This Offer expires at 15:00 hours CET on 14 January 2008 unless extended

OFFER MEMORANDUM

dated 14 December 2007

RECOMMENDED CASH OFFER

BY

LONDON ACQUISITION B.V.

(a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*)
incorporated under the laws of The Netherlands, with its corporate seat in Amsterdam, The Netherlands)

FOR ALL THE ISSUED AND OUTSTANDING ORDINARY SHARES WITH A PAR VALUE OF
EUR 1.00 IN THE SHARE CAPITAL OF

STORK®

STORK N.V.

(a public limited liability company (*naamloze vennootschap*) incorporated under the laws of The Netherlands,
with its corporate seat in Amsterdam, The Netherlands)

This offer memorandum (the ''**Offer Memorandum**'') contains details of the recommended cash offer by London Acquisition B.V. (the ''**Offeror**'' or ''**London Acquisition**'') to all holders of issued and outstanding ordinary shares with a nominal value of EUR 1.00 each (the ''**Shares**'', holders of such Shares being referred to as ''**Shareholders**''), in the share capital of Stork N.V. (''**Stork**'' or the ''**Company**'') to purchase for cash the Shares held by them subject to the terms, conditions and restrictions contained in this Offer Memorandum (the ''**Offer**''). Capitalised terms used in this Offer Memorandum have the meanings as set out in Section 3 (Definitions).

Shareholders tendering their Shares under the Offer will be paid, on the terms and subject to the conditions and restrictions contained in this Offer Memorandum, in consideration of each Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*), a cash amount of EUR 48.40 per Share (the ''**Offer Price**''). The Offer Price is cum dividend, which reflects that the Company has paid the dividend over 2006 and has committed not to declare any dividends or distributions on Shares prior to settlement of the Offer.

The Supervisory Board, including the members appointed by the Enterprise Section (*Ondernemingskamer*) of the Amsterdam Court of Appeal (*Gerechtshof*) (the ''ESB'' and the ''Enterprise Section''), and the Management Board unanimously support the Offer and unanimously recommend to Shareholders to accept the Offer. See Section 8 (Recommendation by the Supervisory Board and the Management Board).

The Acceptance Period under the Offer commences at 9:00 hours CET, on 17 December 2007 and, unless extended, expires at 15:00 hours CET, on 14 January 2008 (the ''**Acceptance Closing Date**''). Acceptance under the Offer must be made in the manner specified in this Offer Memorandum. Shares tendered on or prior to the Acceptance Closing Date may not be withdrawn, subject to the right of withdrawal of any tender during any extension of the Acceptance Period in accordance with the provisions of article 15, paragraph 3 of the Decree public offers Wft (*Besluit openbare biedingen Wft*) (the ''**Takeover Decree**''). The Offeror reserves the right to extend the Offer past the Acceptance Closing Date. If the Offer is extended past the Acceptance Closing Date, the Offeror will make an announcement to that effect in accordance with the Merger Rules. See Section 9 (Invitation to the Shareholders). The provisions of article 15, paragraph 2 of the Takeover Decree, require that such an announcement be made within three Business Days following the Acceptance Closing Date.

Unless the Acceptance Period is extended, the Offeror will, in accordance with article 16 of the Takeover Decree, announce whether the Offer is declared unconditional (*gestand wordt gedaan*) on a day within three Business Days following the Acceptance Closing Date (the ''**Unconditional Date**''). The Offeror reserves the right to waive the Offer Conditions if permitted by law. It may unilaterally waive the Offer Condition relating to the 95% acceptance level at an acceptance level between 80% and 95% and with the prior written consent of Stork at a level below 80%. See Section 9.6 (Declaring the Offer Unconditional (*gestanddoening*) and post Acceptance Period).

Announcements declaring whether the Offer is declared unconditional (*gestand wordt gedaan*) and announcements in relation to an extension of the Offer past the Acceptance Closing Date will be made by press release and will be published in the Daily Official List and in at least one nationally distributed newspaper in The Netherlands (*Het Financieele Dagblad* or *NRC Handelsblad*). See Section 9.12 (Announcements).

Certain holders of Shares have irrevocably undertaken to tender Shares held by them under the Offer on the terms and conditions of the Offer as described in this Offer Memorandum. The number of Shares committed under the Offer represents approximately 77% of the Shares. See Sections 5.3, 5.4 and 5.5.1.

In the event that the Offeror announces that the Offer is declared unconditional (*gestand wordt gedaan*), the Shareholders who have tendered and delivered their Shares to the Offeror prior to the Acceptance Closing Date will receive promptly, but in any event within three Business Days following the Unconditional Date (the ''**Settlement Date**''), the Offer Price in respect of each Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*).

At 15.00 hours CET, on 4 January 2008, the Extraordinary General Meeting of Shareholders will be held at the Okura Hotel Amsterdam, Ferdinand Bolstraat 333, Amsterdam, The Netherlands, in which meeting, among other matters, the Offer will be discussed in accordance with article 18, paragraph 1 of the Takeover Decree.

This document consists of three separate parts, which have been published together for ease of reference. Part I taken together with Part III constitutes the offer memorandum as referred to in Article 8 of the Takeover Decree. Part II taken together with Part III constitutes the shareholders circular as referred to in Article 18, paragraph 2 of the Takeover Decree.

The Offer Memorandum (Part I and Part III of this document) was approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten* or ''AFM'') in accordance with the provision of Article 8 of the Takeover Decree on 14 December 2007. The Shareholders Circular (Part II of this document) has not been approved by the AFM.

1. Restrictions and Important Information

1.1 Restrictions

The Offer is not being made, and the Shares will not be accepted for purchase from or on behalf of any Shareholders, in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities or other laws or regulations of such jurisdiction or would require any registration, approval or filing with any regulatory authority not expressly contemplated by the terms of this Offer Memorandum. However, acceptances of the Offer by Shareholders not residing in The Netherlands will be accepted by the Offeror if such acceptances comply with the acceptance procedure set out in this Offer Memorandum. Persons obtaining the Offer Memorandum are required to take due note and observe all such restrictions and obtain any necessary authorisations, approvals or consents. Neither the Offeror, nor Stork, nor any of their respective affiliates or any of their respective directors, employees or advisers accepts any liability for any violation by any person of any such restriction. Any person (including, without limitation, custodians, nominees and trustees) who would or otherwise intends to forward this Offer Memorandum or any related document to any jurisdiction outside The Netherlands should carefully read this Section 1 (Restrictions and Important Information) before taking any action. The distribution of this document in jurisdictions other than The Netherlands may be restricted by law and therefore persons into whose possession this Offer Memorandum comes should inform themselves about and observe such restrictions. Any failure to comply with any such restrictions may constitute a violation of the law of any such jurisdiction.

1.1.1 United States of America

The Offer is not being made, directly or indirectly, into the United States of America and may not be accepted in or from the United States of America by use or means of the interstate or foreign commerce or of any facility of a securities exchange in these jurisdictions including, but without limitation, electronic mail, post, facsimile transmission, telex and telephone. This Offer Memorandum has not been submitted to or reviewed by the United States Securities and Exchange Commission (''**SEC**'') or any state securities commission and neither the SEC nor any such state securities commission has approved or disapproved or determined whether this Offer Memorandum is truthful or complete. **Any representation to the contrary is a criminal offence in the United States of America.**

This Offer Memorandum is not being and should not be mailed or otherwise distributed or sent in or into the United States of America.

1.1.2 Canada and Japan

The Offer and any solicitation in respect thereof is not being made, directly or indirectly, in or into Canada or Japan, or by use of the mails, or by any means or instrumentality of interstate or foreign commerce, or any facilities of a national securities exchange, of Canada or Japan. This includes, but is not limited to, post, facsimile transmission, telex or any other electronic form of transmission and telephone. Accordingly, copies of this Offer Memorandum and any related press announcements, acceptance forms and other documents are not being sent and must not be mailed or otherwise distributed or sent in, into or from Canada or Japan or, in their capacities as such, to custodians, nominees or trustees holding Shares for persons residing in Canada or Japan. Persons receiving this Offer Memorandum and/or such other documents must not distribute or send them in, into or from Canada or Japan, or use such mails or any such means, instrumentality or facilities for any purpose in connection with the Offer; so doing will invalidate any purported acceptance of the Offer. The Offeror will not accept any tender by any such use, means, instrumentality or facility from within Canada or Japan.

1.2 Important Information

This Offer Memorandum contains important information that should be read carefully before any decision is made to tender Shares in connection with the Offer. Shareholders are advised to seek independent advice where necessary. In addition, Shareholders may wish to consult with their tax advisers regarding the tax consequences of tendering their Shares in the Offer.

The information included in Sections 1.1, 4.1, 4.2, 4.3, 4.5, 4.8, 4.9, 4.10, 4.11, 5.3, 5.4, 5.5.1 second sentence, 5.7, 5.9.2, 5.9.3, 5.11, 5.13, 9 introduction, 9.1, 9.2, 9.3, 9.5, 9.6, 9.7, 9.8, 9.10, 9.11, 12, 13(ii), 13(iii) and 14 has been solely provided by the Offeror. The information included in Sections 4.4, 4.6, 5.5.1 first and third sentence, 5.5.2, 8, 10, 11, 13(iv) and Schedule 1 has been solely provided by Stork. The information included in Sections 1.2, 2, 3, 4.7, 4.12, 4.13, 4.14, 5.1, 5.2, 5.6, 5.9.1, 5.9.4, 5.9.5, 5.9.6, 5.9.7, 5.10, 5.12, 9.4, 9.9, 9.12, 13(i), 15 and 16 has been provided by the Offeror and Stork jointly. The information included in Section 12.4, fifth paragraph and Schedule 2 has been provided by Landsbanki and Eyrir Invest and the information in Section 12.4 second paragraph has been provided by Landsbanki, Eyrir Invest and the Offeror jointly. The fairness opinion included in Section 6 has been provided by ABN AMRO and is identical to the original fairness opinion as of the same date issued by ABN AMRO. The fairness opinion included in Section 7 has been provided by Kempen & Co and is identical to the original fairness opinion as of the same date issued by Kempen & Co.

The information included on pages F-2 up to and including F-24, F-26 up to and including F-74 and F-77 up to and including F-127 of Part III Financial Information has been solely provided by Stork. The information included on pages F-25, F-75, F-76 and F-128 of Part III Financial Information has been provided by KPMG and is identical to the original review report and auditor's report as of the respective dates issued by KPMG, except for references to page numbers.

The Offeror and Stork are exclusively responsible for the accuracy and completeness of the information provided in this Offer Memorandum, each with respect to such information as it has provided, and together with respect to the information they have provided jointly, except for information that has not been provided by either of them (which includes the information in Section 12.4, fifth paragraph and Schedule 2 for which Landsbanki and Eyrir Invest are responsible and the information in Section 12.4 second paragraph has been provided by Landsbanki, Eyrir Invest and the Offeror jointly, the fairness opinion in Section 6, for which ABN AMRO is responsible and the fairness opinion in Section 7, for which Kempen & Co is responsible and the information included on pages F-25, F-75, F-76 and F-128 of Part III Financial Information, for which KPMG is responsible). Each of the Offeror, Stork, Landsbanki and Eyrir Invest confirms, with respect to such information it has provided in this Offer Memorandum, that to the best of its knowledge and belief as of the date hereof the information contained in this Offer Memorandum is true and accurate in all material respects and there are no facts the omission of which would make any statement in this Offer Memorandum misleading in any material respect. Please be aware that certain financial and statistical information and other figures contained in this Offer Memorandum may be rounded up or down and should therefore not be regarded as exact.

The information included in this Offer Memorandum reflects the situation as at the date of this Offer Memorandum unless specified otherwise. Neither the issue nor the distribution of this Offer Memorandum shall under any circumstances imply that the information contained herein is accurate and complete as of any time subsequent to this date or that there has been no change in the information set out in this Offer Memorandum or in the affairs of Stork and/or its subsidiaries and/or its affiliates since the date of this Offer Memorandum. The foregoing does not affect the obligation of both the Offeror and Stork, each in so far as it concerns them, to make a public announcement pursuant to article 5:59 Wft and (with respect to the Offeror) to article 4, paragraph 3 of the Takeover Decree, if applicable.

No person, other than the Offeror and Stork, and without prejudice to the review report and auditor's reports issued by KPMG, the information included in Section 12.4 and Schedule 2 provided by Landsbanki and Eyrir Invest and the fairness opinions issued by ABN AMRO and Kempen & Co included in this Offer Memorandum, is authorised in connection with the Offer to provide any information or to make any statements on behalf of the Offeror or Stork in connection with this Offer or any information contained in this Offer Memorandum. If any such information or statement is provided or made by parties other than the Offeror or Stork, such information or statements should not be relied upon as having been provided by or made by or on behalf of the Offeror or Stork. Any information or representation not contained in this Offer Memorandum must not be relied upon as having been provided by or made by or on behalf of the Offeror or Stork.

This Offer Memorandum and the agreements entered into between the Offeror and the Shareholders pursuant to the Offer are, and any tender, purchase or delivery of Shares will be, governed by and construed in accordance with the laws of The Netherlands. The District Court of Amsterdam (*Rechtbank Amsterdam*) and its appellate courts shall have exclusive jurisdiction to settle any disputes which might arise out of or in connection with this Offer Memorandum, the agreements entered into between the Offeror and the Shareholders pursuant to the Offer and/or any tender, purchase or delivery of Shares. Accordingly, any legal action or proceedings arising out of or in connection with the Offer Memorandum, the Offer and/or any tender, purchase or delivery of Shares may be brought exclusively in such courts.

This Offer Memorandum is published in the English language and a Dutch language summary is included as Section 15 (*Nederlandse samenvatting van het Bod*). In the event of any differences, whether or not in interpretation, between the English language text of the Offer Memorandum and the Dutch language summary of this Offer Memorandum, the English language text of the Offer Memorandum shall prevail.

Rabo Securities has been appointed as Settlement Agent in the context of the Offer.

Addresses

The Offeror	The Company
London Acquisition B.V. Strawinskylaan 3105 1077 ZX Amsterdam The Netherlands	Stork N.V. Amersfoortsestraatweg 7 1412 KA Naarden The Netherlands
The Settlement Agent	The Information Agent
Rabo Securities	Georgeson
Amstelplein 1 1096 HA Amsterdam The Netherlands	86 Upper Thames Street London EC4V 3BJ United Kingdom
Tel: +31 (0)20 462 4602 e-mail: prospectus@rabobank.com	Tel: 00 800 1020 1200 (Global Retail Shareholder Toll Free Number)

Availability of copy documentation

Digital copies of this Offer Memorandum are available on the website of Stork (*www.stork.com*). Stork's website does not constitute a part of, and is not incorporated by reference into, this Offer Memorandum. Copies of this Offer Memorandum are furthermore available free of charge at the head office of Stork, the Settlement Agent and the Information Agent at the addresses mentioned above.

Copies of the London Acquisition Articles of Association are available free of charge at the offices of London Acquisition and can be obtained by contacting London Acquisition at the address mentioned above. London Acquisition is a newly incorporated entity and accordingly no annual reports of the Offeror are available.

Documentation incorporated by reference

Copies of the Stork Articles of Association, the proposed articles of association of Stork and the financial information of Stork relating to the annual financial statements (*jaarrekening*) of Stork for the financial year 2006 ended on 31 December 2006, the financial year 2005 ended on 31 December 2005 (including comparison figures for the financial year 2004 ended on 31 December 2004) as adopted by the general meeting of Shareholders, which documents are incorporated by reference in, and form an integral part of, this Offer Memorandum, are available free of charge at the offices of Stork and the Information Agent and can be obtained by contacting Stork or the Information Agent at the addresses stated above. This information is also available on the website of Stork (*www.stork.com*).

Forward-looking statements

This Offer Memorandum includes forward-looking statements that involve risk and uncertainty. Generally, words such as may, will, expect, intend, estimate, anticipate, believe, plan, seek continue or similar expressions identify forward-looking statements. Although each of the Offeror and Stork, each with respect to the statements it has provided, believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions and are, to the best of their knowledge, true and accurate on the date of this Offer Memorandum, no assurance can be given that such statements will be fulfilled or prove to be correct, and no representations are made as to the future accuracy and completeness of the forward-looking statements. Any such forward-looking statement must be considered together with the fact that actual events or results may vary materially from such forward-looking statements due to, among other things, political, economic or legal changes in the markets and environments in which the Offeror and/or Stork do business, to competitive developments or risks inherent to Stork's business plans and to uncertainties, risk and volatility in financial markets and other factors affecting the Offeror and/or Stork.

The Offeror and Stork undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable laws and regulations or by any appropriate regulatory authority.

Financial advisers

Barons Financial Services, which is authorized and regulated by the United Kingdom's Financial Services Authority, is acting as financial adviser exclusively to the Offeror and to no one else in connection with the Offer and will not be responsible to anyone other than the Offeror for providing the protections afforded to the clients of Barons Financial Services or for providing advice in relation to the Offer.

Goldman Sachs International, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as financial adviser exclusively to the Offeror and to no one else in connection with the Offer and will not be responsible to anyone other than the Offeror for providing the protections afforded to the clients of Goldman Sachs International or for providing advice in relation to the Offer.

ABN AMRO is acting as financial adviser exclusively to Stork and to no one else in connection with the Offer and will not be responsible to anyone other than Stork for providing the protections afforded to the clients of ABN AMRO or for providing advice in relation to the Offer.

Kempen & Co is acting as financial adviser exclusively to the Supervisory Board of Stork and to no one else in connection with the Offer and will not be responsible to anyone other than Stork for providing the protections afforded to the clients of Kempen & Co or for providing advice in relation to the Offer.

2. Table of contents

3. Definitions

Any reference in this Offer Memorandum to defined terms in plural form shall constitute a reference to such defined terms in singular form, and vice versa. All grammatical and other changes required by the use of a definition in singular form shall be deemed to have been made herein and the provisions hereof shall be applied as if such changes have been made. A reference to ''including'' means ''including without limitation''.

Defined terms used in this Offer Memorandum shall have the following meaning:

ABN AMRO	ABN AMRO Bank N.V.
Acceptance Closing Date	the time and date on which the Offer expires, being at 15:00 hours CET, on 14 January 2008, or, where appropriate, as extended in accordance with article 15 of the Takeover Decree
Acceptance Period	the period during which the Shareholders can tender their Shares to the Offeror, which begins on 17 December 2007 and ends on the Acceptance Closing Date
Admitted Institutions	those institutions admitted to Euronext Amsterdam
AFM	the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*)
Boards	the Supervisory Board, including the ESB, and the Management Board together
Business Day	a working day
Buy-Back Shares	has the meaning described thereto in Section 11.2
Candover	Candover Partners Limited
Centaurus	Centaurus Capital Limited and entities affiliated thereto
CET	Central European Time
CFIUS	the Committee on Foreign Investment in the United States
Competing Offer	has the meaning described thereto in Section 5.10
Competition Authorities	the Commission of the European Communities and, if applicable, any other relevant regulatory competition/antitrust regulators
Daily Official List	the Daily Official List (*Officiële Prijscourant*) of Euronext Amsterdam
Disappearing Entity	has the meaning described thereto in the Legal Merger paragraph in Section 4.11
Downstream Merger	has the meaning described thereto in the Legal Merger paragraph in Section 4.11
Dutch GAAP	accounting principles generally accepted in The Netherlands and the financial reporting requirements included in Part 9 of Book 2 of the Netherlands Civil Code
Enterprise Section	Enterprise Section (*Ondernemingskamer*) of the Amsterdam Court of Appeal (*Gerechtshof*)
ESB	Messrs C.J.A. van Lede, W. Kok and D.G. Eustace appointed by the Enterprise Section as supervisory directors of Stork with special powers
EUR or €	Euro, the legal currency of the European Monetary Union
Euronext Amsterdam	Euronext Amsterdam N.V., or the Official Market Segment of the stock exchange of Eurolist by Euronext Amsterdam N.V., as appropriate
Exon Florio	§ 721 of the Defense Production Act of 1950, as amended (codified as amended at 50 U.S.C. App. § 2061 et. seq.)

