–	–	251.2	251.2
Balance at 31 December 2009	**126.4**	**- 2.3**	**- 20.3**	**7.2**	**524.2**	**251.2**	**886.4**
Profit appropriation	–	–	–	–	168.8	- 168.8	–
Dividend in cash	–	–	–	–	–	- 82.4	- 82.4
Exchange differences on net investments	–	101.6	–	–	–	–	101.6
Effective part of hedges of net investments	–	- 94.3	–	–	–	–	- 94.3
Tax effect on exchange differences and hedges	–	26.4	–	–	–	–	26.4
Use of exchange differences on net investments (to statement of income)	–	0.2	–	–	–	–	0.2
Changes in value of effective part of cash flow hedges	–	–	- 16.9	–	–	–	- 16.9
Tax effect of changes in value of cash flow hedges	–	–	4.2	–	–	–	4.2
Use of effective part of cash flow hedges (to statement of income)	–	–	- 0.8	–	–	–	- 0.8
Tax effect of use of cash flow hedges	–	–	0.2	–	–	–	0.2
Depreciation on revaluation reserve assets	–	–	–	- 1.1	1.1	–	–
Measurement of equity-settled share-based payment arrangement	–	–	–	–	2.1	–	2.1
Repurchase of own shares	–	–	–	–	- 9.2	–	- 9.2
Transferred from other reserves to statutory reserves	57.8	–	–	–	- 57.8	–	–
Profit for the year	–	–	–	–	–	270.1	270.1
Balance at 31 December 2010	**184.2**	**31.6**	**- 33.6**	**6.1**	**629.2**	**270.1**	**1,087.6**

5. Interest-bearing loans

	Nominal value 2010	Nominal value 2009	More than 5 years 2010	More than 5 years 2009	Average term in years 2010	Average term in years 2009	Average interest in % 2010	Average interest in % 2009
Current portion	190.7	24.7						
Non-current portion	1,267.3	1,062.2						
Total	**1,458.0**	**1,086.9**	**1,045.8**	**740.8**	**10.3**	**8.4**	**4.5**	**5.6**

6. Derivative financial instruments

Market value of derivative financial instruments as at 31 December 2010 in order of maturity date

	Years < 1	1-2	2-3	3-4	4-5	> 5	Total	Assets	Liabilities
Currency risks									
Forward exchange contracts	- 8.1	–	–	–	–	–	- 8.1	0.3	8.4
Cross currency interest rate swaps	13.2	–	–	–	–	- 3.4	9.8	28.1	18.3
Interest rate risks									
Interest rate swaps	–	–	–	1.0	–	–	1.0	1.0	–
Total	**5.1**	**–**	**–**	**1.0**	**–**	**- 3.4**	**2.7**	**29.4**	**26.7**
Current	5.1	–	–	–	–	–	5.1	27.0	21.9
Non-current	–	–	–	1.0	–	- 3.4	- 2.4	2.4	4.8
Total	**5.1**	**–**	**–**	**1.0**	**–**	**- 3.4**	**2.7**	**29.4**	**26.7**

Market value of derivative financial instruments as at 31 December 2009 in order of maturity date

	Years < 1	1-2	2-3	3-4	4-5	> 5	Total	Assets	Liabilities
Currency risks									
Forward exchange contracts	- 6.9	–	–	–	–	–	- 6.9	0.9	7.8
Cross currency interest rate swaps	- 5.7	- 8.0	–	–	–	–	- 13.7	9.4	23.1
Interest rate risks									
Interest rate swaps	0.7	–	–	–	–	–	0.7	0.7	–
Total	**- 11.9**	**- 8.0**	**–**	**–**	**–**	**–**	**- 19.9**	**11.0**	**30.9**
Current	- 11.9	–	–	–	–	–	- 11.9	1.7	13.6
Non-current	–	- 8.0	–	–	–	–	- 8.0	9.3	17.3
Total	**- 11.9**	**- 8.0**	**–**	**–**	**–**	**–**	**- 19.9**	**11.0**	**30.9**

7. Provisions

Movements in provisions were as follows:

	Pensions and other employee benefits	Other	Total
Balance at 1 January 2009	**–**	**1.0**	**1.0**
Movements:			
- Additions	2.3	–	2.3
- Withdrawals	–	- 0.1	- 0.1
Balance at 31 December 2009	**2.3**	**0.9**	**3.2**
Non-current liabilities	2.3	0.9	3.2
Current liabilities	–	–	–
Balance at 31 December 2009	**2.3**	**0.9**	**3.2**
Movements:			
- Additions	2.2	–	2.2
Balance at 31 December 2010	**4.5**	**0.9**	**5.4**
Non-current liabilities	4.5	0.9	5.4
Current liabilities	–	–	–
Balance at 31 December 2010	**4.5**	**0.9**	**5.4**

8. Remuneration of Supervisory Board members and Executive Board members

See note 32 to the consolidated financial statements.