Extraordinary General Meeting of Shareholders	the extraordinary general meeting of Shareholders to be held at 15.00 hours CET, on 4 January 2008, at the Okura Hotel Amsterdam, Ferdinand Bolstraat 333, te Amsterdam, The Netherlands, at which meeting the Offer, among other matters, will be discussed, in accordance with the provisions of article 18 of the Takeover Decree
Eyrir Invest	means Eyrir Invest hf
Financial Year 2004	financial year of Stork ended 31 December 2004
Financial Year 2005	financial year of Stork ended 31 December 2005
Financial Year 2006	financial year of Stork ended 31 December 2006
Financing Commitments	has the meaning ascribed thereto in Section 5.13
IFRS as adopted by the EU	the international accounting standards, international financial reporting standards and the related interpretations of these standards issued by the International Accounting Standards Board from time to time as adopted by the European Union
Information Agent	Georgeson
Ioliet	means Ioliet Beheer B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands, having its statutory seat (*statutaire zetel*) in Amsterdam and registered with the chamber of commerce under number 34189584, which is wholly-owned by LME
Kempen & Co	Kempen & Co Corporate Finance B.V.
KPMG	KPMG Accountants N.V.
Landsbanki	means Landsbanki Islands hf
Legal Merger	has the meaning described thereto in the *Legal Merger* paragraph in Section 4.11
LME	means LME Eignarhaldsfelag ehf, a private limited liability company incorporated under the laws of Iceland having its statutory seat in Reykjavik, which is jointly owned by Landsbanki, Eyrir Invest and Marel
London Acquisition Articles of Association	the articles of association (*statuten*) of London Acquisition as they stand since its incorporation on 21 June 2007 or as amended from time to time
Management Board	the management board (*raad van bestuur*) of Stork
Marel	means Marel Food Systems hf, a public company incorporated under the laws of Iceland having its statutory seat in Reykjavik, which is listed on the Reykjavik stock exchange. Eyrir Invest and Landsbanki have shareholdings and/or other financial interests in Marel
Merger Date	has the meaning described thereto in the *Legal Merger* paragraph in Section 4.11
Merger Rules	all applicable laws and regulations, including without limitation the applicable provisions of the Wft, the Takeover Decree, any rules and regulations promulgated pursuant to the Wft and/or the Takeover Decree, the Dutch Works Council Act (*Wet op de ondernemingsraden*), the Merger Code 2000 *SER-besluit Fusiegedragsregels 2000*), the rules and regulations of Euronext Amsterdam, the Dutch Civil Code, the Hart-Scott-Rodino Improvement Act of 1976, Regulation 139/2004 of the Council of the European Communities, Exon Florio, CFIUS and any other applicable securities or competition regulatory laws
Merging Entity	has the meaning described thereto in the *Legal Merger* paragraph in Section 4.11

Merging Entity Parent	has the meaning described thereto in the *Legal Merger* paragraph in Section 4.11
Offer	the offer described in this Offer Memorandum
Offer Conditions	the conditions to the Offer as set out in Section 5.2
Offer Memorandum	this offer memorandum relating to the Offer
Offer Price	a cash amount of EUR 48.40 for each Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*) under the terms and subject to the conditions and restrictions of the Offer. The Offer Price is cum dividend, which reflects that the Company has paid the dividend over 2006 and has committed not to declare any dividends or distributions on Shares prior to settlement of the Offer
Offeror or London Acquisition	London Acquisition B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated and validly existing under the laws of The Netherlands, having its statutory seat (*statutaire zetel*) in Amsterdam, The Netherlands and registered with the chamber of commerce under number 34276763 and, where appropriate, also including the group companies as described in article 2:24b of the Dutch Civil Code owned by it and the affiliates owned by it
Paulson	Paulson & Co Inc. and entities affiliated thereto
SARs	stock appreciation rights
Settlement Agent	Rabo Securities, the equity (linked) investment banking division of the Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.
Settlement Date	the date on which, in accordance with the terms and conditions of the Offer, payment of the Offer Price shall be made by the Offeror to the Shareholders who have validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*) their Shares under the Offer prior to the Acceptance Closing Date, which date shall be promptly, but in any event within three Business Day following the Unconditional Date, subject to the Offer being declared unconditional (*gestanddoening*)
Share(s)	issued and outstanding ordinary shares with a nominal value of EUR 1.00 each in the capital of Stork
Shareholder(s)	holder(s) of one or more Share(s)
SPA	means the share and business sale and purchase agreement between Stork and Marel relating to Stork Food Systems
Squeeze-Out	has the meaning described thereto in the *General* paragraph in Section 4.11
Stork or the Company	Stork N.V., a public limited liability company (*naamloze vennootschap*), incorporated under the laws of The Netherlands, having its statutory seat (*statutaire zetel*) in Amsterdam, having its registered office at Amersfoortsestraatweg 7, 1412 KA Naarden, The Netherlands and registered with the chamber of commerce under number 32044373 and, where appropriate, also including the Stork Group and the affiliates owned by it
Stork Articles of Assocation	the articles of association (*statuten*) of Stork, as most recently amended on 16 May 2006
Stork Food Systems	means the Stork food systems group

Stork Foundation	Stichting Stork, a foundation incorporated and validly existing under the laws of The Netherlands, having its registered office at Amersfoortsestraatweg 7, 1412 KA Naarden
Stork Group	Stork and the group companies as referred to in article 2:24b of the Dutch Civil Code owned by it
Supervisory Board	the supervisory board (*Raad van commissarissen*) of Stork, including the ESB
Surviving Entity	has the meaning described thereto in the *Legal Merger* paragraph in Section 4.11
Takeover Decree	the Decree public offers Wft (*Besluit openbare biedingen Wft*)
Unconditional Date	the date on which the Offeror shall publicly announce whether the Offer is declared unconditional (*gestand wordt gedaan*), in accordance with the Merger Rules. Article 16 paragraph 1 of the Takeover Decree requires that such announcement be made within three Business Days following the Acceptance Closing Date
Upstream Merger	has the meaning described thereto in the *Legal Merger* paragraph in Section 4.11
WMZ	has the meaning described thereto in Section 10.7
Wft	Dutch Financial Supervision Act (*Wet op het financieel toezicht*)

4. Summary

This summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Offer Memorandum. Shareholders are advised to review the Offer Memorandum in detail and to seek independent advice where appropriate in order to reach a reasoned judgment in respect of the contents of the Offer Memorandum and the Offer itself. Unless the context requires otherwise, capitalised terms used in this Offer Memorandum shall have the meanings set out in Section 3 (Definitions).

4.1 The Offer

The Offeror hereby makes an Offer to purchase from the Shareholders all the Shares held by them, on the terms and subject to the conditions and restrictions contained in this Offer Memorandum. Shareholders tendering their Shares under the Offer will be paid a cash amount of EUR 48.40 in respect of each Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*), subject to the Offer being declared unconditional. The Offer Price is cum dividend, which reflects that the Company has paid the dividend over 2006 and has committed not to declare any dividends or distributions on Shares prior to settlement of the Offer. See Section 9.1 (Offer Price).

The Offer Price of EUR 48.40 represents:

(i) a premium of 9% relative to the closing share price of EUR 44.55 of an ordinary share on 27 November 2007, the last trading day prior to 28 November 2007, the day on which the Offeror and Stork announced the Offer;

(ii) a premium of 15% relative to the closing share price of EUR 42.21 of an ordinary share on 18 June 2007, the last trading day prior to 19 June 2007, the day on which Stork announced that it was in discussions with Candover regarding a possible offer;

(iii) a premium of 23% relative to the average closing share price of an ordinary share during the last three months prior to 19 June 2007, the day on which Stork announced that it was in discussions with Candover regarding a possible offer; and

(iv) a multiple of approximately 10 times 2006 normalised EBITDA (EUR 162 million).

See also Section 5.7 (Substantiation of the Offer Price).

4.2 The Rationale for the Offer

The rationale for the Offer is that Stork and the Offeror believe that a public-to-private transaction with respect to Stork, whereby:

(i) the Offeror acquires (through the Offer or any lawful post-Offer restructuring, including a legal merger of the Offeror and Stork) 100% of the issued and outstanding equity securities of Stork;

(ii) the listing agreement between Stork and Euronext and/or the listing of the Shares is terminated as soon as possible after settlement of the Offer;

(iii) the pending litigation between Stork and certain of its major shareholders, which is restricting Stork from fully pursuing certain potentially beneficial strategic opportunities, is terminated and settled; and

(iv) Stork Food Systems is sold to Marel, conditional upon the Offer having been made and having been declared unconditional and Marel has indicated that it supports the strategy of Stork Food Systems,

would provide both short term and long term strategic, financial and other benefits to Stork and the Offeror and their stakeholders.

The Offer will have a number of advantages for Stork, its Shareholders, employees, customers and other stakeholders:

(i) Candover has extensive experience and a strong track record in the industrial sector and has the resources to support management teams in growing their businesses;

(ii) the Offeror has addressed criteria of the Supervisory Board to structure the financial leverage in such a way that it provides the financial flexibility needed for growth in the next stage of the development of the Company;

(iii) the Offeror supports management's strategy of growing the remaining businesses following divestiture of Prints and Stork Food Systems;

(iv) the proposed transaction creates a more stable environment for the Company. It will enable management to focus on the day-to-day operations of the business and will create more certainty for employees and customers; and

(v) the Offer enables current Shareholders to realise certain and immediate value in cash for their shares at an attractive price.

See also Section 5.8 (The Rationale for the Offer).

4.3 Financing of the Offer

The Offeror will finance acceptances under the Offer through a combination of fully committed debt facilities, subject to conditions in line with the Offer and certain other conditions precedent that the Offeror considers to be of a technical nature, arranged by Goldman Sachs International and committed equity financing being made available by funds managed and advised by or affiliated with Candover.

4.4 Recommendation by the Supervisory Board and Management Board

The Supervisory Board and the Management Board, after having given due and extensive consideration to the strategic, financial and social aspects and consequences of the proposed transaction, have reached the conclusion that the Offer is in the best interests of the Company, the Shareholders and other stakeholders of the Company.

The Supervisory Board and the Management Board are of the opinion that the Offer Price and the other terms and conditions of the Offer are reasonable and fair to the Shareholders. In this respect, reference is made to the fairness opinions rendered by ABN AMRO, as included in Section 6 (Fairness opinion ABN AMRO) and Kempen & Co, as included in Section 7 (Fairness opinion Kempen & Co). With reference to the above, the Supervisory Board and the Management Board unanimously support the Offer and unanimously recommend the Offer to the Shareholders for acceptance.

4.5 Shares committed by Centaurus, Paulson and Ioliet

Centaurus and Paulson have committed towards the Offeror to tender an aggregate of 9,932,499 Shares representing approximately 32% of the issued share capital in Stork under the same terms and conditions of the Offer as described in this Offer Memorandum.

Ioliet holds 13,617,690 Shares representing approximately 43% of the issued share capital in Stork. Ioliet has committed towards the Offeror to transfer the Shares it holds as described below.

Ioliet has committed, subject to certain conditions relating to the sale of Stork Food Systems, towards the Offeror to tender an aggregate of 10,156,946 Shares representing approximately 32% of the issued share capital in Stork under the same terms and conditions of the Offer as described in this Offer Memorandum.

Prior to the announcement of the contemplated offer on 28 November 2007, Ioliet sold to the Offeror and agreed with the Offeror to deliver to the Offeror an aggregate of 3,460,744 Shares representing approximately 11% of the issued share capital in Stork in exchange for consideration from the Offeror in the form of shares in the Offeror's indirect parent company, subject to the Offer being declared unconditional. See Section 12 (Information on the Offeror) for more information on Ioliet.

Reference is made to Sections 5.3 and 5.4.

4.6 Shares held by members of the Supervisory Board and the Management Board

As of the date of this Offer Memorandum, 154,946 Shares are held by Sj.S. Vollebregt, 57,748 Shares are held by J.C.M. Schönfeld, 13,958 Shares are held by H.E.H. Bouland and 1,000 Shares are held by C.J. van den Driest. The aforementioned persons have irrevocably undertaken to tender the Shares held by them under the same terms and conditions of the Offer as described in this Offer Memorandum. As of the date of this Offer Memorandum, no Shares are held by any of the other members of the Supervisory Board. See also Section 5.5 (Shareholdings of the members of the Supervisory Board and Management Board).

4.7 Arrangements with the Stork Foundation

Subject to the Offer becoming unconditional, the Stork Foundation has, having regard to the fact that the Offer has been recommended by both the Supervisory Board and the Management Board, irrevocably and otherwise unconditionally renounced its rights under the Stork Option Agreement dated 16 May 1990 in relation to the Offer. This agreement provides that the Stork Foundation can exercise a right to subscribe for a number of cumulative preference shares B equal to the number of issued cumulative preference shares A and ordinary shares minus one. The decision to exercise that right rests solely with the executive committee of the Stork Foundation.

4.8 Offer Conditions, Acceptance Period, declaring the Offer unconditional, extension and settlement of the Offer

4.8.1 Offer Conditions

The Offer shall be declared unconditional (*gestanddoening*) if the conditions as set out in Section 5.2 (Offer Conditions) are satisfied or, if permitted by applicable law, waived by the Offeror. The Offeror reserves the right to waive the Offer Conditions if permitted by law. It may unilaterally waive the Offer Condition set out in Section 5.2.1 at an acceptance level between 80% and 95% or with the prior written consent of Stork at a level below 80%.

4.8.2 Acceptance Period

The Acceptance Period begins on 17 December 2007 at 09:00 hours CET and ends, subject to extension in accordance with article 15 of the Takeover Decree, on 14 January 2008 at 15:00 hours CET. See Section 9.5 (Acceptance Period (*aanmeldingstermijn*)).

If one or more of the Offer Conditions is not satisfied, the Offeror may extend the Acceptance Period for a minimum period of two weeks and a maximum period of ten weeks in order to satisfy or waive such Offer Conditions. Extension of the Acceptance Period may occur once. See also Section 9.7 (Extension of the Acceptance Period).

Shares tendered on or prior to the Acceptance Closing Date may not be withdrawn, subject to the right of withdrawal of any tendered Shares during any extension of the Acceptance Period in accordance with the provisions of article 15 of the Takeover Decree. During any such extension of the Acceptance Period, any Shares previously tendered and not withdrawn will remain subject to the Offer, subject to the right of each Shareholder to withdraw the Shares he or she has already tendered.

If all Offer Conditions are satisfied or, where appropriate, waived, the Offeror will accept all Shares that have been validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and not previously withdrawn pursuant to the terms of the Offer in accordance with, for the Shares, the procedures set forth in Section 9.2 (Acceptance by Shareholders through an Admitted Institution).

4.8.3 Declaring the Offer Unconditional (*gestanddoening*)

The Offer shall be subject to the fulfillment of the Offer Conditions, including, but not limited to, the Offer Conditions that at least 95% of the issued and outstanding ordinary share capital of Stork has been tendered under the Offer as set out in Section 5.2.1. and the continuing support of Centaurus and Paulson. The Offeror reserves the right to waive the Offer Conditions if permitted by law. It may unilaterally waive the Offer Condition set out in Section 5.2.1 at an acceptance level between 80% and 95% or with the prior written consent of Stork at a level below 80%. If the Offeror wishes to waive or reduce one or more Offer Conditions, the Offeror will inform Shareholders that it waives or reduces such Offer Conditions by such means as required by the Merger Rules.

Unless the Acceptance Period is extended, the Offeror will, in accordance with article 16, paragraph 1 of the Takeover Decree, announce within three Business Days after the Acceptance Closing Date, whether or not it declares the Offer unconditional. In the event the Offer will not be declared unconditional the Offeror will motivate such decision. See Section 9.6 (Declaring the Offer Unconditional (*gestanddoening*) and post Acceptance Period). In the event that the Offeror announces that the Offer is declared unconditional (*gestand wordt gedaan*) the Offeror will accept for payment all Shares validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and may continue the Offer by way of a post Acceptance Period as set out in Section 4.8.4 (Extension and post Acceptance Period).

4.8.4 Extension and post Acceptance Period

The Offeror may extend the Offer past the Acceptance Closing Date, in which case all references in this Offer Memorandum to the ''Acceptance Closing Date'' or ''15:00 hours CET, on 14 January 2008'' shall, unless the context requires otherwise, be moved to the latest date and time to which the Offer has been so extended. A custodian, bank or stockbroker may set an earlier deadline for communication by Shareholders in order to permit the custodian, bank or stockbroker to communicate its acceptances to the Settlement Agent in a timely manner.

If the Acceptance Period is extended, a public announcement to that effect shall be made in accordance with the Merger Rules. Article 15, paragraph 2 of the Takeover Decree requires that such announcement is made not later than the third Business Day following the initial Acceptance Closing Date. See Section 9.7 (Extension of the Acceptance Period).

In the event that the Offeror announces that the Offer is declared unconditional (*gestand wordt gedaan*) the Offeror may, within three Business Days after declaring the Offer unconditional, announce a post Acceptance Period to enable Shareholders that did not tender their Shares in the Acceptance Period to tender their Shares under the same terms and conditions as the Offer. Such post Acceptance Period shall commence on the first Business Day following the announcement of a post Acceptance Period for a period of no longer than two weeks. The Offeror shall continue to accept for payment all Shares validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) during such period and shall pay for such Shares within three Business Days following the end of the post Acceptance Period.

4.8.5 Settlement of the Offer

In the event the Offeror announces that the Offer is declared unconditional (*gestand wordt gedaan*), Shareholders who have tendered and delivered their Shares for acceptance pursuant to the Offer prior to or on the Acceptance Closing Date will receive on the Settlement Date the Offer Price in respect of each Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*). See Section 9.8 (Settlement of the Offer).

4.9 Offeror

The Offeror is London Acquisition B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) duly incorporated on 21 June 2007 and validly existing under the laws of The Netherlands, with its statutory seat in Amsterdam, The Netherlands. Funds managed or advised by or affiliated with Candover, Landsbanki and Eyrir Invest are, or upon settlement of the Offer will be, the ultimate indirect shareholders of the Offeror and will hold their interests in the Offeror through one or more intermediate holding companies.

4.10 Liquidity and Delisting

The purchase of Shares by the Offeror pursuant to the Offer, among other things, will reduce the number of Shareholders and the number of Shares that might otherwise trade publicly and could adversely affect the liquidity and market value of the remaining Shares not tendered and not held by Stork.

Should the Offer be declared unconditional (*gestand wordt gedaan*), it is intended that Stork's listing on Euronext Amsterdam will be terminated as soon as possible thereafter. This would further adversely affect the liquidity of any Shares not tendered. In addition, the Offeror may initiate any of the procedures as set out in Section 5.9.3 (Legal Structure of Stork following the Offer), including procedures which would result in termination of the listing of the Shares (including Shares not being tendered). As a policy rule, in case of a public offer Euronext Amsterdam does not permit delisting until at least 95% of the listed shares are held by a single entity or by a group controlled by a single entity. See Section 5.9.2 (Liquidity and Delisting).

4.11 Legal structure of Stork following the Offer

Summary of risk factors following the Offer

Shareholders who do not tender their Shares in the Offer should carefully review this Section 4.11, which describes certain risks they will be subject to after the Offer is declared unconditional (*gestand wordt gedaan).* These risks are in addition to the exposure to the business of Stork and its subsidiaries, as such business and the structure of the Stork Group may change from time to time after the Settlement Date. The following is a summary of the key additional risks:

- **COMPULSORY PURCHASE**

As soon as the relevant legal requirements have been satisfied, the Offeror may seek to acquire the remaining Shares through the statutory Squeeze-Out procedure.

- **LOSS OF LIQUIDITY**

As soon as the relevant legal requirements have been satisfied, the Offeror may seek to terminate the listing of Stork on Euronext Amsterdam and to convert Stork into a private limited company (*besloten vennootschap met beperkte aansprakelijkheid*), which will inter alia cause all Shares to become subject to transfer restrictions.

Alternatively or cumulatively, the Offeror may seek to implement an Upstream Merger, which could result in Shareholders in Stork becoming shareholders in a Merging Entity by operation of law. This Merging Entity will be a private limited company (*besloten vennootschap met beperkte aansprakelijkheid*), and the shares in its capital will not be listed or publicly traded, and will be subject to transfer restrictions.

Even if no conversion or merger is implemented, the size of the free float in Shares will be substantially reduced as a result of the Offer, and as a result trading volumes and liquidity of Shares will be materially adversely affected.

The Offeror may also seek a sale of substantially all assets of Stork, which may be followed by a liquidation and a distribution of the sale proceeds.

- **INCREASED LEVERAGE**

As a result of one or more Legal Mergers or as a result of other measures implemented by the Offeror and Stork after the Settlement Date, the proportion of the balance sheet of Stork or its successor entities which is represented by debt may increase substantially compared to the current position and Stork may incur substantial fees or other expenses in relation thereto or any expenses incurred by other parties in connection therewith.

- **REDUCED GOVERNANCE RIGHTS**

In the event that Stork or its successor entity will no longer be listed and its shares will no longer be publicly traded, the statutory provisions applicable to the governance of public or listed companies will no longer apply and the rights of minority shareholders will be limited to the statutory minimum.

- **CONTROLLING SHAREHOLDER**

Following the Settlement Date, Stork will be majority controlled by the Offeror and the indirect shareholders of the Offeror will appoint all of the members of the Supervisory Board, except for any independent members of the Supervisory Board appointed in accordance with Section 5.9.7 (Future Composition of the Boards).

- **TAX TREATMENT OF DISTRIBUTIONS**

The Offeror and Stork have no insight into and no responsibility with respect to the tax treatment of Shareholders with respect to any distributions made by Stork or any successor entity to Stork, which may include dividends, repayments of capital and liquidation distributions. In the event that there is a sale of substantially all assets of Stork, followed by a liquidation and a distribution of the sale proceeds, this may raise specific tax issues for Shareholders.

General

The Offeror reserves the right to use any legally permitted method to acquire 100% of Stork's share capital, as well as to align Stork with the holding and financing structure of the group of companies that includes the Offeror. For this purpose the Offeror will consider, depending *inter alia* on the number of Shares obtained by the Offeror as a result of the Offer, a number of processes, including a compulsory acquisition procedure (*uitkoopprocedure*) in accordance with article 2:359c or 2:92a of the Dutch Civil Code (a ''**Squeeze-Out**''), a legal merger (*juridische fusie*) between Stork and the Offeror or an affiliate of the Offeror in accordance with article 2:309 et seq of the Dutch Civil Code (a ''**Legal Merger**''), a contribution of assets to Stork in exchange for new shares issued (in which case the existing shareholders do not have pre-emptive rights), or a sale of assets by Stork. Separately, the Offeror may cause Stork to be converted into a private limited company (*besloten vennootschap met beperkte aansprakelijkheid*).

For the avoidance of doubt, any or all of the measures and processes described in Section 5.9.3 (Legal structure of Stork following the Offer) may be applied cumulatively, alternatively, or not at all, at the discretion of the Offeror, subject to applicable provisions of Dutch law.

Squeeze-Out

In the event that the Offeror has acquired 95% or more of the issued and outstanding share capital of Stork at or following the Settlement Date, the Offeror shall as soon as possible initiate a Squeeze-Out, in order to acquire the remaining Shares not tendered and not held by the Offeror or Stork. The Offeror may also initiate a Squeeze-Out at any time after the Settlement Date, if and when it is entitled to do so, with respect to shares in any successor entity of Stork, created through a Legal Merger or otherwise.

Legal Merger

At any time after the Offer has been declared unconditional (*gestand wordt gedaan*), the Offeror and Stork may take steps to implement a Legal Merger between the Offeror or an affiliate of the Offeror (the ''**Merging Entity**'') and Stork. As a result of such a Legal Merger, one of the two legal entities involved (the ''**Disappearing Entity**'') will disappear and the other (the ''**Surviving Entity**'') will survive and acquire all assets and liabilities of the Disappearing Entity by operation of law on the date on which the Legal Merger becomes effective (the ''**Merger Date**''). The following paragraphs of this subsection explain two principal forms of Legal Merger which the Offeror may consider and set out a summary of the process that will be followed prior to any Legal Merger being implemented. No rights can be derived from these explanations and the Offeror reserves the right to pursue a Legal Merger on different terms.

In case a Legal Merger is effected in which Stork is the Disappearing Entity (an ''**Upstream Merger**''), Shareholders in Stork (including Shareholders that have not tendered their Shares under the Offer, but excluding the Merging Entity) will, by operation of law, become shareholders in the Merging Entity, alongside the Offeror or the Offeror's affiliate which is already a shareholder of the Merging Entity (the ''**Merging Entity Parent**''). The new shareholders will acquire shares in the capital of the Merging Entity that have the same economic value as the Shares they hold immediately before the Legal Merger becomes effective, which will be computed on the basis of the relevant prices set out in this Offer Memorandum, deducting any distributions made to the relevant shareholders after the Settlement Date. The capital of the Merging Entity is likely to be divided into different classes of shares and holders of one class of shares may acquire one or more classes of ordinary and/or preference shares in the Merging Entity, depending on factors such as the rights attaching to the Shares they hold on the Merger Date and the amount of any debt financing the Merging Entity has outstanding at that time. The exact identity of the Merging Entity, the composition of its share capital, the economic and other rights attaching to each class of shares in that capital and the exchange ratio applicable to each class of Shares will only be established by the Management Board and the Offeror on or after the Unconditional Date and shall be approved by the Supervisory Board. The approval shall require a vote in favour by a majority of the independent members of the Supervisory Board (see Section 5.9.7) if this shall be decided on or after the Settlement Date. The independent members of the Supervisory Board may request that additional independent financial or legal experts are appointed to advise them on the reasonableness of the proposed exchange ratio for the shares in the Merging Entity with a view to the economic and other rights attached to the shares in the Merging Entity to be received by the minority shareholders as compared to the economic and other rights attached to the Shares held by them immediately prior to the Merger Date.

It is not intended that any shares in the Merging Entity will be listed on any stock exchange or will otherwise be publicly traded. As the Merging Entity will be a private limited company (*besloten vennootschap met beperkte aansprakelijkheid*), restrictions will apply to the transferability of these shares. However, the Merging Entity Parent may grant the new holders of shares in the Merging Entity the right for a certain period after the Merger Date to sell their shares to the Merging Entity Parent, for a price per share equal to the relevant price set out in this Offer Memorandum, deducting any distributions made to the relevant shareholders after the Settlement Date. Shareholders who do not tender their Shares in the Offer need to be aware that, in the event the Offer is declared unconditional (*gestand wordt gedaan*) and an Upstream Merger is implemented, except to the extent and for the period that any sale right is granted in accordance with the previous sentence, the shares in the Merging Entity which they receive in exchange for their Shares will be illiquid and cannot be freely traded.

As a further result of the Merging Entity in an Upstream Merger being an unlisted private limited company, statutory provisions applicable to the governance of public or listed companies will not apply to the Merging Entity and the rights of minority shareholders in the Merging Entity will be limited to the statutory minimum.

As an alternative or precursor to an Upstream Merger, the Offeror may choose to implement a Legal Merger in which the Merging Entity will be the Disappearing Entity and Stork will be the Surviving Entity (a ''**Downstream Merger**''). In such a case, the Shareholders will continue to hold their Shares. The Shares held by the Merging Entity will be cancelled and the Merging Entity Parent will be issued with new Shares, taking into account any assets or liabilities which the Merging Entity has on the Merger Date, other than Shares.

A Downstream Merger will not in itself affect the listing of Stork on Euronext Amsterdam or the tradeability of Shares. The Downstream Merger does not, however, prevent the Offeror and Stork from seeking a termination of that listing, when they are entitled to do so under applicable listing rules. Similarly, the Offeror may initiate a Squeeze-Out subsequent to a Downstream Merger, if and when it is entitled to do so, with respect to the Shares it does not at that point own (other than Shares owned by Stork itself or its subsidiaries). In addition, the completion of the Offer and any subsequent measures initiated by the Offeror and Stork, within the restrictions imposed by applicable law, are likely to significantly reduce the trading volume in Shares and thereby the liquidity of a continued investment in Shares beyond the Settlement Date.

After implementing a Downstream Merger, the Offeror may decide to implement an Upstream Merger, with a different Merging Entity than that which disappeared as a result of the Downstream Merger. The previous subsection, relating to an Upstream Merger and the shares that will be issued to holders of Shares, will apply mutatis mutandis in such a case.

In the event that the Offeror chooses to pursue any Legal Merger, the process for achieving this result will be subject to Part 7 of Book 2 of the Dutch Civil Code and any other applicable provisions of Dutch law, and will include safeguards to ensure that the exchange ratio or ratios applicable to each respective class of Shares is confirmed as being fair by independent experts, and is ultimately approved by the Supervisory Board, including by a majority of the independent members (see Section 5.9.7).

The process also requires a resolution of the general meeting of shareholders of the Disappearing Entity and, under certain circumstances, of the general meeting of shareholders of the Surviving Entity. Shareholders should be aware, however, that these safeguards and procedures do not prevent the Surviving Entity, in which they will be shareholders from the Merger Date, from having substantially more debt as a proportion of its balance sheet total than Stork currently has.

Asset Sale

At any time after the Offer has been declared unconditional (*gestand wordt gedaan*), the Offeror and Stork may take steps to cause a sale by Stork of all, substantially all or a substantial part of its assets to a company directly or indirectly wholly owned by the Offeror or by an affiliate of the Offeror. In the event of a sale of all or substantially all assets, this sale may be made at a value that is different from the value calculated on the basis of share prices set out in this Offer Memorandum.

If necessary or appropriate, a confirmation will be obtained from independent experts as to the fairness of such a transaction and it would require the approval of the Supervisory Board, including a majority of the independent members (see Section 5.9.7), as well as that of the general meeting of Stork's shareholders (including the Offeror). Following a sale of all or substantially all of Stork's assets, Stork may be liquidated, in which case the proceeds of the transaction will be distributed to its shareholders, in accordance with the provisions of the Stork Articles of Association.

Other Possible Measures

The Offeror reserves the right to use any other permitted method to obtain 100% of Stork's share capital, as well as to align the company structure of Stork with the group's new holding and financing structure that will exist once the Offer has been declared unconditional (*gestand wordt gedaan*), including the contribution of assets by the Offeror to Stork against the issue of new shares in the capital of Stork, whilst at the same time excluding the pre-emptive rights (*voorkeursrechten*) (if any) of other Stork Shareholders, all in accordance with Dutch law and the Stork Articles of Association in force at the relevant time.

Finally, the Offeror reserves the right to pursue alterations to the corporate and capital structure of Stork, including internal reorganisations, changes to the accounting policies applied by Stork, amendments to the Stork Articles of Association, a liquidation, a demerger as specified in article 2:334a of the Dutch Civil Code or a rights issue, all to be effected in accordance with Dutch law and the Stork Articles of Association (as amended from time to time). Any distributions made may take the form of a distribution out of reserves, an interim dividend, a final dividend, payment upon cancellation or, in case the Company is liquidated, a liquidation distribution.

4.12 Dividend Policy

The Offeror expects to amend Stork's dividend policy significantly should the Offer be declared unconditional (*gestand wordt gedaan*). The Offeror expects to stop paying regular cash dividends after the Settlement Date for the foreseeable future, subject to any applicable requirements under Dutch law. Any dividends paid in the near term may be one time in nature. The size and make-up of one time dividends (if any) will depend on several factors but could be significant. Distributions on the relevant shares made after the Settlement Date (if any) will be deducted for the purposes of establishing the value per Share in the event of any Legal Merger or other relevant measure as described in Section 5.9.3 (Legal structure of Stork following the Offer).

4.13 Announcements

Announcements declaring whether the Offer is declared unconditional (*gestand wordt gedaan*) and announcements in relation to an extension of the Offer past the Acceptance Closing Date will be made by press release and will be published in the Daily Official List and in at least one nationally distributed newspaper in The Netherlands (*Het Financieele Dagblad* or *NRC Handelsblad*). See Section 9.12 (Announcements). Subject to any applicable requirements of the Merger Rules and without limiting the manner in which the Offeror may choose to make any public announcement, the Offeror will have no obligation to communicate any public announcement other than as described above.

4.14 Indicative Timetable

Expected Date and Time	Event
(All times are CET)	
14 December 2007	Publication of press release announcing the availability of the Offer Memorandum, publication of the Offer Memorandum in accordance with article 10 of the Takeover Decree and the commencement of the Offer
09:00 hours, 17 December 2007	Commencement of the Acceptance Period under the Offer, in accordance with article 14 of the Takeover Decree
15:00 hours, 4 January 2008	Extraordinary General Meeting of Shareholders, at which meeting the Offer, among other matters, will be discussed in accordance with the provisions of article 18 of the Takeover Decree
15:00 hours, 14 January 2008, subject to extension	*Acceptance Closing Date* Deadline for Shareholders wishing to tender Shares

Expected Date and Time	Event
Not later than three Business Days after the Acceptance Closing Date	*Unconditional Date* the date on which the Offeror shall publicly announce whether the Offer is declared unconditional (*gestand wordt gedaan*) in accordance with the Merger Rules. Article 16, paragraph 1 of the Takeover Decree requires that such announcement is made within three Business Days after the Acceptance Closing Date
Not later than three Business Days after the Unconditional Date	*Settlement Date* the date on which, in accordance with the terms and conditions of the Offer, the Offeror shall pay the Offer Price to the Shareholders who have validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*) their Shares under the Offer prior to the Acceptance Closing Date, which date shall be promptly, but in any event, within three Business Days following the Unconditional Date, subject to the Offer being declared unconditional (*gestand wordt gedaan*)

5. Explanation of the Offer

5.1 Introduction

On 19 June 2007, the Company announced that it was in discussions with Candover and that these discussions might lead to an offer for all outstanding Shares at an indicative price of EUR 47.00 per Share, subject to due diligence. On 26 June 2007, the Company and the Offeror jointly announced that the expectation was justified that agreement could be reached between the Company and the Offeror in connection with a public offer by the Offeror for all of the issued and outstanding share capital of the Company at an offer price of EUR 47.00 in cash per Share. On 10 August 2007, the Offeror made an offer for all outstanding Shares. During the acceptance period of this offer it became evident that one or more offer conditions would not be satisfied due to the fact that LME as holder of approximately 43% of the outstanding Shares as at 5 September 2007 through its investment vehicle Ioliet declined to tender the Shares held by it under the terms and conditions of that offer and as a result the Offeror announced on 17 September 2007 the withdrawal of its offer. After withdrawal of the offer, the Offeror, Stork, Landsbanki, Eyrir Invest and Marel entered into discussions regarding the terms under which LME would agree to tender all Shares held by it or any of its affiliates or subsidiaries in a new offer. Before the announcement of the contemplated offer on 28 November 2007 (i) Stork and the Offeror reached conditional agreement on the terms and conditions of the Offer, (ii) Stork and Marel agreed that Stork sells Stork Food Systems to Marel for a cash consideration of EUR 415 million on a cash and debt free basis, (iii) Ioliet agreed with the Offeror to tender 10,156,946 Shares held by it in the Offer when declared unconditional and (iv) Landsbanki, Eyrir Invest and funds managed or advised by or affiliated with Candover, agreed on the terms of their investment in the Offeror.

5.2 Offer Conditions

The obligation of the Offeror to declare the Offer unconditional (*gestand te doen*) shall be subject to the following conditions precedent being satisfied or waived, as the case may be:

5.2.1 such number of Shares are tendered for acceptance on the Acceptance Closing Date that these, together with (i) the Shares directly or indirectly held by the Offeror at the Acceptance Closing Date; (ii) any Shares in respect of which at the Acceptance Closing Date the Offeror has a right to have such Shares transferred to it subject only to the Offer being declared unconditional (*gestand wordt gedaan*) (see section 5.4) and (iii) the Shares held, directly or indirectly, by Stork for its own account at the Acceptance Closing Date, represent at least 95% (ninety-five percent) of Stork's issued and outstanding share capital (*geplaatst kapitaal*) as at the Acceptance Closing Date;

5.2.2 between the date that the Offeror has made the Offer and the Unconditional Date, no event, circumstance or development materially adversely affecting the business, cash flow, financial position, assets or prospects of the Stork Group taken as a whole having occurred which is such that the Offeror cannot reasonably be expected to continue with the Offer;

5.2.3 on or prior to the Acceptance Closing Date, no public announcement has been made indicating for the first time that a third party is preparing or announces a *bona fide* public offer for all the Shares which qualifies as a Competing Offer and no third party has obtained the right to acquire or subscribe for, or has agreed to acquire or subscribe for shares in the capital of Stork;

5.2.4 on or prior to the Acceptance Closing Date (and with the exception of any competition law authorisations, rulings or orders), no order, stay, judgement or decree is issued by any court, arbitral tribunal, government, governmental authority or other regulatory or administrative authority and is in effect, or any statute, rule, regulation, governmental order or injunction shall have been proposed, enacted, enforced or deemed applicable to the Offer, any of which restrains, prohibits or delays or is reasonably likely to restrain, prohibit or delay consummation of the Offer in any material respect;

5.2.5 on or prior to the Acceptance Closing Date, Stork has not breached any of its agreements with the Offeror, to the extent that such breach has or could reasonably be expected to have material adverse repercussions on the Offer and, if such breach has occurred, has not been remedied by Stork within 5 (five) Business Days after receipt of a written notice to that effect by the Offeror, provided (i) that Stork shall not be entitled to such remedy period if the breach is not capable of being remedied and (ii) that if the period until the Settlement Date is less than 5 (five) Business Days, the remedy period shall expire the day before the Settlement Date;

5.2.6 on or prior to the Acceptance Closing Date, the AFM not having issued an order in the terms of article 5:80 Wft prohibiting investment firms (*beleggingsondernemingen*) to co-operate with the Offer, on the basis that it has found that the Offer is announced, prepared or made in breach of the provisions of, or pursuant to, chapter 5.5 Wft and trading in the Shares by Euronext not having been permanently suspended as a result of a listing measure (*noteringsmaatregel*) taken by Euronext Amsterdam in accordance with Article 2706/1 of Euronext Rulebook II;

5.2.7 the Offeror having received written notice from Stork that the Offer Conditions set out in this Section 5.2 (Offer Conditions) are satisfied;

5.2.8 the undertakings by Centaurus and Paulson not having been terminated in accordance with their terms;

5.2.9 the general meeting of shareholders of Stork having appointed Messrs. M.S. Gumienny, E.J.F.C.H. Ernst, J.H. Schraven and P.F. Hartman as member of the Supervisory Board and having resolved to amend the Stork Articles of Association and the profile of members to the Supervisory Board, conditional only upon the Offer being declared unconditional (*gestand gedaan*) by the Offeror;

5.2.10 the occurrence of one of the following events ultimately 3 (three) Business Days prior to the Acceptance Closing Date:

(a) the Competition Authorities issuing a decision in respect of the Offer constituting clearance of the proposed concentration and if such clearance is given subject to conditions or obligations, then those conditions and obligations being satisfactory to Stork and the Offeror acting reasonably, provided that Stork and the Offeror shall be obliged to accept any condition or obligation which is not material;

(b) the expiry, lapsing or termination of all applicable waiting and other time periods (including extensions thereof) under any applicable legislation or regulation of any other applicable jurisdiction;

5.2.11 The SPA (including without limitation the terms of the financing of the transactions contemplated by the SPA) not having been terminated in accordance with its terms, not having been breached and not having been amended without the approval of the Offeror and the absence of a waiver of rights by Stork of any of its rights under the SPA or the following conditions precedent contained in the SPA: (i) Marel having received competition clearance for the acquisition of Stork Food Systems, (ii) Marel and Stork having complied with the obligations under the works council act, (iii) the Extraordinary General Meeting of Shareholders having approved the sale of Stork Food Systems, (iv) the Offer having been made and declared unconditional by the Offeror, (v) the absence of any action by a governmental authority or a court or the coming into force of any law that prohibits Stork fulfilling its obligations under the SPA and (vi) the absence of a *bona fide* third party restraining Stork to fulfill its obligations under the SPA; and

5.2.12 Stork not being in breach of:

(a) the financial agreement for a EUR 300,000,000 (three hundred million) credit facility with a syndicate of 5 (five) banks arranged in the Multicurrency Revolving Facility agreement dated 27 April 2004 (as amended, restated or supplemented from time to time);

(b) the bilateral umbrella facility agreement dated 19 August 2003 (as amended, restated or supplemented from time to time) and made between Stork N.V. and ABN AMRO Bank N.V.;

(c) the bilateral loan, guarantee and export financing facility dated 8 November 2004 (as amended, restated or supplemented from time to time) and made between Stork N.V. and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.;

(d) the credit agreement dated 23 September 2003 (as amended, restated or supplemented from time to time) and made between Stork N.V., Stork Mercantile Engineers and Contractors N.V., Stork Limebel N.V., Stork Intermes N.V. and KBC Bank N.V.;

(e) the credit agreement dated 6 December 2002 (as amended, restated or supplemented from time to time) and made between Sutherland-Schultz Inc. and The Toronto-Dominion Bank; and

(f) a guarantee letter dated 13 January 2003 from Stork N.V. to Toronto-Dominion Bank;

and those financial agreements not having been terminated in accordance with their terms.

The Offer Conditions are for the benefit of the Offeror and may, to the extent permitted by law, be waived by the Offeror (either in whole or in part) at any time by written notice to Stork, provided however that as regard Offer Condition 5.2.1, in the event that the number of tendered Shares, together with (i) the Shares directly or indirectly held by the Offeror at the Acceptance Closing Date; (ii) the Shares in respect of which at the Acceptance Closing Date the Offeror has a right to have such shares transferred to it subject only to the Offer being declared unconditional (*gestand wordt gedaan*); and (iii) the Shares held by Stork for its own account at the Acceptance Closing Date would represent less than 80% (eighty percent) of Stork's issued and outstanding share capital (*geplaatst en uitstaand kapitaal*), then the Offeror shall only be entitled to declare the Offer unconditional (*gestanddoening*) with the prior written approval of Stork.

Each of Stork and the Offeror undertakes to use its best efforts to procure the fulfillment of the Offer Conditions as soon as reasonably practicable. If at any time Stork or the Offeror becomes aware of a fact or circumstance that might prevent an Offer Condition being satisfied, it shall immediately inform the Offeror, respectively Stork, in writing.

As regards Offer Condition 5.2.11, the Offeror has received undertakings from Landsbanki and Eyrir Invest, which have shareholding and/or other financial interests in Marel, that they will abstain from taking any action that may cause Marel to terminate or breach the SPA.

5.3 Shares committed by Centaurus and Paulson

Centaurus and Paulson have committed towards the Offeror to tender an aggregate of 9,932,499 Shares representing approximately 32% of the issued share capital in Stork under the same terms and conditions of the Offer as described in this Offer Memorandum. The number of Shares committed by Centaurus and Paulson under the Offer deviates from the number of Shares previously notified by Centaurus and Paulson to the AFM pursuant to the Wft (or its predecessor the Disclosure of Major Holdings and Interests in the capital of securities issuing institutions Act (*Wet Melding Zeggenschap en kapitaalbelang in effectenuitgevende instellingen*), or its predecessor the Disclosure of Major Holdings in Listed Companies Act 1996 (*Wet Melding Zeggenschap in ter beurze genoteerde vennootschappen 1996*)) due to the fact that a relatively small number of Shares held by Paulson were not included in the undertaking from Centaurus and Paulson. Other than information contained in this Offer Memorandum, the Offeror did not disclose to Centaurus and Paulson any material information regarding the Offer which would be relevant for Shareholders when considering to tender their Shares under the Offer.

The undertaking from Centaurus and Paulson is subject to an exception for a competing higher offer.

5.4 Shares committed by Ioliet

Ioliet holds 13,617,690 Shares representing approximately 43% of the issued share capital in Stork. Ioliet has committed towards the Offeror subject to certain conditions including that the general meeting of Shareholders has approved the sale of Stork Food Systems, to transfer the Shares it holds as described below.

Ioliet has committed towards the Offeror to tender an aggregate of 10,156,946 Shares representing approximately 32% of the issued share capital in Stork under the same terms and conditions of the Offer as described in this Offer Memorandum subject to certain conditions relating to the sale of Stork Food Systems.

Prior to the announcement of the contemplated Offer on 28 November 2007, Ioliet has sold to the Offeror and agreed with the Offeror to deliver to the Offeror an aggregate of 3,460,744 Shares representing approximately 11% of the issued share capital in Stork in exchange for consideration from the Offeror in the form of shares in the Offeror's indirect parent company, subject to the condition that the Offer is declared unconditional. Landsbanki and Eyrir Invest are indirect shareholders in Ioliet. See Section 12 (Information on the Offeror) for more information on Ioliet.

5.5 Shareholdings of the members of the Supervisory Board and Management Board

5.5.1 Information on Shares

As of the date of this Offer Memorandum, 154,946 Shares are held by Sj.S. Vollebregt, 57,748 Shares are held by J.C.M. Schönfeld, 13,958 Shares are held by H.E.H. Bouland and 1,000 Shares are held by C.J. van den Driest, who have irrevocably undertaken to tender the Shares held by them under the Offer under the same terms and conditions of the Offer as described in this Offer Memorandum. Other than information contained in this Offer Memorandum, the Offeror did not disclose to the aforementioned Shareholders any material information regarding the Offer which would be relevant for Shareholders when considering to tender their Shares under the Offer.

As of the date of this Offer Memorandum, no Shares are held by any of the other members of the Supervisory Board.

5.5.2 Information on Share options

As of the date of this Offer Memorandum Sj.S. Vollebregt, J.C.M. Schönfeld and H.E.H. Bouland hold a number of Shares, conditional options for Shares, unconditional options for Shares and SARs, as shown in the following table(1):

Duration	Number granted	Exercise price	Position ultimo 2006	Granted 2007	Exercised 2007	Lapsed 2007	Current Position
Sj.S. Vollebregt							
2002/2007	51,935	5.90	51,935	0	51,935	0	0
2003/2008	51,935	4.82	51,935	0	51,935	0	0
2004/2011	51,935	12.91	51,935	0	0	7,790	44,145
2005/2012 (conditional)	51,935	27.03	51,935	0	0	0	51,935
2006/2013 (conditional)	51,935	42.62	51,935	0	0	0	51,935
2006/2013	51,935	42.62	51,935	0	0	0	51,935
2007/2014 (SAR—conditional)	0	37.23	0	47,500	0	0	47,500
			311,610	**47,500**	**103,870**	**7,790**	**247,450**
Shares (Part of LT incentive plan)			46,326	4,750			51,076
Shares (Personal)							103,870
Shares Total							**154,946**
J.C.M. Schönfeld							
2002/2007	38,268	13.11	38,268	0	38,268	0	0
2003/2008	25,968	4.82	25,968	0	25,968	0	0
2004/2011	25,968	12.91	25,968	0	0	3,895	22,073
2005/2012 (conditional)	25,968	27.03	25,968	0	0	0	25,968
2006/2013 (conditional)	25,968	42.62	25,968	0	0	0	25,968
2007/2014 (SAR—conditional)	0	37.23	0	23,750	0	0	23,750
			142,140	**23,750**	**64,236**	**3,895**	**97,759**
Shares (Part of LT incentive plan)			11,296	1,350			12,646
Shares (Personal)							45,102
Shares Total							**57,748**
H.E.H. Bouland							
2003/2008	25,968	4.82	25,968	0	25,968	0	0
2004/2011	25,968	12.91	25,968	0	0	3,895	22,073
2005/2012 (conditional)	25,968	27.03	25,968	0	0	0	25,968
2006/2013 (conditional)	25,968	42.62	25,968	0	0	0	25,968
2007/2014 (SAR—conditional)	0	37.23	0	23,750	0	0	23,750
			103,872	**23,750**	**25,968**	**3,895**	**97,759**
Shares (Part of LT incentive plan)			12,608	1,350			13,958
Shares (Personal)							0
Shares Total							**13,958**

(1) The table also reflects, as required pursuant to schedule A, section 2, paragraph 6 of the Takeover Decree, the transactions concluded in respect of securities in the capital of Stork by the members of the Management Board and the Supervisory Board of Stork in 2007 (until the date of this Offer Memorandum). No such transactions have been concluded in December 2006. Furthermore, no transactions have been concluded by spouses (*echtgenoten*), registered partners (*geregistreerde partners*) or minor children (*minderjarige kinderen*) of the members of the Management Board and Supervisory Board or by companies they have control over (*zeggenschap in hebben*).