9. Contingent liabilities

Royal Vopak is the head of a tax entity including almost all Dutch wholly-owned group companies. The company is therefore jointly and severally liable for the tax liabilities of the tax entity as a whole.

Guarantees and security provided on behalf of participating interests and third parties amounted to EUR 91.3 million (2009: EUR 65.2 million). Guarantees and security provided on behalf of group companies amounted to EUR 44.2 million (2009: EUR 68.3 million).

Joint and several liability undertakings for an amount of EUR 110.0 million (2009: EUR 110.0 million) were issued for bank credits granted to Royal Vopak. Furthermore joint and several liability undertakings for an amount of EUR 51.5 million (2009: EUR 34.6 million) were issued for bank credits granted to subsidiaries.

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

The members of the Executive Board have signed the financial statements in order to comply with the statutory obligation pursuant to article 2:101 paragraph 2 Dutch Civil Code and article 5:25c sub c of the Act on Financial Supervision (Wft).

Rotterdam, 10 March 2011

The Executive Board
E.M. Hoekstra (Chairman)
J.P. de Kreij (Vice-chairman, CFO)
F. Eulderink (COO)

The Supervisory Board
A. van Rossum (Chairman)
M. van der Vorm (Vice-chairman)
F.J.G.M. Cremers
C.J. van den Driest
R.G.M. Zwitserloot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Vopak

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To the Annual General Meeting of Shareholders of Koninklijke Vopak N.V. (Royal Vopak)

Report on the financial statements

We have audited the financial statements 2010 of Koninklijke Vopak N.V., Rotterdam as set out on pages 76 to 156 of this annual report. These financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of financial position as at 31 December 2010, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and the notes, comprising a summary of significant accounting policies and other explanatory information. The company financial statements comprise the company statement of income for the year then ended, the company statement of financial position as at 31 December 2010 and the notes, comprising a summary of significant accounting policies and other explanatory information.

Executive Board's responsibility

The Executive Board of Koninklijke Vopak N.V. is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the Executive Board report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Executive Board is responsible for such internal control it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executive Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Koninklijke Vopak N.V. as at 31 December 2010, and of its results and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of Koninklijke Vopak N.V. as at 31 December 2010, and of its results for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the Executive Board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Furthermore we report, to the extent we can assess, that the Executive Board report, is consistent with the financial statements as required by 2:391 sub 4 of the Dutch Civil Code.

Rotterdam, 10 March 2011

PricewaterhouseCoopers Accountants N.V.

Originally signed by M. de Ridder RA

Events after reporting period

New terminal in Eemshaven (the Netherlands)
On 11 January Vopak announced that it has reached agreement with NIBC European Infrastructure Fund (NEIF) to build and operate a new storage terminal for oil products in the port of Eemshaven. For this new Dutch storage facility a joint venture has been established in which both companies are equal shareholders. The terminal shall provide services to European governments for the storage of their strategic reserves of liquid oil products, such as crude oil, gasoil and gasoline.

Vopak will operate the new terminal that has an initial storage capacity of 660,000 cubic meters, comprising of 11 tanks with a storage capacity of 60,000 cubic meters each, and a jetty for seagoing vessels. This capacity has already been rented out for a long-term period and is expected to be commissioned in the third quarter of 2012. The terminal can be expanded to a total storage capacity of 2.76 million cubic meters in the future.

Sale of our equity stake in Bahamas terminal
On 16 February 2011 Vopak exercised its tag-along right and sold its 20% equity stake in Bahamas Oil Refining Company International Limited (BORCO, also operating as Vopak Terminal Bahamas) to the US based pipeline and storage terminal operator Buckeye Partners, L.P. (Buckeye), this as result of the earlier sale by First Reserve Cooperation (FRC), Vopak's partner in BORCO.