At the date of this Offer Memorandum, no options for Shares are held by any of the other members of the Supervisory Board and the Management Board.

Prior to the Settlement Date but after the Offer having been declared unconditional (*gestanddoening*), settlement by Stork of the outstanding stock option rights and SARs shall be as follows:

- the stock option rights and the SARs of the members of the management board shall be settled by Stork against cash; and
- the vested stock option rights of the other employees of Stork shall be settled by Stork against cash. Any non vested stock option rights and the SARs of the other employees of Stork shall be converted into a cash entitlement in favour of such employees that shall be due and payable by Stork to such employees in accordance with the other terms and conditions of the stock option plan.

The maximum total costs involved with such settlement and conversion will be approximately EUR 15 million.

In addition, all Shares held by the Management Board under the employee share plan and all other Shares held by the Management Board representing 0.73% of Stork's issued share capital shall be tendered under the Offer under the same terms and conditions as described in this Offer Memorandum. All Shares held by the other employees of Stork under the employee share plan and all other Shares held by the other employees of Stork, may be tendered under the Offer under the same terms and conditions as described in this Offer Memorandum.

5.6 Arrangements with the Stork Foundation

Subject to the Offer becoming unconditional, the Stork Foundation has, having regard to the fact that the Offer has been recommended by both the Supervisory Board and the Management Board, irrevocably and otherwise unconditionally renounced its rights under the Stork Option Agreement dated 16 May 1990 in relation to the Offer. This agreement provides that the Stork Foundation can exercise a right to subscribe for a number of cumulative preference shares B equal to the number of issued cumulative preference shares A and ordinary shares minus one. The decision to exercise that right rests solely with the executive committee of the Stork Foundation.

5.7 Substantiation of the Offer Price

5.7.1 Introduction

In establishing the Offer Price, the Offeror has carefully considered the history and prospects of Stork, including through an analysis of historic and potential future developments in profitability, cash flows and balance sheet. Furthermore, account has been taken of the historic market valuation of the Shares.

The Offer Price has been based on careful financial analyses, including, among others:

(i) a trading multiple analysis based on the financial performance of Stork, its reporting divisions and the prices and trading activity of the Shares compared with those of certain comparable publicly traded companies and their securities. Companies reviewed for comparison with Stork's Aerospace division include GKN, Latecoere, Goodrich, AAR Corp., Meggitt, Safran and BBA Aviation. For this group of selected companies the median ratio of enterprise value to analyst consensus EBITDA expected for the year ended 31 December 2008 as provided by Thomson Financial on 27 November 2007, the day prior to the announcement of the Offer and calendarised if different to the actual year end of the respective companies, was approximately 8.2x. Companies reviewed for comparison with Stork's Technical Services division include Imtech, Amec, Jacobs Engineering and Bodycote International. For this group of selected companies the median ratio of enterprise value to analyst consensus EBITDA expected for the year ended 31 December 2008 as provided by Thomson Financial on 27 November 2007, the day prior to the announcement of the Offer and calendarised if different to the actual year end of the respective companies, was approximately 9.3x. By comparison, the ratio of Enterprise Value of Stork, as implied by the Offer Price, to analyst consensus EBITDA expected for the year ended 31 December 2008 as provided by Thomson Financial on 27 November 2007, the day prior to the announcement of the Offer, was approximately 8.8x;

(ii) a transaction multiple analysis based on the financial terms, to the extent publicly available, of certain acquisition transactions in lines of business related to those Stork operates in. Transactions analysed included the acquisitions of Landmark Aviation and Standard Aero Holdings, McKechnie, K&F Industries and SR Technics for Stork's Aerospace division and Amec-Spie and Cegelec for Stork's Technical Services division; and

(iii) the amount payable to Stork in connection with the acquisition of Stork Food Systems under the terms of the SPA, which is estimated to constitute an aggregate amount of approximately EUR 415 million. The amount payable includes an intercompany loan of approximately EUR 86 million, a cash position of approximately EUR 23 million (leaving a net debt position of approximately EUR 63 million) and a total equity value of approximately EUR 352 million.

An analysis of bid premiums in recent public offers was deemed less relevant and not applicable to the Offer Price due to the difficulty in establishing an undisturbed share price that reflects the current trading and prospects of Stork.

A leveraged buy-out analysis, based on the historic and expected developments in the operational and financial performance of the business as well as current conditions in the leveraged finance markets, has been used to assess the impact of the acquisition of Stork on the Offeror. This leveraged buy-out analysis takes account of the projections as set out in Section 10.5 (Financial outlook) and a number of assumptions regarding possible future developments that may affect Stork, its operations and its financial results.

The Offer Price has been calculated based on:

(i) 30,403,538 Shares issued and outstanding as at 27 November 2007, the day prior to the announcement of the Offer;

(ii) the number and terms of options, warrants or other rights which, if and when exercised, would result in additional Shares being issued, as described in Section 5.5 of this Offer Memorandum; and

(iii) the consolidated balance sheet position of Stork and in particular the net indebtedness of the Stork group.

In addition, certain financial information as derived from annual accounts, analyst presentations, market reports, press releases and additional financial information provided by Stork have been reviewed.

5.7.2 Premiums

The Offer Price of EUR 48.40 represents:

(i) a premium of 9% relative to the closing share price of EUR 44.55 of an ordinary share on 27 November 2007, the last trading day prior to 28 November 2007, the day on which the Offeror and Stork announced the Offer;

(ii) a premium of 15% relative to the closing share price of EUR 42.21 of an ordinary share on 18 June 2007, the last trading day prior to 19 June 2007, the day on which Stork announced that it was in discussions with Candover regarding a possible offer;

(iii) a premium of 23% relative to the average closing share price of an ordinary share during the last three months prior to 19 June 2007, the day on which Stork announced that it was in discussions with Candover regarding a possible offer; and

(iv) a multiple of approximately 10 times 2006 normalised EBITDA (EUR 162 million).

On 27 November 2007, ABN AMRO and Kempen & Co rendered their respective fairness opinions in writing to the Supervisory Board and the Management Board. Such fairness opinions are reproduced in Section 6 (Fairness Opinion ABN AMRO) and Section 7 (Fairness Opinion Kempen & Co). As at the respective dates of such opinions, and based upon and subject to the factors and assumptions referred to in such opinions, ABN AMRO and Kempen & Co consider the Offer Price to be fair, from a financial point of view, to the Shareholders.

5.8 The Rationale for the Offer

The rationale for the Offer is that Stork and the Offeror believe that a public-to-private transaction with respect to Stork, whereby:

(i) the Offeror acquires (through the Offer or any lawful post-Offer restructuring including a legal merger of the Offeror and Stork) 100% of the issued and outstanding equity securities of Stork;

(ii) the listing agreement between Stork and Euronext and/or the listing of the Shares is terminated as soon as possible after settlement of the Offer;

(iii) the pending litigation between Stork and certain of its major shareholders, which is restricting Stork from fully pursuing certain potentially beneficial strategic opportunities, is terminated and settled; and

(iv) Stork Food Systems is sold to Marel, conditional upon the Offer having been made and having been declared unconditional, and Marel has indicated that it supports the strategy of Stork Food Systems,

would provide both short term and long term strategic, financial and other benefits to Stork and the Offeror and their stakeholders.

The Offer will have a number of advantages for Stork, its Shareholders, employees, customers and other stakeholders:

(i) Candover has extensive experience and a strong track record in the industrial sector and has the resources to support management teams in growing their businesses;

(ii) the Offeror has addressed criteria of the Supervisory Board to structure the financial leverage in such a way that it provides the financial flexibility needed for growth in the next stage of the development of the Company;

(iii) the Offeror supports management's strategy of growing the remaining businesses following divestiture of Prints and Stork Food Systems;

(iv) the proposed transaction creates a more stable environment for the Company. It will enable management to focus on the day-to-day operations of the business and will create more certainty for employees and customers; and

(v) the Offer enables current Shareholders to realise certain and immediate value in cash for their shares at an attractive price.

Stork expects the investments it has made and will continue to make in its aerospace business to lead to improved results in the medium term, whereby it aims for a return on sales of close to 10% for the whole division by the end of the medium term forecast (2011/2012). To achieve this growth rate, significant investments in facilities and non-recurring costs will be required.

In addition, after making certain specific acquisitions in the technical services market to complement its current incomplete portfolio, Stork aims at an average return of sales over the longer term between 6% and 7%.

5.9 Consequences of the Offer

5.9.1 Strategy

The Management Board has formulated the following business strategy:

Stork Aerospace

The strategy of Stork Aerospace is (i) to grow revenues on the basis of existing and new contracts as well as through acquisitions and focus on improving operational performance, and (ii) to reduce the dependency on Fokker aircraft by growing organically or through acquisitions.

Stork Food Systems

Stork Food Systems shall be divested, conditional upon the Offer having been made and having been declared unconditional (*gestand gedaan*).

Stork Technical Services

The strategy of Stork Technical Services is to grow organically and consider making acquisitions where needed to complement skill base.

As previously communicated by Stork, it continuously evaluates its strategy and if circumstances change over time on the basis of general market developments or developments relating to the business, operations or structure of Stork specifically, Stork may change its stated strategies.

The Offeror supports the business strategy of Stork as set out above. The Offeror has confirmed that for a minimum period of 2 (two) years following the Settlement Date it shall support and implement such business strategy unless (i) the Management Board proposes another course of action which is supported by the Offeror, (ii) the Offeror proposes another course of action which is supported by the Management Board, or (iii) the external debt financing is materially adversely affected. Except as contemplated in the description of the strategy above, the Offeror shall keep the business of the Stork Group materially intact under one central management and, in particular, shall not sell or transfer to any third party any of the Stork Group's material assets or activities for a period of 2 (two) years following the Settlement Date unless (i) the Management Board proposes another course of action which is supported by the Offeror, (ii) the Offeror proposes another course of action which is supported by the Management Board, or (iii) the external debt financing is materially adversely affected. If the current circumstances change over time on the basis of general market developments or developments relating to the businesses, operations or structure of Stork specifically, the Offeror may, acting in the best interests of the Stork Group and after having consulted the Boards, deviate from the agreed arrangements. Notwithstanding the foregoing, Stork Food Systems shall be sold by Stork to Marel, conditional upon the Offer having been made and having been declared unconditional (*gestand gedaan*) and the commitments of the Offeror regarding strategy shall not apply to Stork Food Systems following completion of the sale.

Nothing in the preceding paragraph shall limit the rights of the Offeror to implement any legally permitted method, as described in Section 5.9.3 (Legal structure of Stork following the Offer), to acquire 100% of Stork's share capital or to align Stork with the holding and financing structure of the group of companies that includes the Offeror.

The Offeror is committed that there shall be no direct negative employment consequences for the Stork Group as a whole as a direct result of the Offer other than a limited number of redundancies at Stork holding level as direct result of the delisting of Stork. The Offeror's above commitment does not apply to the employees of Stork Food Systems.

5.9.2 Liquidity and Delisting

The purchase of Shares by the Offeror pursuant to the Offer, among other things, will reduce the number of Shareholders and the number of Shares that might otherwise trade publicly and could adversely affect the liquidity and market value of the remaining Shares not tendered and not held by Stork.

Should the Offer be declared unconditional (*gestand wordt gedaan*), it is intended that Stork's listing on Euronext Amsterdam will be terminated as soon as possible. This would further adversely affect the liquidity of any Shares not tendered. In addition, the Offeror may initiate any of the procedures as set out in Section 5.9.3 (Legal structure of Stork following the Offer), including procedures which would result in termination of the listing of the Shares (including Shares not being tendered). As a policy rule, in case of a public offer Euronext Amsterdam does not permit delisting until at least 95% of the listed shares are held by a single entity or by a group controlled by a single entity.

5.9.3 Legal structure of Stork following the Offer

Summary of risk factors following the Offer

Shareholders who do not tender their Shares in the Offer should carefully review this Section 5.9.3, which describes certain risks they will be subject to after the Offer is declared unconditional (*gestand wordt gedaan*). These risks are in addition to the exposure to the business

of Stork and its subsidiaries, as such business and the structure of the Stork Group may change from time to time after the Settlement Date. The following is a summary of the key additional risks:

- **COMPULSORY PURCHASE**

As soon as the relevant legal requirements have been satisfied, the Offeror may seek to acquire the remaining Shares through the statutory Squeeze-Out procedure.

- **LOSS OF LIQUIDITY**

As soon as the relevant legal requirements have been satisfied, the Offeror may seek to terminate the listing of Stork on Euronext Amsterdam and to convert Stork into a private limited company (*besloten vennootschap met beperkte aansprakelijkheid*), which will inter alia cause all Shares to become subject to transfer restrictions.

Alternatively or cumulatively, the Offeror may seek to implement an Upstream Merger, which could result in shareholders in Stork becoming shareholders in a Merging Entity by operation of law. This Merging Entity will be a private limited company (*besloten vennootschap met beperkte aansprakelijkheid*), and the shares in its capital will not be listed or publicly traded, and will be subject to transfer restrictions.

Even if no conversion or merger is implemented, the size of the free float in Shares will be substantially reduced as a result of the Offer, and as a result trading volumes and liquidity of Shares will be materially adversely affected.

The Offeror may also seek a sale of substantially all assets of Stork, which may be followed by a liquidation and a distribution of the sale proceeds.

- **INCREASED LEVERAGE**

As a result of one or more Legal Mergers or as a result of other measures implemented by the Offeror and Stork after the Settlement Date, the proportion of the balance sheet of Stork or its successor entities which is represented by debt may increase substantially compared to the current position and Stork may incur substantial fees or other expenses in relation thereto or any expenses incurred by other parties in connection therewith.

- **REDUCED GOVERNANCE RIGHTS**

In the event that Stork or its successor entity will no longer be listed and its shares will no longer be publicly traded, the statutory provisions applicable to the governance of public or listed companies will no longer apply and the rights of minority shareholders will be limited to the statutory minimum.

- **CONTROLLING SHAREHOLDER**

Following the Settlement Date, Stork will be majority controlled by the Offeror and the indirect shareholders of the Offeror will appoint all of the members of the Supervisory Board, except for any independent members of the Supervisory Board appointed in accordance with Section 5.9.7 (Future composition of the Boards).

- **TAX TREATMENT OF DISTRIBUTIONS**

The Offeror and Stork have no insight into and no responsibility with respect to the tax treatment of Shareholders with respect to any distributions made by Stork or any successor entity to Stork, which may include dividends, repayments of capital and liquidation distributions. In the event that there is a sale of substantially all assets of Stork, followed by a liquidation and a distribution of the sale proceeds, this may raise specific tax issues for Shareholders.

General

The Offeror reserves the right to use any legally permitted method to acquire 100% of Stork's share capital, as well as to align Stork with the holding and financing structure of the group of companies that includes the Offeror. For this purpose the Offeror will consider, depending *inter alia* on the number of Shares obtained by the Offeror as a result of the Offer, a number of processes, including a compulsory acquisition procedure (*uitkoopprocedure*) in accordance with article 2:359c or 2:92a of the Dutch Civil Code (a ''**Squeeze-Out**''), a legal merger (*juridische fusie*) between Stork and the Offeror or an affiliate of the Offeror in accordance with article 2:309 et seq of the Dutch Civil Code (a ''**Legal Merger**''), a contribution of assets to Stork in exchange for new shares issued (in which case the existing shareholders do not have pre-emptive rights), or a sale of assets by Stork. Separately, the Offeror may cause Stork to be converted into a private limited company (*besloten vennootschap met beperkte aansprakelijkheid*).

For the avoidance of doubt, any or all of the measures and processes described in this Section 5.9.3 may be applied cumulatively, alternatively, or not at all, at the discretion of the Offeror, subject to applicable provisions of Dutch law.

Squeeze-Out

In the event that the Offeror has acquired 95% or more of the issued and outstanding share capital of Stork at or following the Settlement Date, the Offeror shall as soon as possible initiate a Squeeze-Out, in order to acquire the remaining Shares not tendered and not held by the Offeror or Stork. The Offeror may also initiate a Squeeze-Out at any time after the Settlement Date, if and when it is entitled to do so, with respect to shares in any successor entity of Stork, created through a Legal Merger or otherwise.

Legal Merger

At any time after the Offer has been declared unconditional (*gestand wordt gedaan*), the Offeror and Stork may take steps to implement a Legal Merger between the Merging Entity and Stork. As a result of such a Legal Merger, the Disappearing Entity will disappear and the Surviving Entity will survive and acquire all assets and liabilities of the Disappearing Entity by operation of law on the Merger Date. The following paragraphs of this subsection explain two principal forms of Legal Merger which the Offeror may consider and set out a summary of the process that will be followed prior to any Legal Merger being implemented. No rights can be derived from these explanations and the Offeror reserves the right to pursue a Legal Merger on different terms.

In case a Legal Merger is effected by means of an Upstream Merger, Shareholders in Stork (including Shareholders that have not tendered their Shares under the Offer, but excluding the Merging Entity) will become, by operation of law, shareholders in the Merging Entity, alongside the Merging Entity Parent. The new shareholders will acquire shares in the capital of the Merging Entity that have the same economic value as the Shares they hold immediately before the Legal Merger becomes effective, which will be computed on the basis of the relevant prices set out in this Offer Memorandum, deducting any distributions made to the relevant shareholders after the Settlement Date. The capital of the Merging Entity is likely to be divided into different classes of shares and holders of one class of Shares may acquire one or more classes of ordinary and/or preference shares in the Merging Entity, depending on factors such as the rights attaching to the Shares they hold on the Merger Date and the amount of any debt financing the Merging Entity has outstanding at that time. The exact identity of the Merging Entity, the composition of its share capital, the economic and other rights attaching to each class of shares in that capital and the exchange ratio applicable to each class of Shares will only be established by the Management Board of Stork and the Offeror on or after the Unconditional Date and shall be approved by the Supervisory Board. The approval shall require a vote in favour by a majority of the independent members of the Supervisory Board (see Section 5.9.7) if this shall be decided on or after the Settlement Date. The independent members of the Supervisory Board may request that additional independent financial or legal experts are appointed to advise them on the reasonableness of the proposed exchange ratio for the shares in the Merging Entity with a view to the economic and other rights attached to the shares in the Merging Entity to be received by the minority shareholders as compared to the economic and other rights attached to the Shares held by them immediately prior to the Merger Date.

It is not intended that any shares in the Merging Entity will be listed on any stock exchange or will otherwise be publicly traded. As the Merging Entity will be a private limited company (*besloten vennootschap met beperkte aansprakelijkheid*), restrictions will apply to the transferability of these shares. However, the Merging Entity Parent may grant the new holders of shares in the Merging Entity the right for a certain period after the Merger Date to sell their shares to the Merging Entity Parent, for a price per share equal to the relevant price set out in this Offer Memorandum, deducting any distributions made to the relevant shareholders after the Settlement Date. Shareholders who do not tender their Shares in the Offer need to be aware that, in the event the Offer is declared unconditional (*gestand wordt* *gedaan*) and an Upstream Merger is implemented, except to the extent and for the period that any sale right is granted in accordance with the previous sentence, the shares in the Merging Entity which they receive in exchange for their Shares will be illiquid and cannot be freely traded.

As a further result of the Merging Entity in an Upstream Merger being an unlisted private limited company, statutory provisions applicable to the governance of public or listed companies will not apply to the Merging Entity and the rights of minority shareholders in the Merging Entity will be limited to the statutory minimum.

As an alternative or precursor to an Upstream Merger, the Offeror may choose to implement a Legal Merger by means of a Downstream Merger. In such a case, the Shareholders will continue to hold their Shares. The Shares held by the Merging Entity will be cancelled and the Merging Entity Parent will be issued with new Shares, taking into account any assets or liabilities which the Merging Entity has on the Merger Date, other than Shares.

A Downstream Merger will not in itself affect the listing of Stork on Euronext Amsterdam or the tradeability of Shares. The Downstream Merger does not, however, prevent the Offeror and Stork from seeking a termination of that listing, when they are entitled to do so under applicable listing rules. Similarly, the Offeror may initiate a Squeeze-Out subsequent to a Downstream Merger, if and when it is entitled to do so, with respect to the Shares it does not at that point own (other than shares owned by Stork itself or its subsidiaries). In addition, the completion of the Offer and any subsequent measures initiated by the Offeror and Stork, within the restrictions imposed by applicable law, are likely to significantly reduce the trading volume in Shares and thereby the liquidity of a continued investment in Shares beyond the Settlement Date.

After implementing a Downstream Merger, the Offeror may decide to implement an Upstream Merger, with a different Merging Entity than that which disappeared as a result of the Downstream Merger. The previous subsection, relating to an Upstream Merger and the shares that will be issued to holders of Shares, will apply mutatis mutandis in such a case.

In the event that the Offeror chooses to pursue any Legal Merger, the process for achieving this result will be subject to Part 7 of Book 2 of the Dutch Civil Code and any other applicable provisions of Dutch law, and will include safeguards to ensure that the exchange ratio or ratios applicable to each respective class of Shares is confirmed as being fair by independent experts, and is ultimately approved by the Supervisory Board, including by a majority of the independent members (see Section 5.9.7). The process also requires a resolution of the general meeting of shareholders of the Disappearing Entity and, under certain circumstances, of the general meeting of shareholders of the Surviving Entity. Shareholders should be aware, however, that these safeguards and procedures do not prevent the Surviving Entity, in which they will be shareholders from the Merger Date, from having substantially more debt as a proportion of its balance sheet total than Stork currently has.

Asset Sale

At any time after the Offer has been declared unconditional (*gestand wordt gedaan*), the Offeror and Stork may take steps to cause a sale by Stork of all, substantially all or a substantial part of its assets to a company directly or indirectly wholly owned by the Offeror or by an affiliate of the Offeror, in a manner that is consistent with the undertakings reflected in Section 5.9. In the event of a sale of all or substantially all assets, this sale may be made at a value that is different from the value calculated on the basis of share prices set out in this Offer Memorandum.

If necessary or appropriate confirmation will be obtained from independent experts as to the fairness of such a transaction and it would require the approval of the Supervisory Board, including a majority of the independent members (see Section 5.9.7), as well as that of the general meeting of Stork's shareholders (including the Offeror). Following a sale of all or substantially all of Stork's assets, Stork may be liquidated, in which case the proceeds of the transaction will be distributed to its shareholders, in accordance with the provisions of the Stork Articles of Association.

Other Possible Measures

The Offeror reserves the right to use any other permitted method to obtain 100% of Stork's share capital, as well as to align the company structure of Stork with the group's new holding and financing structure that will exist once the Offer has been declared unconditional (*gestand wordt gedaan*), including the contribution of assets by the Offeror to Stork against the issue of new shares in the capital of Stork, whilst at the same time excluding the pre-emptive rights (*voorkeursrechten*) (if any) of Shareholders, all in accordance with Dutch law and the Stork Articles of Association in force at the relevant time.

Finally, the Offeror reserves the right to pursue alterations to the corporate and capital structure of Stork, including internal reorganisations, changes to the accounting policies applied by Stork, amendments to the Stork Articles of Association, a liquidation, a demerger as specified in article 2:334a of the Dutch Civil Code or a rights issue, all to be effected in accordance with Dutch law and the Stork Articles of Association (as amended from time to time). Any distributions made may take the form of a distribution out of reserves, an interim dividend, a final dividend, payment upon cancellation or, in case the Company is liquidated, a liquidation distribution.

5.9.4 Dividend policy

The Offeror expects to amend Stork's dividend policy significantly should the Offer be declared unconditional (*gestand wordt gedaan*). The Offeror expects to stop paying regular cash dividends after the Settlement Date for the foreseeable future, subject to any applicable requirements under Dutch law. Any dividends paid in the near term may be one time in nature. The size and make-up of one time dividends (if any) will depend on several factors but could be significant. Distributions on the relevant shares made after the Settlement Date (if any) will be deducted for the purposes of establishing the value per Share in the event of any Legal Merger or other relevant measure as described in Section 5.9.3 (Legal structure of Stork following the Offer).

5.9.5 Arrangements relating to employees

The Offeror is committed that there shall be no direct negative employment consequences for the Stork Group as a whole as a direct result of the Offer other than a limited number of redundancies at Stork holding level as direct result of the delisting of Stork from Euronext Amsterdam.

If the Offer is declared unconditional, the Offeror will respect all existing rights of the employees of Stork and is prepared to work with such employees on the basis of (i) the employee co-determination regulations (*medezeggenschapregels*) as applied by the Stork Group, and (ii) the arrangements entered into by Stork and the trade unions, including any existing social plans and collective labour agreements.

The Offeror shall respect and support Stork's existing obligations regarding the pension rights of its employees. The Offeror understands that with respect to the extraordinary pension contributions in respect of the back service obligations payable by the individual employees of Stork in the current year 2007, Stork has committed to assume such payments as a general retention measure. For the coming years, the Offeror understands and Stork agrees that no commitments in this respect have been made and that it will be at the discretion of Stork to make such commitments, if any.

After the sale of Stork Food Systems by Stork to Marel, the above commitments and expectations of the Offeror relating to Stork's employees shall no longer apply to the employees of Stork Food Systems.

5.9.6 Employee consultations

The central works council of Stork has rendered its advice as required pursuant to article 25, paragraph 1 of the Dutch Works Councils Act (*Wet op de Ondernemingsraden*) and agreed that Stork continues with the Offer and the divestment of Stork Food Systems. The Offeror supports that in connection with this advice, the undertakings set out in Section 5.9.5 have been laid down in a covenant entered into with Stork's central works council. Consultations have also taken place with the trade unions involved and the secretariat of the Social Economic Council (*Sociaal-Economische Raad*) has been informed of the Offer in accordance with the SER Merger Code 2000 (*SER-besluit Fusiegedragsregels 2000*).

5.9.7 Future composition of the Boards

It is currently envisaged that as from the Settlement Date the Management Board shall consist of at least 3 (three) members and shall include Mr Sj.S. Vollebregt, Mr J.C.M. Schönfeld, and Mr H.E.H. Bouland.

All current members of the Supervisory Board, shall resign immediately as of the Settlement Date and subject to the Offer being declared unconditional, save that the members of the ESB shall resign as of the date they are released from their duties by the Enterprise Section. The resigning members of the Supervisory Board will receive a pro rata share of the yearly remuneration (corresponding to the part of the year that they have served on the Supervisory Board).

It is currently envisaged that as from the Settlement Date onwards, the Supervisory Board shall initially consist of Mr J.H. Schraven as chairman (who is independent within the meaning of the Dutch corporate governance rules), Mr M.S. Gumienny as vice-chairman (representative of the Offeror), Mr E.J.F.H.C. Ernst (representative of the Offeror) and Mr P.F. Hartman (who is nominated by the Stork works council and independent within the meaning of the Dutch corporate governance rules).

After settlement of the Offer, Mr C.J. van den Driest shall be nominated by the Supervisory Board for appointment by the first general meeting of shareholders to be held after settlement. Mr C.J. van den Driest shall be nominated upon recommendation by the central works council of Stork and shall be deemed to be independent (as such notion is described in the Dutch corporate governance rules).

Landsbanki and Eyrir Invest jointly have the right to request the Supervisory Board to nominate one person proposed by them for appointment by Stork's general meeting of Shareholders as a member of the Supervisory Board. Landsbanki and Eyrir Invest have indicated to the Offeror and Stork that they intend to exercise this right in the future and in any event after the sale of Stork Food Systems is completed.

The general meeting of shareholders has at all times the right to resolve to increase the number of Supervisory Board members, in which case, subject to the approval of the general meeting of shareholders, the Supervisory Board shall nominate additional members for appointment by the general meeting of shareholders. In addition, the Supervisory Board regulations will provide from settlement that in case the Supervisory Board has eight (8) members, the vice-chairman of the Supervisory Board will have a casting vote.

5.10 Certain arrangements between the Offeror and Stork

In connection with the Offer, Stork and the Offeror have agreed that, in certain specific circumstances, Stork will be permitted to respond to an unsolicited approach by a bona fide third party with respect to a bona fide offer for all the Shares or the whole or substantially the whole of Stork's undertaking or business. Similarly, Stork would be permitted to withdraw or modify its recommendation for the Offer if it deems such a bona fide third party offer to be more beneficial than the Offer, provided however (i) that Stork can only make that determination taking all relevant circumstances into account (including identity and track record of such third party, execution risk and the interests of all stakeholders in Stork), (ii) that the consideration per share offered by that third party must be at least EUR 50.82, (iii) that such alternative proposal would not lead to a debt/EBITDA ratio exceeding that of the Offer, and (iv) that the Offeror has the right to match any such higher third party offer (in which case similar rules apply to subsequent third party offers). Such an alternative proposal by a bona fide third party shall be deemed to be a ''**Competing Offer**''.

To induce the Offeror to make the Offer on the terms as set out in this Offer Memorandum, Stork and the Offeror agreed to the following indemnification arrangements:

(i) In the event Stork terminates its agreement with the Offeror because of a Competing Offer or either of the Boards withdraws, modifies, amends or qualifies the recommendation as set out in Section 8 of this Offer Memorandum, Stork shall immediately reimburse to the Offeror, by way of liquidated damages, an amount of EUR 15,000,000 (fifteen million euro), without any further damages, costs or fees being due by Stork to the Offeror or to Candover but without prejudice to the Offeror's rights in law to seek specific performance of the agreement.

(ii) In the event that the agreement between Stork and the Offeror is terminated pursuant to any other breach of the agreements between the Offeror and Stork, Stork shall immediately reimburse the out-of-pocket expenses disbursed by the Offeror, by way of liquidated damages, up to a maximum amount of EUR 7,250,000 (seven million and two hundred and fifty thousand euro), without any further damages, costs or fees being due by Stork to the Offeror or to Candover but without prejudice to the Offeror's rights in law to seek specific performance of the agreement.

The Offeror had certain advisory reports with respect to Stork prepared. In order to induce the Offeror to provide such reports to Stork and LME to facilitate an expedient and efficient process in respect of the discussions between Stork, the Offeror and LME regarding a possible offer for Stork, Stork agreed that it will pay 60% of the costs incurred by the Offeror for the period from 1 September 2007 up to 1 December 2007 with a maximum of EUR 750,000. Stork's undertaking to share the Offeror's costs shall cease to exist if and when the Offeror declares the Offer unconditional.

5.11 Post Settlement Undertakings

The Offeror has obtained the undertakings from Centaurus and Paulson pursuant to which they agree, among others, immediately following the Settlement Date to take all necessary actions to support termination of the proceedings currently pending between Stork on the one hand, and Centaurus and Paulson and entities affiliated thereto, and several other interested parties, on the other hand (including the termination of the pending inquiry and the provisional measures imposed by the decision of the Enterprise Section dated 17 January 2007 and the subsequent 26 January 2007 appointment of the ESB members).

5.12 Termination Events

The agreement between the Offeror and Stork may be terminated if (i) not all Offer Conditions are satisfied or waived on or before 4 March 2008, (ii) no revised offer is made by the Offeror following a Competing Offer, (iii) a material breach of the other provisions of the agreement between the Offeror and Stork by a party occurs, which has not been remedied by the breaching party within 5 (five) Business Days, provided such breach is capable of being remedied, or (iv) either of the Boards withdraws or amends the recommendation set out in Section 8 of this Offer Memorandum.

5.13 Financing of the Offer

The Offeror will finance acceptances under the Offer through a combination of fully committed debt facilities, subject to the Offer Conditions being satisfied or waived and a limited number of additional conditions that the Offeror considers to be of technical nature being satisfied, arranged by Goldman Sachs International and committed equity financing. On 27 November 2007, the Offeror warranted to Stork (i) that the Offeror had committed debt and equity financing papers evidencing funding sufficient to satisfy its obligations under the Offer (the ''**Financing Commitments**''), (ii) that none of the Financing Commitments had been amended, withdrawn or rescinded and that the Financing Commitments were in full force and effect, (iii) that there were no conditions precedent or other contingencies related to the funding of the full amount of the financing available under the Financing Commitments, other than as set forth in or contemplated by the Financing Commitments themselves, and (iv) that the Offeror did not have any reason to believe that any of the conditions to the financing available under the Financing Commitments will not be satisfied or that such financing will not be available to the Offeror on the Settlement Date.

On 30 November 2007 the Offeror announced that it has obtained commitments to finance the acquisition of all Shares on the Settlement Date.

6. Fairness Opinion ABN AMRO

ABN·AMRO

Stork N.V.
Managing Board
Amersfoortseweg 7
1412 KA Naarden
The Netherlands

Strictly Private and Confidential

Letter of opinion 27 November 2007

Dear Sirs,

We understand that London Acquisition B.V., a company established under the laws of the Netherlands controlled by Candover Partners Limited (''London'' or the ''Offeror''), is proposing (i) to make a public offer, directly or through a wholly-owned subsidiary, to acquire all the issued and outstanding shares with a nominal value of Euro 1.00 per share (each a ''Share'' and each beneficial owner of a Share a ''Shareholder'') in the capital of Stork N.V., a company established under the laws of The Netherlands (''Stork'' or the ''Company'')(the ''Offer'').

Pursuant to the terms of the Offer as set out in a merger protocol dated 27 November, 2007 (the ''Merger Protocol''), London is proposing to offer Euro 48.40 in cash per Share to the Shareholders (the ''Consideration'').

Pursuant to our engagement letter dated 16 January, 2006, the managing board (''Managing Board'') of the Company have asked for the opinion of ABN AMRO Bank N.V. (''ABN AMRO'') as to whether the Consideration is fair, from a financial point of view, to the Shareholders.

In connection with the Offer and subject to the terms and conditions of the Merger Protocol, Stork will enter into a (conditional) sale and purchase agreement with Marel Food Systems hf. (''Marel'') for the transfer of Stork Food Systems.

For the purposes of providing our opinion, ABN AMRO has:

1. Reviewed certain publicly available business and financial information relating to Stork, including Stork's audited consolidated financial statements for the three consecutive financial years ending 31 December 2006, 2005 and 2004 and the unaudited quarterly figures for the period ending 31 March, 30 June and 30 September 2007 prepared and provided to us by the Company, and certain publicly available financial forecasts relating to the business and financial prospects of Stork prepared by certain research analysts;
2. Participated in discussions with and reviewed information provided by the senior management of Stork with respect to the businesses and financial projections of the Company;
3. Reviewed the historical stock prices and trading volumes of the Shares;
4. Reviewed the financial terms of certain transactions we believe to be comparable to the Offer;
5. Reviewed public information with respect to certain other companies we believe to be comparable to Stork;
6. Reviewed those parts of the Merger Protocol and other documents, that we deemed relevant for the purposes of providing this opinion; and
7. Performed such other financial reviews and analyses, as we, in our absolute discretion, have deemed appropriate.

ABN AMRO has assumed and relied upon the truth, accuracy and completeness of the information, forecasts, data and financial terms provided to us or used by us, and has assumed that that the same are not misleading and does not assume or accept any liability or responsibility for independent verification or checking of such information or any independent evaluation or appraisal of any of the assets, operations or liabilities of the Company nor have we been provided with any such valuation or appraisal.

With respect to any financial forecasts that may have been made available, ABN AMRO has assumed that they have been reasonably prepared on bases reflecting the best available estimates and judgments of the management of Stork as to the future financial performance of the Company, and that no event subsequent to the date of any such financial forecasts has had a material effect on them. In preparing this opinion, ABN AMRO has received specific confirmation from senior management of Stork that the assumptions specified above are correct and no information has been withheld from ABN AMRO that could have influenced the purport of this opinion or the assumptions on which it is based.

Further, ABN AMRO's opinion is necessarily based on financial, economic, monetary, exchange rate, market and other conditions, as in effect on, and the information made available to ABN AMRO or used by it up to, the date hereof. This opinion exclusively focuses on the fairness, from a financial point of view, of the Consideration to the Shareholders and does not address any other issues such as the underlying business decision to recommend the Offer or its commercial merits, which are matters solely for the Managing Board of the Company. Subsequent developments in the aforementioned conditions may affect this opinion and the assumptions made in preparing this opinion and ABN AMRO is not obliged to update, revise or reaffirm this opinion if such conditions change.

In rendering this opinion, ABN AMRO has not provided legal, regulatory, tax, accounting or actuarial advice and accordingly ABN AMRO does not assume any responsibility or liability in respect thereof. Furthermore, ABN AMRO has assumed that the Offer will be consummated on the terms and conditions as set out in the Merger Protocol, without any changes to or waiver of their terms or conditions, in compliance with law and without the exercise of any appraisal rights, and that all requisite consents and approvals will be obtained. ABN AMRO has assumed that the Company and other parties to the Merger Protocol will comply with all the material terms of the Merger Protocol.

The engagement of ABN AMRO, this letter and the opinion expressed herein are provided for the use of the Managing Board in connection with their evaluation of the Offer. This opinion does not in any way constitute a recommendation by ABN AMRO to any Shareholders as to whether such holders should accept or reject the Offer or otherwise act in relation to the Offer.

ABN AMRO is acting as financial advisor to Stork in connection with the Offer and will receive fees for its services, a significant portion of which fees are contingent upon consummation of the Offer. From time to time ABN AMRO and its affiliates may have also (i) maintained banking and financial advisory relationships with Stork and the Offeror, (ii) executed transactions, for their own account or for the accounts of customers, in the Shares of Stork and, accordingly, may at any time hold a long or short position in such securities. ABN AMRO is a holder of Shares and provides financing facilities to Stork. We may in the future provide certain banking, financial advisory or financing services to Stork or the Offeror, and execute transactions for our own account or for the accounts of our customers in the securities of Stork.

It is understood that this letter may not in any form or manner be made public, disclosed, referenced to, nor relied upon by or otherwise used by, any third party for any purpose whatsoever, without the prior written consent of ABN AMRO.

This opinion is issued in the English language and reliance may only be placed on this opinion as issued in the English language. If any translations of this opinion are delivered they are provided only for ease of reference, have no legal effect and ABN AMRO makes no representation as to (and accepts no liability in respect of) the accuracy of any such translation.

This letter and ABN AMRO's obligations to the Managing Board hereunder shall be governed by and construed in accordance with Dutch law and any claims or disputes arising out of, or in connection with, this letter shall be subject to the exclusive jurisdiction of the Dutch Courts.

Based upon and subject to the foregoing, ABN AMRO is of the opinion that, as at the date hereof, the Consideration is fair, from a financial point of view, to the Shareholders.

Yours sincerely,

ABN AMRO Bank N.V.

7. Fairness Opinion Kempen & Co

KEMPEN & CO
Merchant Bank

FAIRNESS OPINION
Stork N.V.
Supervisory Board
Attn. Mr. P.J. Kalff
P.O. Box 5004
1410 AA NAARDEN

Amsterdam, 27 November 2007

Dear members of the Supervisory Board,

We understand that London Acquisition B.V., a Dutch private company controlled by Candover Partners Limited is considering to make a public offer (the ''Offer'') for all outstanding ordinary shares in Stork N.V. (''Stork'' or the ''Company'') of €48.40 in cash (the ''Offer Price'') per ordinary share with a nominal value of €1.00 each (the ''Ordinary Shares''). This offer will be made pursuant to the Merger Protocol proposed to be entered into on 27 November 2007 between Stork and London Acquisition B.V. (the ''Merger Protocol''). In connection with the Offer and subject to the terms and conditions of the Merger Protocol, Stork will enter into a (conditional) Sale & Purchase Agreement (the ''SPA'') with Marel Food Systems hf. (''Marel'') for the transfer of Stork Food Systems for EUR 415 million on a debt and cash free basis (the ''Food Systems Sale''). The SPA is among others subject to the Offer being declared unconditional. The Supervisory Board of Stork has requested the opinion of Kempen & Co Corporate Finance B.V. (''Kempen & Co'') as to the fairness of the Offer Price, from a financial point of view, to the holders of the Ordinary Shares of Stork (the ''Shareholders'') as a whole (the ''Fairness Opinion'').

For the purpose of the Fairness Opinion, we have:

(i) Reviewed the financial terms and conditions of the Offer as set out in the draft Merger Protocol dated 23 November 2007;

(ii) Reviewed the Food Systems Sale as set out in the draft SPA dated 26 November 2007;

(iii) Reviewed certain publicly available information regarding the Company, such as (semi) annual reports and press releases;

(iv) Reviewed certain internal information relating to the Company and its activities, in particular of a financial nature, including various financial forecasts, as prepared by the management of the Company and not publicly available;

(v) Conducted discussions with certain members of the management of the Company regarding the current and future activities and prospects of the Company and certain other matters we deemed necessary or relevant for the purpose of the Fairness Opinion;

(vi) Reviewed public information with respect to certain other companies active in the same sector and market segments as the Company;

(vii) Reviewed the financial conditions of certain transactions we believe to be relevant for evaluating the Offer, to the extent that the information is publicly available;

(viii) Reviewed the historical share price development and trading volumes of the shares of the Company; and

(ix) Performed other (financial) analyses and considered such other information we have deemed necessary or relevant in arriving at our Fairness Opinion.

In connection with the Fairness Opinion, we have assumed and relied upon the accuracy and completeness of the financial and other information, which was provided to us or is publicly available. We have not independently verified the accuracy and/or completeness of such information. We have assumed that no information has been withheld from us that could have an impact on the Fairness Opinion. With respect to the forecasts, budgets, and (financial) analyses regarding the Company that have been provided to us by the Company, we have assumed that these have been prepared on a basis reflecting the best currently available estimates, assumptions and judgments of the management of the

Company and we accept no responsibility for and express no view as to such forecasts, budgets, and (financial) analyses.

Kempen & Co has not provided, obtained or reviewed any legal, tax, regulatory, accounting, actuarial or other advice and as such assumes no liability or responsibility in connection therewith. Accordingly, in providing the Fairness Opinion, we have not taken into consideration the possible implications of any such advice. The Fairness Opinion, as expressed in this letter, is based on economic, monetary and market conditions as they exist as per the date of this letter. Subsequent developments in the aforementioned conditions may affect the Fairness Opinion and the assumptions made in preparing the Fairness Opinion.

In connection with the Offer, Kempen & Co is acting as financial advisor to the Supervisory Board of Stork and will receive a fee for its services which is not contingent on the consummation of the Offer or the contents of our Fairness Opinion. From time to time Kempen & Co or affiliated companies may (have) maintain(ed) professional relationships with Stork, Candover, Marel and/or affiliated companies, as well as executed transactions, for their own account or for the account of their customers in shares and/or other securities of Stork and/or Marel.

This letter is provided solely for the benefit of the Supervisory Board of Stork in connection with and for the purposes of its consideration of the Offer. It is understood that this letter may not be relied upon by, nor disclosed to, in whole or in part, any third party for any purpose whatsoever, without the prior written consent of Kempen & Co. Notwithstanding the foregoing, this letter may be reproduced in full, for information purposes only, in the Offer Memorandum that will be published in connection with the Offer. The Fairness Opinion contained in this letter does not constitute a recommendation by Kempen & Co to the Shareholders as to whether they should tender their Ordinary Shares pursuant to the Offer when the Offer is actually made.

This letter shall be governed by and construed in accordance with Dutch law and any claims or disputes arising out of, or in connection with, this letter shall be subject to the exclusive jurisdiction of the Dutch courts.

As of the date hereof and based on and subject to the foregoing, including (i) through (ix), Kempen & Co is of the opinion that the Offer Price is fair, from a financial point of view, to the Shareholders as a whole.