In April 2008 FRC, a US-based private equity firm in the energy industry, and Vopak acquired BORCO in Freeport, Bahamas for which a joint venture was established. Both partners have successfully redeveloped the former refinery into an independent oil storage terminal with a capacity of 3.4 million cubic meters. The equity of the joint venture was split 80%/20% between FRC and Vopak, whereby Vopak acted as operator.

As part of the joint venture agreement, the terminal has been operated by Vopak from the start. Buckeye expressed its intention to take over the operating responsibilities of the terminal as from the end of the current operating agreement i.e. by the end of April 2013. This led to the decision by Vopak to divest its 20% equity stake, as Vopak's strategy aims for sufficient long-term control and standardized operational and commercial processes in all terminal operations of the Vopak global terminal network, supporting the business success of its customers. On request of Buckeye, the transfer of the operating responsibilities from Vopak to Buckeye has been accelerated and Buckeye has taken over these responsibilities from transaction date. To facilitate a safe and professional handover for the BORCO customers to Buckeye Vopak will provide transition services to Buckeye.

The sale of Vopak's 20% equity stake in BORCO generated an after-tax exceptional profit of EUR 110.8 million. As consideration for the sale Vopak received USD 190 million in cash (including amongst others the incentive fees resulting from the sale by FRC of its 80% equity stake in BORCO to Buckeye), 1,095,722 Buckeye Class B units and 620,861 Buckeye LP units. The Buckeye Class B units will convert into LP units on a one-for-one basis ultimately at the third anniversary date of the transaction. The transaction has the following effects on the financial position.

In EUR millions

Cash	139.9	Exchange differences on net investment	0.5
Joint ventures	- 102.6	After-tax exceptional profit	110.8
Investment Buckeye LP Units	29.5	Equity	111.3
Investment Buckeye Class B Units	49.2	Tax liabilities	4.7
Total assets	**116.0**	**Total equity and liabilities**	**116.0**

New revolving credit facility
On 3 February 2011 Vopak has closed a new EUR 1.2 billion senior unsecured multicurrency revolving credit facility which replaces the current revolving credit facility of EUR 1.0 billion. The new revolving credit facility is fully available for drawdown and has an initial maturity of five years with two extension options of one year each. The financial covenant ratios are unchanged compared to the ratios applicable for the former revolving credit facility.

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. In the annual general meeting of shareholders:
b. the annual accounts as prepared by the management board will be presented to the general meeting for adoption and the allocation of profits will – with due observance of the provisions of article 27 – be determined.

27.12. The profits remaining after application of the previous paragraphs shall be at the free disposal of the general meeting, with due observance of the fact that no dividend can be distributed when, at the time of the distribution, the dividend reserve finance preference shares has a positive balance and furthermore provided that no further distributions shall be made on the anti take-over preference shares and the finance preference shares and no profits shall be (further) reserved for the account of the finance preference shares.

Proposed Profit Appropriation

The proposal to the Annual General Meeting will be to distribute a dividend on the financing preference shares of EUR 8.2 million (2009: EUR 2.8 million) and a dividend in cash of EUR 0.70 (2009: EUR 0.625 in cash) per ordinary share, with a nominal value of EUR 0.50 each. Provided that the Annual General Meeting adopts the statement of income, statement of financial position and dividend proposal, the dividend for the 2010 financial year will be made payable on 4 May 2011.

Stichting Vopak

The objects of Stichting Vopak, established in Rotterdam, are to promote the interests of Koninklijke Vopak N.V. (Royal Vopak) and of all those involved with this company or any of its affiliated companies in order to safeguard, among other things, Royal Vopak's and these companies' continuity, identity and independence.

During the year under review, the Board of Stichting Vopak convened twice. At these meetings, the protection of Vopak and its effectiveness were discussed. Furthermore, the Board was extensively briefed by the Chairman of the Executive Board of Royal Vopak on the developments in the company. The Chairman of the Supervisory Board attended these meetings as an observer.

In addition, the financing of Stichting Vopak and the composition of the Board were discussed. During the meeting held on 7 April 2010, Mr G. Izeboud was reappointed as a member of the Board.

The current members of the Board of Stichting Vopak are:

- A. Schaberg (Chairman)
- G. Izeboud
- J.H.M. Lindenbergh
- R.E. Selman

No cumulative protective preference shares in Royal Vopak had been issued at the statement of financial position date.

Protective 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 protective 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. Royal 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 Royal Vopak was cancelled.