Yours sincerely,

Kempen & Co Corporate Finance B.V.

8. Recommendation by the Supervisory Board and the Management Board

The Supervisory Board and the Management Board, after having given due and extensive consideration to the strategic, financial and social aspects and consequences of the proposed transaction have reached the conclusion that the Offer is in the best interests of the Company, the Shareholders and all other stakeholders of the Company.

The Supervisory Board and the Management Board are of the opinion that the price being offered per Share and the other terms of the Offer are reasonable and fair to the Shareholders. In this respect, reference is made to the fairness opinions rendered by Kempen & Co and ABN AMRO, as included in Section 6 (Fairness opinion ABN AMRO) and Section 7 (Fairness opinion Kempen & Co). With reference to the above, the Supervisory Board and the Management Board unanimously support the Offer and unanimously recommend the Offer to the Shareholders for acceptance.

27 November 2007

Supervisory Board	**Management Board**
P.J. Kalff	Sj.S. Vollebregt
A. van der Velden	J.C.M. Schönfeld
J. Aalberts	H.E.H. Bouland
C.J. van den Driest	
D.G. Eustace	
W. Kok	
C.J.A. van Lede	

9. Invitation to the Shareholders

The Offeror hereby makes a recommended public cash offer for all the Shares. Shareholders are advised to review this Offer Memorandum (including all documents incorporated by reference herein) and in particular Section 1 (Restrictions and Important Information) thoroughly and completely and to seek independent advice where appropriate in order to reach a balanced judgment with respect to the Offer and this Offer Memorandum. Shareholders who consider not to tender their Shares are advised to review Section 4.11 (Legal structure of Stork following the Offer). With due reference to all statements, terms, conditions and restrictions included in this Offer Memorandum, Shareholders are hereby invited to tender their Shares under the Offer in the manner and subject to the terms, conditions and restrictions set out below.

9.1 Offer Price

For each Share tendered under the terms and conditions of the Offer, the Offeror offers the Offer Price of EUR 48.40 per Share in cash.

9.2 Acceptance by Shareholders through an Admitted Institution

Shareholders who hold their Shares through an Admitted Institution are requested to make their acceptance known via their bank or stockbroker no later than 15:00 hours CET on 14 January 2008, unless the Acceptance Period is extended in accordance with Section 9.7 (Extension of the Acceptance Period). Your custodian, bank or stockbroker may set an earlier deadline for communication by Shareholders in order to permit the custodian, bank or stockbroker to communicate its acceptances to the Settlement Agent in a timely manner.

The Admitted Institutions may tender Shares for acceptance only to the Settlement Agent and only in writing. In tendering the acceptance, the Admitted Institutions are required to declare that (i) they have the tendered Shares in their administration, (ii) each Shareholder who accepts the Offer irrevocably represents and warrants that the Shares tendered by him are being tendered in compliance with the restrictions set out in Section 1 (Restrictions and Important Information) and (iii) they undertake to transfer these Shares to the Offeror prior to or ultimately on the Settlement Date, provided the Offer has been declared unconditional (*gestand wordt gedaan*).

Subject to article 15, paragraph 3 of the Takeover Decree, the tendering of Shares in acceptance of the Offer shall constitute irrevocable instructions to block any attempt to transfer the Shares tendered, so that on or prior to the Settlement Date no transfer of such Shares may be effected (other than to the Settlement Agent on or prior to the Settlement Date if the Offer has been declared unconditional (*gestand wordt gedaan*) and the Shares have been accepted for purchase) and to debit the securities account in which such Shares are held on the Settlement Date in respect of all of the Shares tendered, against payment by the Settlement Agent of the Offer Price in respect of those Shares.

9.3 Undertakings, representations and warranties by tendering Shareholders

Each Shareholder tendering Shares pursuant to the Offer, by such tender, undertakes, represents and warrants to the Offeror, on the date that such Shares are tendered through to and including the Settlement Date, subject to the proper withdrawal of any tender in accordance with article 15, paragraph 3 of the Takeover Decree, that:

(a) the tender of any Shares constitutes an acceptance by the Shareholder of the Offer, on and subject to the terms and conditions of the Offer;

(b) such Shareholder has full power and authority to tender, sell and deliver (*leveren*), and has not entered into any other agreement to tender, sell or deliver (*leveren*) the Shares stated to have been tendered to any party other than the Offeror (together with all rights attaching thereto) and, when the same are purchased by the Offeror for cash, the Offeror will acquire such Shares, with full title guarantee and free and clear of all third party rights and restrictions of any kind; and

(c) such Shares are being tendered in compliance with the restrictions as set out in Section 1 (Restrictions and Important Information) and the securities and other applicable laws or regulations of the jurisdiction in which such Shareholder is located or of which it is a resident and no registration, approval or filing with any regulatory authority of such jurisdiction is required in connection with the tendering of such Shares.

Shares tendered on or prior to the Acceptance Closing Date may not be withdrawn, subject to the right of withdrawal of any tendered Shares during any extension of the Acceptance Period in accordance with the provisions of article 15, paragraph 3 of the Takeover Decree. During any such extension of the Acceptance Period, any Shares previously tendered and not withdrawn will remain subject to the Offer.

9.4 Offer Conditions

The Offer shall be declared unconditional (*gestanddoening*) if the conditions as set out in Section 5.2 (Offer Conditions) are satisfied or, if permitted by applicable law, waived by the Offeror. Subject to the Offer Conditions set out in Section 5.2 (Offer Conditions), the Offeror reserves the right to accept any tender for acceptance, even if it has not been effected in such manner as set out in Section 9.2 (Acceptance by Shareholders through an Admitted Institution).

9.5 Acceptance Period (*aanmeldingstermijn*)

The Acceptance Period begins on 17 December 2007 at 09:00 hours CET and ends, subject to extension in accordance with article 15 of the Takeover Decree, on 14 January 2008 at 15:00 hours, CET.

If all Offer Conditions are satisfied or, where appropriate, waived, the Offeror will accept all Shares that have been validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and not previously withdrawn pursuant to the terms of the Offer in accordance with, for the Shares, the procedures set forth in Section 9.2 (Acceptance by Shareholders through an Admitted Institution).

9.6 Declaring the Offer Unconditional (*gestanddoening*) and post Acceptance Period

The Offer shall be subject to the fulfillment of the Offer Conditions. The Offeror reserves the right to waive the Offer Conditions if permitted by law. It may unilaterally waive the Offer Condition set out in Section 5.2.1 at an acceptance level between 80% and 95% or with the prior written consent of Stork at a level below 80%. If the Offeror wishes to waive or reduce one or more Offer Conditions, the Offeror will inform Shareholders that it waives or reduces such Offer Conditions by such means as required by the Merger Rules.

Unless the Acceptance Period is extended, the Offeror will, in accordance with article 16, paragraph 1 of the Takeover Decree, announce within three Business Days after the Acceptance Closing Date, whether or not it declares the Offer unconditional. In the event the Offer will not be declared unconditional the Offeror will motivate such decision.

In the event that the Offeror announces that the Offer is declared unconditional (*gestand wordt gedaan*) the Offeror may, in accordance with article 17 of the Takeover Decree, within three Business Days after declaring the Offer unconditional announce a post Acceptance Period to enable Shareholders that did not tender their Shares in the Acceptance Period to tender their Shares under the same terms and conditions as the Offer. Such post Acceptance Period shall commence on the first Business Day following the announcement of a post Acceptance Period and shall have a maximum of two weeks. The Offeror shall continue to accept for payment all Shares validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) during such period and shall pay for such Shares within three Business Days following the end of the post Acceptance Period.

9.7 Extension of the Acceptance Period

The Offeror may extend the Offer past the Acceptance Closing Date in accordance with article 15 of the Takeover Decree, in which case all references in this Offer Memorandum to the ''Acceptance Closing Date'' or ''15:00 hours CET, on 14 January 2008'' shall, unless the context requires otherwise, be moved to the latest date and time to which the Offer has been so extended.

If the Acceptance Period is extended, a public announcement to that effect shall be made in accordance with the Merger Rules. Article 15, paragraph 2 of the Takeover Decree requires that such announcement be made not later than the third Business Day following the initial Acceptance Closing Date.

During any such extension of the Acceptance Period, any Shares previously tendered and not withdrawn will remain subject to the Offer. In accordance with article 15, paragraph 3 of the Takeover Decree, Shares tendered on or prior to the original Acceptance Closing Date may be withdrawn during the Acceptance Period as extended.

The Takeover Decree requires that the Offeror announces within three Business Days after the extended Acceptance Period has ended whether or not the Offer is declared unconditional.

9.8 Settlement of the Offer

In the event the Offeror announces that the Offer is declared unconditional (*gestand wordt gedaan*), Shareholders who have tendered and delivered their Shares for acceptance pursuant to the Offer prior to or on the Acceptance Closing Date will receive on the Settlement Date the Offer Price in respect of each Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*), at which point, dissolution or annulment of a Shareholder's tender or delivery (*levering*) shall not be permitted.

9.9 Dividends

Stork has undertaken that between 25 June 2007 and the Settlement Date no dividend or other distribution is declared. In the event that prior to the Settlement Date any dividends or other distributions are declared in respect of the Shares, the Offer Price will be decreased with an amount per Share equivalent to any such dividend or distribution per Share.

9.10 Commission

Admitted Institutions shall receive from the Settlement Agent on behalf of the Offeror a commission in the amount of EUR 0.0470 in respect of each Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*), up to a maximum of EUR 5,000 per Shareholder tender. The commission must be claimed from the Offeror through the Settlement Agent upon the Settlement Date. No costs will be charged to the Shareholders by the Offeror or by Stork for the delivery and payment of the Shares. However, costs might be charged by certain banks or stockbrokers.

9.11 Restrictions

The Offer is being made with due observance of such statements, conditions and restrictions as are included in the Offer Memorandum. The Offeror reserves the right to accept any tender under the Offer, which is made by or on behalf of a Shareholder, even if it has not been effectuated in such manner as set out above.

9.12 Announcements

Announcements declaring whether the Offer is declared unconditional (*gestand wordt gedaan*) and announcements in relation to an extension of the Offer past the Acceptance Closing Date will be issued by press release or advertisement and will be published in the Daily Official List and in at least one nationally distributed newspaper (*Het Financieele Dagblad* or *NRC Handelsblad*). Subject to any applicable requirements of the Merger Rules and without limiting the manner in which the Offeror may choose to make any public announcement, the Offeror will have no obligation to communicate any public announcement other than as described above.

10. Information Regarding Stork

10.1 Overview

Stork has a history of more than 180 years. It has a solid reputation, which is founded on technological capability, innovation and professionalism. In 2006, Stork achieved a turnover of EUR 2 billion and a net result of EUR 150 million and had 12,714 employees as of 31 December 2006.

Stork operates globally and supplies systems, components and services in which Stork's specialised know-how in technology and production processes is applied. Given the contemplated divestment of Stork Food Systems after the Offer being declared unconditional, Aerospace and Technical Services remain the core activities of Stork.

Since 2001 Stork has aimed for a more focused organization with an aim for more profitability. The financial performance of the Group has increased sharply with a net loss of EUR 8 million in 2001 to a net profit in 2006. Focus of the Group has been increased by the divestments of (mainly) Worksphere and Prints.

During the first half of 2007 Stork realized a turnover of EUR 1,052 million and a net profit of EUR 19 million.

10.2 Group structure

Stork's headquarters are situated in Naarden, The Netherlands, and Stork conducts its business through numerous direct and indirect subsidiaries. Stork maintains a central corporate and administrative unit, to which its various Strategic Units report, and currently still operates through three main business groups: Aerospace, Stork Food Systems and Technical Services. After the Offer has been declared unconditional and the sale of Stork Food Systems has been finalized Stork Food Systems will no longer be part of the Group.

10.3 Business overview

Stork Aerospace

Stork Aerospace designs, develops and produces advanced structures and electrical systems for the aerospace and defence industry and supplies integrated maintenance services and products to aircraft owners and operators. The Aerospace Industries and Aerospace Services units carry out these activities. In 2006 the group, with 3,532 employees as of 31 December 2006, realised a turnover of EUR 549 million. For the first half year of 2007 the group realized a turnover of EUR 276 million.

The mission of Aerospace Industries is to be the partner of choice for the design, development and production of complex leading edge structures, landing gear components and electrical/wiring systems for the aerospace and defense industry. A best-in-class specialist offering smart innovative solutions at a competitive price through advanced technologies, process excellence and lean automated manufacturing.

For commercial and defence aircraft users, Stork Aerospace Services provides an integrated package of technical and logistics services that translate into total, end-to-end support for aircraft operators, not only for Fokker aircraft, but for other types as well. In addition, Stork Aerospace Services uses its know-how as aircraft integrator for total aircraft completions and conversions.

Stork Food Systems

Stork Food Systems develops, produces and maintains industrial systems and production lines for the processing of poultry, (red) meat and (liquid) food products. In 2006 Stork Food Systems, consisting of 1,667 employees as of 31 December 2006, achieved a turnover of EUR 326 million. For the first half year of 2007 the group realized a turnover of EUR 186 million.

With its innovative concepts Stork Food Systems aims at creating significant market advantage for its clients. The most important aspects are efficiency improvement, optimising product presentation and a short payback time on the investment in the systems. The group also devotes significant attention to hygiene, (food) safety, maximising the use of spin-off products from the production process and minimising waste streams.

Stork Technical Services

Stork Technical Services is a knowledge-intensive, professional supplier of integrated technical services for installations and equipment in the industrial markets. In 2006, the group which consists of the Industry Services and Industry Specialists strategic units, has 6,080 employees and achieved a turnover of EUR 868 million. For the first half year of 2007 the group realized a turnover of EUR 494 million.

Technical Services is a system integrator and partner in technical services. The basic principle is ensuring maximum availability of installations/equipment at transparent (lowest possible) costs per unit of product through the entire lifecycle of the installation/machine.

Furthermore, the group focuses on supplying specific solutions for its customers, for example, in the fields of materials testing, component repair and others.

10.4 Business strategy

The Management Board has formulated the following business strategy:

Stork Aerospace

The strategy of Stork Aerospace is (i) to grow revenues on the basis of existing and new contracts as well as through acquisitions and focus on improving operational performance, and (ii) to reduce the dependency on Fokker aircraft by growing organically or through acquisitions.

Stork Food Systems

The strategy of Stork Food Systems is to grow both organically and by means of acquisitions in order to become market leader in the food processing equipment business. Its current marketleader position in primary processing will be strengthened by improving operational performance and having a continued focus on research and development. For the markets in secondary processing and convenience food, its strategy is to use selected acquisitions in order to strengthen the product offering and leverage on the existing technical know how in the company. Subject to certain conditions, such as the Offer having been made and having been declared unconditional, Stork Food Systems shall be divested to Marel. Marel has indicated that it supports the strategy of Stork Food Systems.

Stork Technical Services

The strategy of Stork Technical Services is to grow organically and to consider making acquisitions where needed to complement skill base.

As previously communicated by Stork, it continuously evaluates its strategy and if circumstances change over time on the basis of general market developments or developments relating to the business, operations or structure of Stork specifically, Stork may change its stated strategies.

The Offeror supports the business strategy of Stork as set out above. See Section 5.9.1 (Strategy).

10.5 Financial outlook

Stork has created significant value for its Shareholders in recent years by bringing more focus to the company's activities, realizing operational improvement and building a platform for autonomous and acquired growth. Although the underlying businesses are generally trading satisfactorily, in the coming years Stork will have to overcome some challenges it currently faces, which are largely outside its control and have an effect on the trading in the coming years. As outlined below, most of these challenges are within the aerospace group.

Despite these challenges, it is Stork's ambition that in the medium term (2009-2012) all of its activities will grow at a rate above the market average. In addition, although the nature of Stork's business may cause short-term fluctuations in revenues and results, continuous innovation and world class execution of its business processes should enable Stork to maintain or increase its margins and reduce the risk profile inherent to its businesses.

Management believes that in order to secure its future position, Stork will have to participate in the current market consolidations by means of acquisitions in all market segments in which it operates.

Aerospace

The average growth in the aerospace market is expected to be between 3% and 6% per annum. Given present status in the life cycle of aerospace programs, Stork believes that the ramp-up of such major programs as the A380, NH90 and the Joint Strike Fighter (''JSF'') will enable it to grow the business above this rate by 2009. Stork also aims for a return on sales of close to 10% for the whole division by the end of the medium term forecast (2011/2012). To achieve these growth rates, significant investments in facilities and non recurring costs will be required, the latter mainly for development and design.

Aerospace Industries

Up until 2012, Stork's portfolio of programs is relatively dependent on business jets (Gulfstream) and the A380. After that period Stork's portfolio is forecast to be more balanced towards the defence industry with an average higher profitability. The company envisages that at that time the major programs will be the A380, the JSF and the NH90 while the Gulfstream is expected to be replaced by the ''P20''. Over the coming three to five years Stork will make significant investments on production facilities in order to achieve this portfolio shift.

As a result of these foreseen developments, net revenue is expected to grow at a compounded average growth rate of around 13% over the period 2008-2012. During that same period operating profit margin (EBIT) is expected to grow to around 9% of sales, while free cash flow before tax is expected to return to break-even in 2010. For 2012 cash flow is expected to reach 6% of sales.

This outlook for Aerospace Industries is subject to certain important caveats. First, in the short term, Aerospace Industries still faces a number of uncertainties, in particular with respect to the NH-90 helicopter program and, to a lesser extend, the A380. Further difficulties related to these programs (and, in general, delays in other programs) would have a negative effect on the division's short term performance. In addition, as a risk sharing partner in major programs, the long term outlook of Aerospace Industries is dependent on the commercial success of these programs.

Aerospace Services

The financial results for Aerospace Services will continue to be under pressure in 2008, as a result of issues related to entering the aircraft completion and conversion market in 2007. The mid term outlook up to 2012 is mainly driven by a decline in the Fokker business (representing around 75% of Aerospace Services revenues), compensated by an aggressive growth in component maintenance services (''CMS'') and a stable and profitable aircraft completion and conversion business. In order to realize the aggressive growth in CMS, significant investments in spare parts for new aircraft platforms are required over the coming two to three years. After 2015, the expected decline of the Fokker fleet will have an adverse effect on revenues and margins.

As a result of the above, net revenue is expected to remain relatively stable over the period 2008-2012, with a CAGR of around 3%. As of 2008 the operating profit margin (EBIT) is expected to increase to levels between 12 and 13% of sales, while free cash flow before tax is expected to improve to levels between 11 and 12% of sales. The decline of the Fokker fleet will result in an estimated 50% drop in operating profit after 2015 which will, at that time, have to be compensated by services for other aircraft types.

Food Systems

The average growth in the market for food equipment is 4% to 6% per annum. Given its excellent market position and pipeline of new products, Stork believes it is well-positioned to grow the business above average market rates and is aiming for a CAGR of approximately 11% until 2012. In addition, Stork aims to increase the return on sales of the Food Systems division, which is currently negatively affected by the performance of the Food & Dairy activities, to close to 10% before the end of the decade.

The Poultry and Townsend activities are performing well and they are further developing their strong market positions.

For Food & Dairy systems a recovery program was announced on 31 October 2007, which is currently being implemented. The effects of the recovery plan will materialize not earlier than in 2008, after which Food & Dairy Systems is expected to be profitable again.

The short term growth of Food Systems is dependent on the acceptance rate of its co-extrusion products, which were introduced in 2006.

Subject to certain conditions, such as the Offer having been made and having been declared unconditional, Stork Food Systems shall be divested to Marel. Marel has indicated that it supports the strategy of Stork Food Systems.

Technical Services

The market for Technical Services has a moderate growth rate of 3% to 4% per annum, with some higher growth in certain niche markets. Longer term, Stork believes Technical Services is able to grow just above this average market rate. Stork aims for an average return of sales over the longer term between 6% and 7%. This return is to be reached by specific acquisitions aiming at increasing our asset management services activities. It is expected that in some niche markets, average return of sales could be higher in the long term, although growth in those niche markets could come with higher investments.

The market for Technical Services is somewhat cyclical. Measured over a shorter period, both growth rates and return on sales can therefore deviate from the longer term average. Stork currently benefits from the global upswing in the oil & gas market and trends for increased outsourcing by customers. For the short term, Stork does not expect a change in market conditions. A challenge in the medium term (2009-2010) will be to compensate for the expiration of some major service and maintenance contracts in the oil and gas industry and the recruitment of skilled labour to replace the aging workforce.

10.6 Consequences of sale of Stork Food Systems for the Stork Group

On 27 November 2007 Stork announced that it signed the SPA to sell and transfer Stork Food Systems to Marel. The total consideration (enterprise value) is EUR 415 million. The effective date of the Stork Food Systems sale is 30 June 2007. The expected book profit for Stork is EUR 260 million. The consideration for Stork Food Systems represents a multiple of approximately 16.5, based on the 2006 EBIT figure and represents an EBIT multiple of approximately 15.5, based on the expected 2007 EBIT figure. Among other conditions, the sale of Stork Food Systems is conditional upon the Offer having been declared unconditional by the Offeror. The closing of the Stork Food Systems transaction is expected to be in Q1 2008. For Stork's financial outlook in respect of Stork Food Systems, see Section 10.5 (Financial outlook.)

Conditional upon the Offer being made and declared unconditional and conditions precedent in the SPA being satisfied, Stork Food Systems will no longer form part of the Stork Group. Marel has represented that it supports the strategy of Stork Food Systems. The sale of Stork Food Systems as such is not expected to adversely affect the existing employment level and the employment conditions of Stork Food Systems. Marel has represented that it will respect all existing rights of the employees of Stork Food Systems. Marel has agreed that it will comply with all the employee co-determination regulations (*medezeggenschapregels*), as well as with the arrangements entered into by Stork and the unions, including the existing social plans and collective labour agreements, with respect to Stork Food Systems. In addition Marel will respect the existing obligations regarding pension rights of the employees of Stork Food Systems.

Although based on revenues Stork Food Systems represents the smallest of Stork's divisions (Stork Food Systems revenue in 2006 represented approximately 16% of the total Stork Group revenue), it is an important contributor in terms of operating result (representing almost 30% of the Stork Group operating result in 2006).

As a whole, the divestment of Stork Food Systems will have no negative consequences for the Stork Group as Stork Food Systems has a relatively limited business overlap with the remaining businesses, Aerospace and Technical Services.