The Board of Stichting Vopak decides independently whether and when there is a need to issue protective preference shares to Stichting Vopak.

Rotterdam, 10 March 2011

Stichting Vopak

Declaration of independence

In the opinion of the Board of Stichting Vopak and the Executive Board of Royal Vopak, Stichting Vopak is independent as meant by Section 5:71(1c) of the Financial Supervision Act.

Rotterdam, 10 March 2011

Stichting Vopak **Koninklijke Vopak N.V. (Royal Vopak)**

Report of the Stichting Administratiekantoor Financieringspreferente Aandelen Vopak ('the Foundation')

As at 31 December 2010, the Foundation administered 41,400,000 registered financing preference shares with a nominal value of EUR 0.50 each in Royal Vopak, for which an equal number of depositary receipts for shares had been issued.

During the year under review, the Board of the Foundation convened twice. During one of these meetings, items on the agenda included the amendments to the Foundation's bylaws and trust conditions and the amendments to Royal Vopak's Articles of Association relating to the share split, as well as the manner in which the Foundation would vote at the Annual General Meeting to be held on 27 April 2010.

In addition, the Board of the Foundation decided on 20 October 2010, outside the meeting, on the manner in which the Foundation would vote at the Extraordinary General Meeting to be held on 11 November 2010, at which the proposal to appoint Mr E.M. Hoekstra to Royal Vopak's Executive Board was to be the sole agenda item.

Holders of depositary receipts did not request any proxies nor give the Foundation voting instructions for these meetings.

For both shareholders' meetings, the Foundation provided a proxy with voting instructions to an independent third party, which is Van der Stap Notarissen, instructing it to approve all proposals made to the shareholders' meetings on the Foundation's behalf.

During the year under review, the Board of the Foundation was composed of two Officers A, Mr J.H. Ubas and Mr H.J. Baeten, appointed by the meeting of depositary receipt holders, and an Officer B, Mr L.P.E.M. van den Boom, appointed by the Board, who is also the Chairman. Prior to taking up their duties, the Officers of the Foundation held senior management positions at various financial institutions. All Officers satisfy the independence conditions as stipulated by article 6.6 of the by-laws of the Foundation. They receive annual compensation of EUR 6,353 each.

The Board of the Foundation will grant proxies to the holders of depositary receipts at their request. The Board of the Foundation will also comply with all voting instructions from the holders of depositary receipts. The granting of proxies and the acceptance of voting instructions will always be in accordance with a limit of one-hundred-and-sixteen votes for every thousand financing preference shares.

In addition, the Foundation convened one meeting of depositary receipt holders in the year under review in order to consult depositary receipt holders on the amendments to the Foundation's bylaws and Royal Vopak's Articles of Association. Furthermore, approval was requested and granted for amending the Foundation's trust conditions.

Rotterdam, 10 March 2011

Stichting Administratiekantoor Financieringspreferente Aandelen Vopak
Westerlaan 10, 3016 CK Rotterdam

Information on the Executive Board members

Personal details regarding Mr E.M. Hoekstra (Chairman)

Nationality	Dutch
Year of birth	1971
Previous important position held	President of Vopak Asia
Supervisory board memberships	none
Number of Vopak shares held	4,306 [1)]
Date of first appointment	12 November 2010
Current period	2010 - 2014

Personal details regarding Mr J.P. de Kreij (Vice-chairman, CFO)

Nationality	Dutch
Year of birth	1959
Previous important position held	Senior Partner PricewaterhouseCoopers N.V. Managing Partner Transaction Services
Supervisory board memberships	Evides N.V.
Number of Vopak shares held	300,000 [1)]
Date of first appointment	1 January 2003
Current period	Indefinitely (pension date 1 May 2019)

Personal details regarding Mr F. Eulderink (COO)

Nationality	Dutch
Year of birth	1961
Previous important position held	Vice-president Unconventional Oil at Shell in North America
Supervisory board memberships	none
Number of Vopak shares held	none
Date of first appointment	28 April 2010
Current period	2010 - 2014

[1)] All transactions involved were performed at the own expense and risk of the Executive Board member concerned

Information on the Supervisory Board members

Personal details regarding Mr A. van Rossum (Chairman)

Age	65 years (12-5-1945)
Nationality	Dutch
Previous important positions held	Chairman Executive Board Fortis NV/SA (until end 2004)
	Senior Partner McKinsey & Company
Other positions	**Member Board of Directors**
	Credit Suisse Group A.G.
	Solvay S.A.
	Member Supervisory Board
	Münchener Rückversicherungs-Gesellschaft
	Rodamco Europe N.V.
	Erasmus University Rotterdam, Chairman
Number of Vopak shares held	none
Date of first appointment	27 September 2007
Current term	2007 - 2011
Chairman of the Selection and Appointment Committee	
Member of the Remuneration Committee	

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

Age	52 years (20-8-1958)
Nationality	Dutch
Profession/Main position	Chairman of the Executive Board
	HAL Holding N.V.
Other positions	**Member Supervisory Board**
	Anthony Veder Group N.V.
	Koninklijke Boskalis Westminster N.V.
Number of Vopak shares held	none
Date of first appointment	3 November 2000
Current term	2008 - 2012
Member of the Audit Committee	
Member of the Selection and Appointment Committee	

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

Age	59 years (7-2-1952)
Nationality	Dutch
Previous important position held	Member of the Executive Board
	and CFO of VNU N.V.
Other positions	**Member (Supervisory) Board**
	N.V. Nederlandse Spoorwegen
	Fugro N.V., Vice-chairman
	N.V. Luchthaven Schiphol
	Unibail-Rodamco S.E.
	Parcom Capital B.V.
	SBM Offshore N.V.
	Capital Market Committee of AFM
	Stichting Preferente Aandelen Philips
	Stichting Preferente Aandelen Heijmans
Number of Vopak shares held	none
Date of first appointment	1 October 2004
Current term	2008 - 2012
Chairman of the Audit Committee	

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

Age	63 years (22-11-1947)
Nationality	Dutch
Profession/Main position	Director of Carelshaven B.V.
Previous important position held	Chairman of the Executive Board of Royal Vopak
Other positions	**Member (Supervisory) Board**
	Anthony Veder Group N.V., Chairman
	Darlin N.V., Chairman
	Van Gansewinkel Groep B.V.
	Van Oord N.V., Chairman
	Stork N.V.
	Stichting ING Aandelen
Number of Vopak shares held	8,000
Date of first appointment	27 April 2006
Current term	2010 - 2014
Chairman of the Remuneration Committee	

Personal details regarding Mr R.G.M. Zwitserloot (member)

Age	61 years (25-8-1949)
Nationality	Dutch
Previous important position held	Chairman of the Executive Board Wintershall Holding AG
Other position	**Member Supervisory Board**
	TenneT Holding B.V.
Number of Vopak shares held	none
Date of first appointment	1 October 2009
Current term	2009 - 2013
Member of the Audit Committee	

Principal Company Officers

Chemicals Europe, Middle East & Africa

Division Management

Jan Bert Schutrops	Division President
Hans de Willigen	Marketing & Sales
Frank Jan Thijssen	Operations, Safety & Environment
Jan Doude van Troostwijk	Asset Management & Projects
Ferry Lupescu	Finance & Control
Arold de Vries	Human Resources

Business Units

Paul Cox	The Netherlands
Joris Meerbach	Vlissingen, the Netherlands
Age Reijenga	Vlaardingen, the Netherlands
Marcel van de Kar	South Africa
Michiel van Ravenstein	Belgium
Ramon Ernst	Finland
Colin Scott	United Kingdom
Tönnis van der Sluis	Turkey

Joint ventures

Jose Callejas	Terquimsa, Spain

Oil Europe, Middle East & Africa

Division Management

Frank Erkelens	Division President
Hari Dattatreya	Sales & Marketing
Michiel van Cortenberghe	Business Development
Dave Mercer	Operational Excellence
Maarten van Akkerveeken	Finance & Control
Edwin Taal	Human Resouces

Business Units

Jarmo Stoopman	Middle East, Dubai
Piet Hoogerwaard	Agencies
Erik Kleine	North Netherlands
Boudewijn Siemons	Oil Rotterdam, the Netherlands
Janhein van den Eijnden	Sweden
Niels Unger	Germany

Joint ventures

Peter den Breejen	Cross-Ocean, the Netherlands
Arnout Lugtmeijer	Vopak E.O.S., Estonia
Arno de Man	SabTank, Saudi Arabia
Walter Moone	Vopak Horizon Fujairah, UAE
Pieter Peeters	Interstream Barging
Augustin Silva	Algeciras, Spain