As a consequence of the divestment of Stork Food Systems, the Stork Group can and will no longer be active in the food equipment industry. The trademark ''Stork Food Systems'' will continue to be used by Marel and it is envisaged that Marel and Stork will enter into a trademark license agreement to use the trademark in the food equipment industry only.

10.7 Management Board, Supervisory Board

As a statutory two-tier board (*structuurvennootschap*) the board of Stork consists of two bodies; the Management Board and the Supervisory Board.

The Management Board consists of the following members:

- Sj. S. Vollebregt (1954), Chairman of the Management Board and Chief Executive Officer since 2002. Nationality: Dutch. Gender: male. Supervisory board positions: none. Other supervisory positions: none.
- J.C.M. Schönfeld (1949), Chief Financial Officer and Vice-Chairman of the Management Board since 2001. Nationality: Dutch. Gender: male. Supervisory board positions: none. Other supervisory positions: board member of Vereniging Effecten Uitgevende Ondernemingen, member of Commissie Toezicht Financiële Verslaggeving AFM, curator of Postgraduate Controllers programma Vrije Universiteit Amsterdam, member of the supervisory board of Stichting Sanquin Bloedvoorziening.
- H.E.H. Bouland (1949), member of the Management Board and Chief Operations Officer since 1998. Nationality: Dutch. Gender: male. Supervisory board positions: none. Other supervisory positions: Stichting Techniek en Marketing, Stichting Netherlands Institute for Metals Research, Raad van Advies Universiteitsfonds Delft, Vereniging FME-CWM.

The Supervisory Board has the statutory task of supervising the strategy and policy of the Management Board and the general activities of Stork and its related businesses. It advises the Management Board. In the execution of their task, the members of the Supervisory Board are guided by the interests of Stork and its related businesses.

On 17 January 2007, the Enterprise Section of the Amsterdam Court of Appeal decided to appoint three ''extraordinary'' Supervisory Board members (ESB) in addition to the current members. These ESB members have the exclusive right to determine the agenda of ordinary and extraordinary general meetings of Shareholders. They also have a deciding vote on matters relating to the strategy of Stork and on those matters on which Stork and Centaurus and Paulson are divided.

Currently the Supervisory Board consists of the following members:

- P.J. Kalff (1937) (Chairman), first appointed 2000; term expires at the annual general meeting of shareholders 2008. Nationality: Dutch. Gender: male. Supervisory directorships: Concertgebouw N.V., N.V. Luchthaven Schiphol, AON Corporation, HAL Holding N.V.
- A. van der Velden (1940) (Vice-Chairman), first appointed 2001; term expires at the annual general meeting of shareholders 2009. Nationality: Dutch. Gender: male. Supervisory directorships: Vitens N.V., Nedap N.V., TKH Group N.V.
- J. Aalberts (1939), first appointed 2001; term expires at the annual general meeting of shareholders 2009. Nationality: Dutch. Gender: male. Directorships: President and Chief Executive Officer of Aalberts Industries N.V. Supervisory directorships: Vado Beheer B.V.
- C.J. van den Driest (1947), first appointed 2006; term expires at the annual general meeting of shareholders 2010. Nationality: Dutch. Gender: male. Supervisory directorships: Anthony Veder Group N.V., Brostrom AB, Darlin N.V., Dura Vermeer Groep N.V., H.E.S. Beheer N.V., Van Oord N.V., Koninklijke Vopak N.V.

The ESB consists of the following members:

- D.G. Eustace (1936), appointed by the Enterprise Section on 26 January 2007. Nationality: British/ Canadian. Gender: male. Supervisory directorships: AEGON N.V., The Nielsen Company B.V., KPN N.V.
- C.J.A. van Lede (1942), appointed by the Enterprise Section on 26 January 2007. Nationality: Dutch. Gender: male. Supervisory directorships: Philips N.V., Heineken N.V., Air France-KLM SA, Sara Lee Corporation, Air Liquide S.A., Tichelaars Koninklijke Makkumer Aardewerk- en Tegelfabriek B.V.
- W. Kok (1938), appointed by Enterprise Section on 26 January 2007. Nationality: Dutch. Gender: male. Supervisory directorships: ING Group N.V., KLM N.V., Royal Dutch Shell Plc, TNT N.V.

Together with the appointment of the ESB, the Enterprise Section furthermore decided, on 17 January 2007, upon an investigation into the policy and affairs of Stork which led to the conflict between Stork on the one hand and Centaurus and Paulson on the other. The Enterprise Section filed the report of the investigators at the court registry on 13 November 2007. Apart from the above discussion, the District Court of Amsterdam, upon the request of Stork, ordered a preliminary hearing of witnesses in relation to the suspected violation by Centaurus and Paulson of the Disclosure of Major Holdings in Listed Companies Act (''**WMZ**''), which act was superseded by the Wft per 1 January 2007. In addition to the preliminary hearing of witnesses, Stork, in order to safeguard its rights, summoned Centaurus and Paulson to appear in court.

Subject to settlement of the Offer, Stork (supported by the Boards including the ESB) will request the Enterprise Section and the District Court of Amsterdam to terminate any and all of the investigations and/or legal proceedings currently pending between Stork and Centaurus Alpha Master Fund Limited, Greenway Managed Account Series Limited-Portfolio E, Paulson & Co Inc., eight other Paulson entities (together referred to as the ''Centaurus and Paulson entities'') and several other interested parties. Such request will be supported by the Centaurus and Paulson entities.

Centaurus and Paulson are entitled to request the Enterprise Section to take follow-up measures in relation to the investigation and the findings of the investigators. Centaurus and Paulson have undertaken towards the Offeror not to file such request prior to (a) 11 January 2008 or (b) 11:00 hours CET on 14 January 2008 (being the last day on which such request can be made) if the Offeror has declared the Offer unconditional prior to 11 January 2008 and has settled the Offer prior to 11:00 hours CET on 14 January 2008.

10.8 Major shareholders

The last survey that was carried out by an external agency into the composition of the (institutional) shareholder base of Stork was in February 2007. Of the total number of shares issued, 70% were held by institutional investors identified as such as of February 2007 (2004: 93%).

5% interests

Pursuant to the Wft, the following institutions have notified The Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten) of their shareholdership exceeding 5% of the authorised share capital in Stork:

Centaurus and Paulson	33.17%
Notification effective on 11 May 2007	
LME Eignarhaldsfelag ehf	43.34%
notification effective on 31 August 2007	

10.9 Proposed Stork Articles of Association

An amendment of the Company's articles of association will be proposed to tailor them to future governance structure of the Company. An informal English language translation of the proposed amendments to the articles of association is attached to this Offer Memorandum as Schedule 1. Copies of the proposed amendments to the articles of association in the official Dutch language are available at the corporate headquarters of the Company at Amersfoortsestraatweg 7, 1412 KA Naarden, The Netherlands. In the event of any differences, whether or not in interpretation, between the official Dutch language text and the informal English translation thereof, the Dutch language text shall prevail.

11. Capital and Shares

11.1 Authorised and issued share capital

Stock exchange listing of Stork ordinary shares at Euronext Amsterdam

Following the capital reduction of EUR 4 per Share on 16 May 2006, the Shares have a nominal value of EUR 1. The Shares are included in the Dutch ''Midkap'' index and the ''Next Prime'' segment of the Euronext 150.

Share capital at 30 July 2007

Ordinary shares	50,000,000
Of which issued	31,250,528
Of which paid up	30,236,518
Preference shares	100,000,000
Preference shares, of which issued	0
Authorised share capital (in euro)	150,000,000

At the Extraordinary General Meeting of Shareholders, the Shareholders will decide on an amendment of the Stork Articles of Association. If such amendment will be executed the preference shares and the priority shares of Stork shall no longer exist. See Section 10.9 (Proposed Stork Articles of Association).

11.2 Changes in share capital

During 2006 and 2007 the issued ordinary share capital of Stork was not increased either by new share issues or by the exercising of options by employees. As a result of the share buy-back programme announced earlier, Stork purchased a total of 1,769,246 own shares at an average price of EUR 39.56 (the ''**Buy-Back Shares**'') in the period from 27 July 2006 to 17 October 2006. The Management Board took the decision to withdraw these shares. The general meeting of shareholders confirmed this decision and on 11 May 2007 these shares were withdrawn.

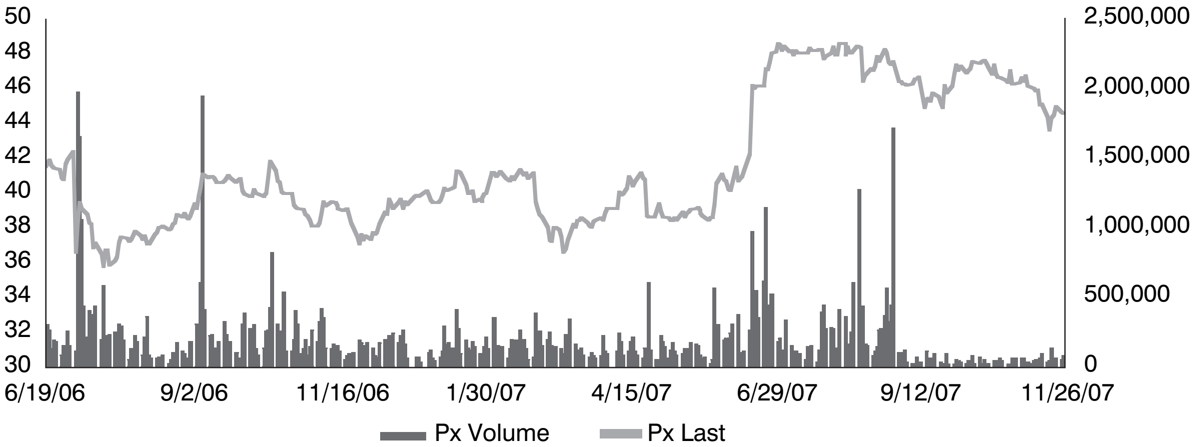
On 19 December 2006, the executive committee of the Stork Foundation exercised its option right to acquire cumulative preference shares in Stork. The Stork Foundation thereby acquired 30,233,170 cumulative preference shares B, slightly less than 50% of the issued share capital of Stork. As a result of the order by the Enterprise Section on 17 January 2007, Stork decided to withdraw the cumulative preference shares B, which decision was approved by the general meeting of shareholders on 2 March 2007. The withdrawal of the cumulative preference shares B came into effect on 11 May 2007.

As a result of the arrangements in relation to the Offer, the executive committee of the Stork Foundation has decided to waive its rights to the call option for the cumulative preference shares in Stork, subject to settlement of the Offer.

A list of the Shares held by members of the Management Board is shown in Section 11.4.

11.3 Share price development

This graph sets out the Share price development from 19 June 2006 to 26 November 2007.



Source: Bloomberg.

11.4 Overview of shares and options held by members of the Management Board and Supervisory Board

On the date of this Offer Memorandum: (a) Shares, (b) unconditional stock options, (c) conditional stock options, and (d) SARs were held by (i) the Management Board and (ii) the Supervisory Board as shown in the following table:

	Shares	Unconditional stock options	Conditional stock options	SARs
Management Board				
Sj.S. Vollebregt	154,946	96,080	103,870	47,500
J.C.M. Schonfeld	57,748	22,073	51,936	23,750
H.E.H. Bouland	13,958	22,073	51,936	23,750
Supervisory Board				
C. van den Driest	1,000			

For a full overview of shares and options held by members of the Management Board and Supervisory Board, please see Section 5.5 (Shareholdings of the members of the Supervisory Board and Management Board).

12. Information on the Offeror

12.1 Information on the Offeror

London Acquisition B.V. is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) duly incorporated 21 June 2007 and validly existing under the laws of The Netherlands, with its statutory seat at Amsterdam, The Netherlands.

12.2 Board of Managing Directors

The statutory board of managing directors of the Offeror consists of Mr. O.H. Wilson, Mr. E.J.F.H.C. Ernst (both representatives of Candover) and Equity Trust Co. N.V. None of the members of the board of managing directors of the Offeror holds any Shares.

12.3 Capital and shares

The authorised share capital of the Offeror amounts to EUR 90,000 and consists of 90,000 ordinary shares with a nominal value of EUR 1.00 each. All shares of the Offeror are registered shares. On the date of the publication of the Offer Memorandum, 18,000 ordinary shares have been issued and fully paid-up, which are held by Candover.

12.4 Information on the Investors in the Offeror

At the date of this Offer Memorandum, the Offeror is controlled by funds managed or advised by or affiliated with Candover.

As described in Section 5.4 (Shares committed by Ioliet), before the announcement of the contemplated Offer on 28 November 2007 Ioliet sold and agreed with the Offeror to transfer to the Offeror an aggregate of 3,460,744 Shares representing approximately 11% of the issued share capital in Stork in exchange for shares in the Offeror's indirect parent company, which is at the date of this Offer Memorandum controlled by funds managed or advised by Candover, subject to the condition that the Offer is declared unconditional. Upon or shortly after settlement of the Offer, Ioliet will transfer those shares in the Offeror's indirect parent company to its ultimate shareholders Eyrir Invest and Landsbanki or fully owned subsidiaries thereof. For the avoidance of doubt, Marel shall not as a result of the Offer become a direct or indirect owner of shares in the Offeror. Following these transactions and the issue of a small number of shares to Barons Financial Services and/or affiliated persons, which provided M&A services to the Offeror, Landsbanki, Eyrir Invest and funds managed or advised by or affiliated with Candover will be the ultimate indirect shareholders of the Offeror and will hold their interests in the Offeror through one or more intermediate holding companies as follows:

Name party	Percentage indirect shareholding in the Offeror
Funds managed or advised by or affiliated with Candover	75%
Landsbanki	9%
Eyrir Invest	15%
Barons Financial Services and/or affiliated persons	1%
Total:	100%

Stork does not hold any shares in the Offeror.

Neither London Acquisition, the general partner of the funds managed or advised by or affiliated with Candover or any of their directors acquired any Shares in the 12 months prior to the date of this Offer Memorandum.

At the date of this Offer Memorandum, LME holds through its participation in Ioliet indirectly 13,617,690 Shares. Ioliet has acquired these Shares in the transactions listed in Schedule 2 of this Offer Memorandum. The transactions are set out on a cumulated basis per day. A number of Shares were acquired, prior to the date of the announcement of the contemplated Offer on 28 November 2007, for a price higher than the Offer Price. The motivation for the difference in the relevant prices paid and the Offer Price is that at the time LME wanted to build up a significant stake in Stork.

12.5 Information on Management Participation

In order to align the interests of the Offeror and certain senior executives of the Company and to preserve their valuable know-how, the Offeror and certain senior executives of the Company will be invited to discussions, which may result in direct or indirect equity or equity like participation by such senior executives in the Company, its affiliates or their respective successors following completion of the Offer. The Offeror has at the date hereof not decided which senior executives of the Company will be invited to such discussions. Such participation will be financed by private means.

13. Further Declarations Pursuant to the Takeover Decree

In addition to the other statements set out in this Offer Memorandum, the Offeror with regard to subjects (ii) and (iii), Stork with regard to subject (iv) and the Offeror and the Supervisory and Management Boards jointly with regard to subject (i), hereby declare as follows:

(i) There have been consultations between the Offeror and Stork regarding the Offer, which have resulted in an amended and restated merger protocol between the Offeror and Stork regarding the Offer. Discussions regarding the Offer Price, the financing of the Offer and the Offer Conditions took place between the Offeror and the Supervisory Board and the Management Board and its representatives.

(ii) With due observance of and without prejudice to the restrictions referred to in Section 1 (Restrictions and Important Information), the Offer applies on an equal basis to all Shares outstanding and is made to all Shareholders.

(iii) The costs incurred or to be incurred by the Offeror in connection with the Offer are expected to amount to approximately EUR 55 million. A substantial portion of this amount will be incurred in connection with the raising of debt financing for the Offer. The total amount excludes certain advisory fees that are wholly contingent on the Offer being declared unconditional and would be borne exclusively by the Offeror.

(iv) Stork incurred approximately EUR 5.8 million in costs in relation to the Offer and the offer that was terminated in September 2007 and may after the Settlement Date incur a substantial amount of financing costs that were initially borne by the Offeror in relation to the possible implementation of the measures as referred to in Section 5.9.3.

14. Tax aspects of the Offer

Shareholders are advised to seek independent tax advice regarding the tax consequences of tendering their Shares in the Offer, or any other transaction described in or contemplated by this Offer Memorandum. No assurances or warranties are provided with respect to the statements contained in this Section 14, with respect to the particular situation of each individual Shareholder and Shareholders should not place undue reliance on the statements contained in this Section 14. Reference is also made to the risk factors set out in Section 5.9.3 (Legal structure of Stork following the Offer).

14.1 Dutch tax aspects of the Offer

General

The following summary describes the principal Dutch tax consequences of a disposal of the Shares under the Offer. This summary does not purport to be a comprehensive description of all Dutch tax considerations that may be relevant to a Shareholder in relation to the decision to dispose of the Shares or that may be relevant to a Shareholder in light of its particular circumstances or to Shareholders subject to a special regime, such as the exempt status of qualifying pension funds. Furthermore, this summary does not address the Dutch tax consequences to holders of stock options in relation to Shares, or the Dutch tax consequences of post-closing dividends. Each Shareholder should consult a professional tax adviser with respect to the tax consequences of a disposal of the Shares. The discussion of certain Dutch taxes set forth below is included for general information only.

This summary is based on the tax legislation, published case law, treaties, rules, regulations and similar documentation as of the date of this Offer Memorandum, without prejudice to any amendments introduced at a later date and implemented with retroactive effect.

This summary does not address the tax consequences of the Offer for:

(i) A Shareholder who is a corporate entity and who is subject to corporate income tax, holding a qualifying participation in Stork within the meaning of article 13 of the Dutch Corporate Income Tax Act 1969. Generally speaking, a corporate Shareholder owns a qualifying participation in Stork if it owns 5 percent or more of the nominal paid-in capital of Stork.

(ii) A Shareholder who is a private individual and who holds a ''substantial interest'' (*aanmerkelijk belang*) in Stork, within the meaning of article 4 of the Dutch Income Tax Act 2001. Generally speaking, a Shareholder holds a substantial interest in Stork, if such Shareholder, alone or together with his or her partner (statutory defined term) or certain other related persons, directly or indirectly, holds (a) an interest of 5 percent or more of the issued capital of Stork or of 5 percent or more of the issued capital of a certain class of Shares, (b) rights to acquire, directly or indirectly, such interest, or (c) profit sharing rights (*winstbewijzen*) in Stork that relate to 5 percent or more of the annual profit of Stork or to 5 percent or more of the liquidation proceeds of Stork.

(iii) A Shareholder who is a corporate entity and who is a non-resident of The Netherlands, holding a ''substantial interest'', as described under (ii) above, in Stork.

Dividend withholding tax

No dividend tax (*dividendbelasting*) is due upon a disposal of Shares under the Offer.

Corporate income tax and individual income tax

Residents of The Netherlands

If a Shareholder is a corporate entity that is subject to corporate income tax (*vennootschapsbelasting*) and the Shares are attributed or (deemed) attributable to its business assets, the gains realised upon the disposal of the Shares under the Offer are generally taxable in The Netherlands.

If a Shareholder is a private individual and a resident or a deemed resident of The Netherlands for income tax (*inkomstenbelasting*) purposes (including a private individual who has opted to be taxed as a resident of The Netherlands), the gains realised upon the disposal of the Shares under the Offer are taxable in The Netherlands at the progressive rates of the Dutch Income Tax Act 2001, if:

(i) the Shareholder has an enterprise or an interest in an enterprise, to which enterprise the Shares are attributable; or

(ii) such gains qualify as ''income from miscellaneous activities'' (*resultaat uit overige werkzaamheden*) within the meaning of article 3.4 of the Dutch Income Tax Act 2001, which include activities with respect to the Shares that exceed ''regular, active portfolio management'' (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the Shareholder who is a private individual, the actual gains realised upon the disposal of the Shares under the Offer will not be taxable.

Non-residents of The Netherlands

Gains realised upon a disposal of the Shares under the Offer by a Shareholder who is not a resident, nor deemed to be a resident of The Netherlands for tax purposes are taxable in The Netherlands only, if:

(i) the Shareholder has an enterprise or an interest in an enterprise that is carried on through a permanent establishment or a permanent representative in The Netherlands to which permanent establishment or permanent representative, the Shares are attributable; or

(ii) the Shareholder is entitled to a share in the profits of an enterprise that is effectively managed in The Netherlands, other than by way of securities, and to which enterprise the Shares are attributable; or

(iii) with respect to a Shareholder who is a private individual, such gains qualify as ''income from miscellaneous activities'' (*resultaat uit overige werkzaamheden*) within the meaning of article 3.4 of the Dutch Income Tax Act 2001, which include activities in The Netherlands with respect to the Shares that exceed ''regular, active portfolio management'' (*normaal, actief vermogensbeheer*).

Value added tax

No value added tax (*omzetbelasting*) will arise in relation to the disposal of Shares under the Offer.

Other taxes and duties

No capital duty, registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty, will be due in The Netherlands in respect of or in connection with the Offer.

14.2 Dutch tax aspects of the legal merger

Dividend withholding tax

No dividend tax (*dividendbelasting*) is due as a result of the Legal Merger.

Corporate income tax and individual income tax

Residents of The Netherlands

If a Shareholder is a corporate entity that is subject to corporate income tax (*vennootschapsbelasting*) and the Shares are attributed or (deemed) attributable to its business assets, the gains realised as a result of the Legal Merger are either taxable in The Netherlands or may be rolled-over to the newly acquired shares (article 8 Dutch Corporate Income Tax Act 1969 in conjunction with article 3.57 Dutch Income Tax Act 2001).

If a Shareholder is a private individual and a resident or a deemed resident of The Netherlands for income tax (*inkomstenbelasting*) purposes (including a private individual who has opted to be taxed as a resident in The Netherlands), the gains realised as a result of the Legal Merger are either taxable in The Netherlands or may be rolled-over to the newly acquired shares (article 3.57 Dutch Income Tax Act 2001), if:

(i) the Shareholder has an enterprise or an interest in an enterprise, to which enterprise the Shares are attributable; or

(ii) such gains qualify as ''income from miscellaneous activities'' (*resultaat uit overige werkzaamheden*) within the meaning of article 3.4 of the Dutch Income Tax Act 2001, which include activities with respect to the Shares that exceed ''regular, active portfolio management'' (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the Shareholder who is a private individual, the actual gains realised as a result of the Legal Merger will not be taxable.