Asia

Division Management

Patrick van der Voort	Division President
Ismail Mahmud	Commercial
Soo Koong Tan	Operational Excellence
Ard Huisman	Finance & Control
Diana Chee	Human Resources

China

Yan Chen	Region President
Michael Yan	Operational Excellence
Biwei Yan	Project & Engineering
James Shih	Commercial
Kenneth Chan	Business Development
Wayne Wang	Finance & Control
Whitney Wu	Human Resources

Business Units

Ron Dickinson	Lanshan, China
Michiel Gilsing	Australia
Mariah Ismail	Pasir Gudang, Malaysia
Wilfrid Lim	Singapore
Anthony Zhou	Zhangjiagang, China
Andrew North	Merak, Indonesia
Le Quan	Vietnam

Joint ventures

Teng Bo	Tianjin, China
Tawatchai Chittavanich	Thai Tank Terminal, Thailand
Teo Seow Ling	Caojing Shanghai, China
Jeremy Pei	Xiamen, China
Imran-ul Haque	Engro Vopak, Pakistan
Law Say Huat	Kertih Terminals, Malaysia
Edwin Hui	Ningbo, China
J.I. Lee	Ulsan, Korea
Mark Noordhoek-Hegt	Jakarta, Indonesia
Katsumo Sato	Nippon Vopak, Japan

North America

Division Management

Dick Richelle	Division President
Len Daly	Commercial
Jeffrey Tan	Operational Excellence
Clinton Roeder	Finance & Control
Kenneth McKee	Human Resources
Ralf van der Ven	Business Development

Business Units

Lawrence Waldron	Gulf Coast
Mike LaCavera	West Coast
Jacob Anslum	East Coast
Mark de Hueck	Canada

Latin America

Division Management

Jos Steeman	Division President
Dick Oskam	Marketing & Sales
Esteban Kepcija	Operational Excellence
Mark Ramondt	Finance & Control
Hernán Rein	Human Resources
Gustavo Prévide	Business Development
Diana Salguero	ICT & Process Improvement
Nadine Fève	Communication
Carlos Pineda	New Projects

Business Units

Ignacio González	Mexico
Coenraad Meijer	Chile
Dick Meurs	Venezuela
Marcelo Villaca	Colombia
Cristhian Pérez	Peru
Frank Wisbrun	Brazil

Joint ventures

Sjoerd Bazen	Ecuador

Corporate Staff

Kees van Seventer	Commercial Excellence & Strategic Development
Ton van Dijk	Information Services
Jos Kea	Sourcing & Procurement (a.i.)
Ans Knape	Human Resources
Anne-Marie Kroon	Tax
Bas Rutgers	Communication & Investor Relations
Wim Samlal	Control & Business Analysis
Dirk van Slooten	LNG projects
Dion Veldhuyzen	Internal Audit
Niek Verbree	Operational Excellence
Cees Vletter	Treasury
Tjeerd Wassenaar	Legal Affairs & Corporate Secretary
René Wiezer	Insurance

Joint ventures

Branko Pokorny	Gate terminal

Consolidated Subsidiaries and Joint Ventures

A. Principal subsidiaries

Europe, Middle East & Africa

Belgium
Vopak Agencies Antwerpen NV
Vopak Terminal Eurotank NV
Vopak Chemical Terminals Belgium NV

Germany
Vopak DUPEG Terminal Hamburg GmbH
Vopak Agency Germany GmbH

Finland
Vopak Chemicals Logistics Finland Oy

France
Fos Faster LNG Terminal SAS (90%)

The Netherlands
Vopak Nederland B.V.
Vopak Finance B.V.
Vopak Terminal Vlissingen B.V.
Vopak Terminal Amsterdam Petroleumhaven B.V.
Vopak Terminal Amsterdam Westpoort B.V.
Vopak Agencies Amsterdam B.V.
Vopak Agencies Rotterdam B.V.
Vopak Agencies Terneuzen B.V.
Vopak Chemicals EMEA B.V.
Vopak Chemicals Logistics Netherlands B.V.
Vopak LNG Holding B.V.
Vopak Logistic Services OSV B.V.
Vopak Oil EMEA B.V.
Vopak Global Information Services B.V.
Vopak Global Procurement Services B.V.
Vopak Terminal Botlek B.V.
Vopak Terminal Botlek-Noord B.V.
Vopak Terminal Chemiehaven B.V.
Vopak Terminal Eemshaven B.V.
Vopak Terminal Europoort B.V.
Vopak Terminal Laurenshaven B.V.
Vopak Terminals North Netherlands B.V.
Vopak Terminal TTR B.V.
Vopak Terminal Vlaardingen B.V.

Russia
Koninklijke Vopak N.V., Moscow Representative office

South Africa
Vopak Terminal Durban (Pty) Ltd.

Spain
Vopak Terminal Algeciras S.A. (80%)

Sweden
Vopak Sweden AB

Switzerland
Monros AG

Turkey
Vopak Terminal Marmara Depolama Hizmetleri AS

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

Asia/Australia

Australia
Vopak Terminals Australia Pty Ltd.
Vopak Terminals Sydney Pty Ltd.
Vopak Terminal Darwin Pty Ltd.

China
Vopak China Management Company Ltd.
Vopak Terminal Zhangjiagang Ltd.
Vopak Terminal Shandong Lanshan (60%) [1]

Indonesia
PT Vopak Terminal Merak (95%)

Malaysia
Vopak Terminals Pasir Gudang Sdn. Bhd.

Singapore
Vopak Asia Pte. Ltd.
Vopak Terminals Singapore Pte. Ltd. (69.5%) [2]
Vopak Terminal Penjuru Pte. Ltd. (69.5%) [3]

Vietnam
Vopak Vietnam Co. Ltd.

North America

Canada
Vopak Terminals of Canada Inc.

United States
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 Wilmington Inc.
Vopak Terminal Los Angeles Inc.
Vopak Terminal Long Beach Inc.
Vopak Terminal Perth Amboy LLC (79.17%)

Latin America

Argentina
Vopak Argentina S.R.L.

Brazil
Vopak Brasil S.A.
Vopak Terminal de Líquidas Ilha Barnabé Ltda.
VPK Participacões e Serviçoes Portuários Ltda.

Chile
Vopak Chile Limitada

Colombia
Vopak Colombia S.A.

Mexico
Vopak Mexico SA de CV

Peru
Vopak Peru S.A.

Venezuela
Vopak Venezuela S.A.

[1] Vopak Terminal Penjuru Pte. Ltd. 60% ownership in Vopak Terminals Shandong Lanshan
[2] Vopak Holding Singapore Pte. Ltd. 69.5% ownership in Vopak Terminals Singapore Pte. Ltd.
[3] Vopak Terminals Singapore Pte Ltd. 100% ownership in Vopak Terminal Penjuru Pte. Ltd.

B. Joint ventures

Europe, Middle East & Africa

Estonia

AS Vopak E.O.S. (50%)

The Netherlands

Cross-Ocean B.V. (50%)

Cosco Container Lines (Netherlands) B.V (50%)

Gate terminal B.V. (42.5%)

Gate terminal Management B.V. (50%)

Interstream Barging B.V. (50%)

Maasvlakte Olie Terminal N.V. (16.67%)

MultiCore CV (25%)

Rotterdamse Cintra Maatschappij B.V. (25%)

Spain

Terminals Quimicos SA (Terquimsa) (50%)

United Arab Emirates

Vopak Horizon Fujairah Ltd. (33.33%)

Asia

China

Xiamen Paktank Company Ltd. (40%)

Vopak Terminal 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%)

Vopak Bohai Petrochemicals (Tianjin) Terminal Co. Ltd. (50%)

Tianjin Lingang Vopak Jetty Co. Ltd. (30%)

Vopak Sealink Terminal (Dongguan) Co. Ltd. (50%)

Dongguan Sealink Jetty Co. Ltd. (50%)

Indonesia

PT Jakarta Tank Terminal (49%)

Japan

Nippon Vopak Co. Ltd. (39.77%)

Korea

Vopak Terminals Korea Ltd. (51%)

Malaysia

Kertih Terminals Sdn. Bhd. (30%) [4)]

Pakistan

Engro Vopak Terminal Ltd. (50%)

Thailand

Thai Tank Terminal Ltd. (49%)

North America

Bahamas

Vopak Terminal Bahamas (20%)

Latin America

Brazil

Uniao-Vopak Armazens Gerais Limitada (50%)

Chile

Terminal Maritimo Vopak-Oxiquim Mejillones S.A. (50%)

Ecuador

Vopak Ecuador S.A. (50%)

4) Vopak Terminal Penjuru Pte. Ltd. 30% ownership in Kertih Terminals Sdn. Bhd.

Five-year Consolidated Summary

In EUR millions	2010	2009	2008	2007	2006
Consolidated abridged statement of income					
Revenues	1,106	1,001	924	853	778
Other operating income	9	21	16	31	3
Total operating income	**1,115**	**1,022**	**940**	**884**	**781**
Operating expenses	- 604	- 560	- 546	- 523	- 508
Depreciation, amortization and impairment	- 152	- 131	- 110	- 107	- 93
Total operating expenses	**- 756**	**- 691**	**- 656**	**- 630**	**- 601**
Operating profit	**359**	**331**	**284**	**254**	**180**
Result of joint ventures and associates					
using the equity method	83	60	38	38	36
Group operating profit	**442**	**391**	**322**	**292**	**216**
Net finance costs	- 68	- 46	- 37	- 43	- 44
Profit before income tax	**374**	**345**	**285**	**249**	**172**
Income tax	- 73	- 69	- 55	- 51	- 25
Net profit	**301**	**276**	**230**	**198**	**147**
Attributable to:					
- Holders of ordinary shares	262	247	212	181	129
- Holders of financing preference shares	8	4	1	2	3
- Non-controlling interests	31	25	17	15	15
Net profit	**301**	**276**	**230**	**198**	**147**
Consolidated abridged statement of financial position					
Intangible assets	54	41	39	63	41
Property, plant and equipment	2,546	2,051	1,693	1,385	1,091
Financial assets	616	497	433	221	223
Deferred tax	6	5	7	16	21
Other	148	136	107	96	86
Total non-current assets	**3,370**	**2,730**	**2,279**	**1,781**	**1,462**
Total current assets	**461**	**406**	**355**	**352**	**359**
Total assets	**3,831**	**3,136**	**2,634**	**2,133**	**1,821**
Total equity	**1,550**	**1,333**	**1,009**	**880**	**735**
Total non-current liabilities	**1,662**	**1,412**	**1,141**	**846**	**699**
Total current liabilities	**619**	**391**	**484**	**407**	**387**
Total liabilities	**2,281**	**1,803**	**1,625**	**1,253**	**1,086**
Total equity and liabilities	**3,831**	**3,136**	**2,634**	**2,133**	**1,821**

Glossary

Audit Committee	Committee within the Supervisory Board that assists the Executive Board in performing the supervisory tasks relating to, among other things, the integrity of the financial statements, the financial reporting, the internal audit procedures and the relationship with and the independence of the external auditors
Biofuels/Biodiesel	Products of vegetable origin or from animal fats that are added to gasoline or diesel
Capital employed	Total assets less current liabilities, excluding assets and current liabilities not related to operational activities
Cbm	Cubic meter
CEMEA	Vopak division Chemicals Europe, Middle East & Africa
CFO	Chief Financial Officer, Member of the Executive Board, specifically charged with Finance
CIO	Chief Information Officer, Corporate Director, specifically charged with Information and Communication Technology
COO	Chief Operations Officer, member of the Executive Board, specifically charged with Operations
Corporate Governance	The manner in which the company is managed and the supervision of management is structured
COSO	Committee of Sponsoring Organizations of the Treadway Commission, an international organization whose aim is to create a model for information on and management of business risks
EBIT	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
ERM	Enterprise Risk Management
Greenfield	Building a new terminal on undeveloped land
GRI	Global Reporting Initiative (for more information visit www.globalreporting.org)
HR	Human Resources
Hub	Regional storage and transport centre
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standards
Lean	Quality improvement method and philosophy
LNG	Liquefied Natural Gas
Lost Time Injury Rate (LTIR)	Number of accidents entailing absence from work per million hours worked (of own personnel and contractors at subsidiaries and joint ventures)
LTIP	Long Term Incentive Plan
NGO	Non-Governmental Organization
NPS	Net Promoter Score; a method of measuring the strength of customer loyalty for an organization
OEMEA	Vopak division Oil Europe, Middle East & Africa
ROCE	Return on Capital Employed, EBIT as a percentage of the average capital employed
SHEQ	Safety, Health, Environment and Quality
Throughput	Volume of a product handled by a terminal in a given period, calculated as (in + out)/2
Total Injury Rate (TIR)	Total number of injuries per million hours worked (own personnel)
VSQI	Vopak Service Quality Index; shows the quality of the various business processes at Vopak

Vopak
Connect with us

“We are able and prepared to seize opportunities and adapt to new circumstances.”

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