Non-residents of The Netherlands

Gains realised as a result of a Legal Merger by a Shareholder who is not a resident, nor deemed to be a resident of The Netherlands for tax purposes are either taxable in The Netherlands or may be rolled-over to the newly acquired shares (article 18 and article 8 Dutch Corporate Income Tax Act 1969 in conjunction with article 3.57 Dutch Income Tax Act 2001), if:

(i) the Shareholder has an enterprise or an interest in an enterprise that is carried on through a permanent establishment or a permanent representative, to which the Shares are attributable; or

(ii) the Shareholder is entitled to a share in the profits of an enterprise that is effectively managed in The Netherlands, other than by way of securities, and to which enterprise the Shares are attributable; or

(iii) with respect to a Shareholder who is a private individual, such capital gains qualify as ''income from miscellaneous activities'' (*resultaat uit overige werkzaamheden*) within the meaning of article 3.4 of the Dutch Income Tax Act 2001, which include activities in The Netherlands with respect to the Shares that exceed ''regular, active portfolio management'' (*normaal, actief vermogensbeheer*).

Value added tax

No value added tax (*omzetbelasting*) will arise in relation to the Legal Merger.

Other taxes and duties

No capital duty, registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty, will be due in The Netherlands in respect of or in connection with the Legal Merger.

15. Nederlandse samenvatting van het bod

Dit Hoofdstuk 15 behelst de Nederlandse samenvatting van het Biedingsbericht, dat is uitgegeven ter zake van het openbaar bod uitgebracht door London Acquisition op alle uitstaande en geplaatste aandelen Stork onder de bepalingen, voorwaarden en restricties zoals beschreven in dit Biedingsbericht (het ''Bod''). De belangrijkste kenmerken van het Bod zijn beschreven in deze samenvatting.

De gedefinieerde termen in dit Hoofdstuk van het Biedingsbericht hebben de betekenis die daaraan wordt gegeven in Hoofdstuk 15.2. Deze Nederlandse samenvatting maakt deel uit van het Biedingsbericht, maar vervangt dit niet. Deze Nederlandse samenvatting is niet volledig en bevat niet alle informatie die voor Aandeelhouders van belang zou kunnen zijn om een afgewogen oordeel te vormen omtrent het Bod. Het lezen van deze Nederlandse samenvatting mag derhalve niet worden beschouwd als een alternatief voor het bestuderen van het volledige Biedingsbericht. Aandeelhouders wordt geadviseerd het volledige Biedingsbericht zorgvuldig te bestuderen en zo nodig onafhankelijk advies in te winnen teneinde een afgewogen oordeel te kunnen vormen omtrent het Bod, alsmede omtrent de beschrijving van het Bod in deze samenvatting en in het Biedingsbericht. In geval van verschillen tussen deze Nederlandse samenvatting en de Engelse tekst van het Biedingsbericht, prevaleert de Engelse tekst van het Biedingsbericht (inclusief alle documenten die daarin door middel van verwijzing zijn opgenomen).

15.1 Restricties en belangrijke informatie

Het uitbrengen van het Bod, de verkrijgbaarstelling van het Biedingsbericht en deze Nederlandse samenvatting, alsmede de verspreiding van enige andere informatie met betrekking tot het Bod, kunnen in bepaalde jurisdicties aan zekere restricties onderhevig zijn. Zie Hoofdstuk I (Restrictions and Important Information) van dit Biedingsbericht. Dit Bod wordt niet, direct of indirect, gedaan in, en mag niet worden geaccepteerd vanuit enige jurisdictie waarin het doen van het Bod of de aanvaarding daarvan niet in overeenstemming is met de in die jurisdictie geldende wet- en regelgeving. Niettemin zullen Aandelen die worden aangemeld onder het Bod door Aandeelhouders, die niet woonachtig zijn of verblijven in Nederland, worden geaccepteerd indien zulke Aandelen worden aangemeld overeenkomstig de aanmeldingsprocedure zoals beschreven in dit Biedingsbericht. Het niet respecteren van deze restricties kan een overtreding van de effectenwet- en regelgeving van de desbetreffende jurisdictie opleveren. London Acquisition, Stork en hun adviseurs sluiten iedere aansprakelijkheid uit ter zake van overtredingen van voornoemde restricties. Aandeelhouders dienen zo nodig onverwijld onafhankelijk advies in te winnen omtrent hun positie dienaangaande.

Het Biedingsbericht bevat belangrijke informatie die men zorgvuldig dient te lezen alvorens een besluit te nemen over het aanmelden van Aandelen onder het Bod. Zie Hoofdstuk I (Restrictions and Important Information) van dit Biedingsbericht. Aandeelhouders wordt aangeraden waar nodig onafhankelijk advies in te winnen. Daarnaast zullen Aandeelhouders mogelijk hun belastingadviseur willen raadplegen met betrekking tot de fiscale gevolgen van het aanmelden van Aandelen onder het Bod.

De informatie opgenomen in de Hoofdstukken 1.1, 4.1, 4.2, 4.3, 4.5, 4.8, 4.9, 4.10, 4.11, 5.3, 5.4, 5.5.1 tweede zin, 5.7, 5.9.2, 5.9.3, 5.11, 5.13, 9 introductie, 9.1, 9.2, 9.3, 9.5, 9.6, 9.7, 9.8, 9.10, 9.11, 12, 13(ii), 13(iii) en 14 van het Biedingsbericht is uitsluitend door London Acquisition verstrekt. De informatie opgenomen in de Hoofstukken 4.4, 4.6, 5.5.1 eerste en derde zin, 5.5.2, 8, 10, 11, 13(iv) en Schedule 1 van het Biedingsbericht is uitsluitend door Stork verstrekt. De informatie opgenomen in de Hoofdstukken 1.2, 2, 3, 4.7, 4.12, 4.13, 4.14, 5.1, 5.2, 5.6, 5.9.1, 5.9.4, 5.9.5, 5.9.6, 5.9.7, 5.10, 5.12, 9.4, 9.9, 9.12, 13(i), 15 en 16 van het Biedingsbericht is door London Acquisition en Stork gezamenlijk verstrekt. De informatie opgenomen in Hoofdstuk 12.4, tweede en vijfde paragraaf en Schedule 2 is door Landsbanki en Eyrir Invest verstrekt. De *fairness opinion* opgenomen in Hoofdstuk 6 is verstrekt door ABN AMRO en is indentiek aan de originele *fairness opinion* zoals afgegeven door ABN AMRO op dezelfde dag. De *fairness opinion* opgenomen in Hoofdstuk 7 is verstrekt door Kempen & Co en is identiek aan de originele *fairness opinion* zoals afgegeven door Kempen & Co op dezelfde dag.

De informatie opgenomen in pagina's F-2 tot en met F-24, F-26 tot en met F-74 en F-77 tot en met F-127 van Part III Financial Information is uitsluitend door Stork verstrekt. De informatie opgenomen in pagina's F-25, F-75, F-76 en F-128 van Part III Financial Information is uitsluitend door KPMG verstrekt en is identiek aan het originele *review report* en *auditor's report* van de respectievelijke data afgegeven door KPMG, met uitzondering van verwijzingen naar pagina-nummers.

Uitsluitend London Acquisition en Stork zijn verantwoordelijk voor de juistheid en volledigheid van de informatie die in het Biedingsbericht is opgenomen, elk voor de informatie die door haar zelf werd verstrekt, en gezamenlijk voor de informatie die door hen gezamenlijk is verstrekt, met uitzondering van informatie die door geen van hen is verstrekt (welke omvat de informatie opgenomen in Hoofdstuk 12.4, tweede en vijfde paragraaf en Schedule 2 waarvoor Landsbanki en Eyrir Invest verantwoordelijk zijn, de *fairness opinions* in de Hoofdstukken 6 en 7 waarvoor respectievelijk ABN AMRO en Kempen & Co verantwoordelijk zijn) en de informatie opgenomen in pagina's F-25, F-75, F-76 en F-128 van Part III Financial Information, waarvoor KPMG verantwoordelijk is.

London Acquisition, Stork, Landsbanki en Eyrir Invest verklaren, ieder ten aanzien van de informatie die door hen in het Biedingsbericht is verstrekt, dat de informatie in dit Biedingsbericht op de publicatiedatum van het Biedingsbericht naar hun beste weten in elk wezenlijk opzicht in overeenstemming is met de werkelijkheid, juist is, en dat er geen informatie achterwege is gelaten waardoor enige verklaring in het Biedingsbericht in enig wezenlijk opzicht misleidend is. Getallen in het Biedingsbericht kunnen naar boven of beneden zijn afgerond en dienen derhalve niet als exact te worden beschouwd.

De informatie in het Biedingsbericht geeft de situatie weer op de datum van het Biedingsbericht. Onder geen beding houden de publicatie en verspreiding van het Biedingsbericht in dat de hierin opgenomen informatie ook na de datum van het Biedingsbericht juist en volledig is of dat er sinds deze datum geen wijziging is opgetreden in de in het Biedingsbericht uiteengezette informatie of in de gang van zaken bij London Acquisition en/of Stork en/of hun dochtermaatschappijen en/of aan hen gelieerde ondernemingen. Het voorgaande laat echter onverlet de verplichting van zowel London Acquisition als Stork om, indien zulks van toepassing is, een openbare mededeling te doen ingevolge artikel 5:59 Wft en (met betrekking tot London Acquisition) artikel 4.3 van het Bob Wft voor zover van toepassing.

15.2 Nederlandse definities

In dit Biedingsbericht zal een verwijzing naar gedefinieerde termen in het meervoud gelijk staan aan verwijzingen naar dergelijk gedefinieerde termen in het enkelvoud en vice versa. Alle grammaticale en andere veranderingen die nodig zijn bij het gebruiken van een definitie in het enkelvoud zullen worden beschouwd hierin te zijn gemaakt en zullen worden toegepast alsof zulke veranderingen zijn gemaakt. Een verwijzing naar ''inclusief'' betekent een verwijzing naar ''inclusief maar niet beperkt tot''.

De gedefinieerde termen in dit Hoofdstuk van het Biedingsbericht hebben de volgende betekenis:

Aandeel	alle geplaatste en uitstaande gewone aandelen in het kapitaal van Stork met een nominale waarde van elk EUR 1,00
Aandeelhouder	houder(s) van één of meer Aandelen
Aanmeldingstermijn	de periode waarin de Aandeelhouders hun Aandelen bij de Bieder kunnen aanmelden, welke begint op 17 december 2007 en eindigt op de Sluitingsdatum, tenzij de Aanmeldingstermijn is verlengd met inachtneming van artikel 15 van het Bob Wft
ABN AMRO	ABN AMRO Bank N.V.
AFM	de Stichting Autoriteit Financiële Markten
Bieder of London Acquisition	London Acquisition B.V., een besloten vennootschap met beperkte aansprakelijkheid, opgericht naar Nederlands recht, met statutaire zetel in Amsterdam, Nederland en, met adres Strawinskylaan 3105, 1077 ZX Amsterdam, Nederland en ingeschreven bij de Kamer van Koophandel onder nummer 34276763 en, indien van toepassing, tevens haar groepsmaatschappijen zoals beschreven in artikel 2:24b van het Burgerlijk Wetboek en haar deelnemingen
Biedingsbericht Biedprijs	dit biedingsbericht (inclusief de Engelse tekst) met betrekking tot het Bod een bedrag in contanten van EUR 48,40 per Aandeel voor elk Aandeel dat op geldige wijze is aangemeld (of op ongeldige wijze, mits de Bieder de aanmelding daarvan desalniettemin aanvaardt) en geleverd onder de bepalingen, voorwaarden en restricties van het Bod. De Biedprijs is cum dividend, hetgeen tot uitdrukking brengt dat Stork het dividend over 2006 reeds heeft betaald en voorts dat Stork

	zich heeft verplicht om geen dividend of andere uitkeringen met betrekking tot de Aandelen vast te stellen voordat het Bod is afgerond
Bob Wft	Besluit openbare biedingen Wft
Bod	het bod zoals in dit Biedingsbericht beschreven
Boekjaar 2004	het boekjaar van Stork dat eindigde op 31 december 2004
Boekjaar 2005	het boekjaar van Stork dat eindigde op 31 december 2005
Boekjaar 2006	het boekjaar van Stork dat eindigde op 31 december 2006
Buitengewone Vergadering van Aandeelhouders	de Buitengewone Vergadering van Aandeelhouders die wordt gehouden door Stork op 4 januari 2008, om 15.00 uur CET, te Amsterdam, Okura Hotel Amsterdam, Ferdinand Bolstraat 333, waarin onder andere het Bod zal worden toegelicht en besproken, overeenkomstig het bepaalde in artikel 18 van het Bob Wft
Candover	Candover Partners Limited
Centaurus	Centaurus Capital Limited en hieraan gelieerde ondernemingen
CET	Centrale Europese Tijd
CFIUS	Commissie voor Buitenlandse Investeringen in de Verenigde Staten
Dag van Gestanddoening	de datum waarop de Bieder openbaar zal mededelen of het Bod gestand wordt gedaan overeenkomst de Fusieregels. Artikel 16.1 van het Bob Wft bepaalt dat zo'n openbare mededeling zal worden gedaan binnen drie Handelsdagen na de Sluitingsdatum
Dag van Overdracht	de datum waarop de Bieder overeenkomstig de voorwaarden van het Bod, de Biedprijs per Aandeel prompt zal betalen aan de Aandeelhouders die op geldige wijze hun Aandelen hebben aangemeld (of op ongeldige wijze, mits de Bieder de aanmelding daarvan desalniettemin aanvaardt) en geleverd voor de Sluitingsdatum, zijnde niet later dan de derde Handelsdag na de Dag van Gestanddoening, onder de voorwaarde dat het Bod gestand is gedaan
Eyrir Invest	Eyrir Invest hf
ESB	de heren C.J.A. van Lede, W. Kok en D.G. Eustace, aangesteld door de Ondernemingskamer als commissarissen van Stork met speciale bevoegdheden
EUR of €	de Euro, het wettig betaalmiddel in de lidstaten van de Europese Monetaire Unie
Euronext Amsterdam	Euronext Amsterdam N.V. of Eurolist door Euronext Amsterdam N.V., afhankelijk van de context
Exon Florio	§721 van de Defense Production Act 1950, zoals gewijzigd (in gewijzigde vorm gecodificeerd als 50 U.S.C. App.§2061 et. seq.)
Financieringstoezeggingen	heeft de betekenis die daaraan wordt gegeven in subparagraaf 15.3.2
Fusiedatum	heeft de betekenis waarnaar wordt verwezen in Hoofdstuk 4.11
Fusieregels	alle toepasselijke wet- en regelgeving, inclusief maar niet beperkt tot de toepasselijke artikelen van de Wft en het Bob Wft, alsmede nadere regelgeving en beleidsregels afgekondigd onder de Wft en het Bob Wft, de Wet op de Ondernemingsraden, het SER-besluit Fusiegedragsregels 2000, het reglement van Euronext Amsterdam, het Burgerlijk Wetboek, de Hart-Scott-Rodino Verbeteringswet van 1976, Verordening nr. 139/2004 van de Raad van de Europese Gemeenschap, Exon Florio, CFIUS en andere toepasselijke wet- en regelgeving op het gebied van het effectenrecht en het mededingingsrecht

Handelsdag	een werkdag
Ioliet	Ioliet Beheer B.V., een besloten vennootschap met beperkte aansprakelijkheid, opgericht naar Nederlands recht, met statutaire zetel in Amsterdam, Nederland en met adres Strawinskylaan 3105, 1077 ZX Amsterdam, Nederland en ingeschreven bij de Kamer van Koophandel onder nummer 34189584 en gehouden door LME
Kempen & Co	Kempen & Co Corporate Finance B.V.
Koopovereenkomst	de koopovereenkomst tussen Stork en Marel met betrekking to Stork Food Systems
KPMG	KPMG Accountants N.V.
Landsbanki	Landsbanki Islands hf
LME	LME Eignarhaldsfelag ehf, een private limited liability company opgericht naar IJslands recht met statutaire zetel in Reykjavik en gezamenlijk gehouden door Landsbanki, Eyrir Invest en Marel
London Acquisition Statuten	de statuten van London Acquisition, zoals deze van kracht zijn sinds de oprichting op 21 juni 2007 en zoals gewijzigd van tijd tot tijd
Marel	Marel Food Systems hf, een public company opgericht naar IJslands recht, met statutaire zetel in Reykjavik en genoteerd aan de beurs van Reykjavik. Eyrir Invest en Landsbanki hebben aandelen en/ of financiële belangen in Marel
Mededingingsautoriteiten	Europese Commissie en, indien van toepassing, andere toezichthouders op het gebied van mededinging
Omwissel- en Betaalkantoor	Rabo Securities, de equity (linked) investment banking divisie van de Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.
Ondernemingskamer	Ondernemingskamer van het Gerechtshof te Amsterdam
Paulson	Paulson & Co Inc. en rechtspersonen die hieraan gelieerd zijn
Raad van Bestuur	raad van bestuur van Stork
Raad van Commissarissen	raad van commissarissen van Stork, inclusief de ESB
Sluitingsdatum	de tijd en datum tot wanneer Aandelen onder het Bod kunnen worden aangemeld, zijnde om 15:00 uur CET op 14 januari 2008, tenzij de Aanmeldingstermijn is verlengd overeenkomstig artikel 15 van het Bob Wft
Stork	Stork N.V., een naamloze vennootschap, opgericht naar Nederlands recht, met statutaire zetel in Amsterdam, Nederland, met adres Amersfoortsestraatweg 7, 1412 KA Naarden, Nederlands en ingeschreven bij de Kamer van Koophandel onder nummer 32044373 en, indien van toepassing, tevens de Stork Groep en de aan haar gelieerde bedrijven
Stork Food Systems	de Stork Food Systems groep
Stork Groep	Stork en de groepsmaatschappijen zoals beschreven in artikel 2:24b van het Burgerlijk Wetboek en haar deelnemingen
Stork Statuten	de statuten van Stork, zoals meest recentelijk gewijzigd op 16 mei 2006
Toegelaten Instelling	instelling die is toegelaten tot Euronext Amsterdam
Voorwaarden	de voorwaarden van het Bod uiteengezet in Hoofdstuk 5.2
Wft	Wet op het financieel toezicht

15.3 Het Bod

London Acquisition is opgericht door Candover om de aankoop van de Aandelen te voltooien. De bestuurders van London Acquisition zijn de heer O.H. Wilson, de heer E.J.F.H.C. Ernst (beiden vertegenwoordigers van Candover) en Equity Trust Co. N.V. London Acquisition heeft geen raad van commissarissen.

De Bieder doet een Bod tot koop van alle Aandelen van Aandeelhouders, onder de Voorwaarden en conform de bepalingen en restricties in dit Biedingsbericht. Op voorwaarde dat het Bod gestand wordt gedaan, zal aan de Aandeelhouders die hun Aandelen onder het Bod op geldige wijze hebben aangemeld en geleverd (of op ongeldige wijze, indien de Bieder de aanmelding daarvan desalniettemin aanvaardt), betaling in contanten plaatsvinden van de Biedprijs. De Biedprijs is exclusief dividend, hetgeen tot uitdrukking brengt dat Stork het dividend over 2006 reeds heeft betaald en voorts dat Stork zich heeft verplicht geen dividend of andere uitkeringen met betrekking tot de Aandelen vast te stellen voordat het Bod is afgerond. Zie tevens Hoofdstuk 9.1 (Offer Price).

De Biedprijs van EUR 48,40 vertegenwoordigt:

(i) een premie van 9 procent ten opzichte van de slotkoers per Aandeel van EUR 44,55 op 27 november 2007, de laatste Handelsdag voorafgaand aan 28 november 2007, de dag waarop de Bieder en Stork het Bod aankondigden;

(ii) een premie van 15 procent ten opzichte van de slotkoers per Aandeel van EUR 42,21 op 18 juni 2007, de laatste Handelsdag voor 19 juni 2007, de dag waarop Stork aankondigde in overleg te zijn met Candover over een eventueel bod;

(iii) een premie van 23 procent ten opzichte van de gemiddelde slotkoers per Aandeel gedurende de drie maanden voorafgaande aan 19 juni 2007, de dag waarop Stork aankondigde in overleg te zijn met Candover over een eventueel bod; en

(iv) een waarde van ongeveer 10 maal de voor 2006 genormaliseerde EBITDA (EUR 162 miljoen).

Zie tevens Hoofdstuk 5.7 (Substantiation of the Offer Price).

15.3.1 Motivering van het Bod

Stork en de Bieder zijn van mening dat een public-to-private transactie ten aanzien van Stork waarbij:

(i) de Bieder 100 procent van de Aandelen verkrijgt (door middel van het Bod of door middel van andere wettelijk toegestane maatregelen na het Bod, inclusief een juridische fusie tussen de Bieder en Stork);

(ii) de noteringsovereenkomst tussen Stork en Euronext Amsterdam en/of de notering van de Aandelen zo snel mogelijk na de afronding van het Bod wordt beëindigd;

(iii) de lopende procedure tussen Stork en zekere meerderheidsaandeelhouders, waardoor Stork wordt beperkt in het nastreven van bepaalde voordelige strategische mogelijkheden, is beëindigd en afgerond; en

(iv) Stork Food Systems wordt verkocht aan Marel, afhankelijk van het uitbrengen en de gestanddoening van het Bod, en waarbij Marel heeft aangegeven dat zij de strategie van Stork Food Systems ondersteunt,

zowel op korte als op lange termijn strategische-, financiële- en andere voordelen zal opleveren voor Stork, de Bieder en andere belanghebbenden.

Het Bod biedt de volgende voordelen voor Stork, haar Aandeelhouders, werknemers, klanten en andere belanghebbenden:

(i) Candover heeft uitgebreide ervaring, alsmede een goede staat van dienst, in de industriële sector en heeft tevens de middelen om besturen te ondersteunen in het laten groeien van hun ondernemingen;

(ii) de Bieder heeft bepaalde criteria van de Raad van Commissarissen in acht genomen en de financiële hefboomwerking op zo'n manier gestructureerd dat deze de financiële flexibiliteit biedt die nodig is voor verdere groei in de volgende fase van ontwikkeling van Stork;

(iii) de Bieder ondersteunt de strategie van de Raad van Bestuur om de overblijvende ondernemingen te laten groeien, volgend op de afstoting van de Prints divisie en Stork Food Systems;

(iv) de voorgestelde transactie creëert een stabielere omgeving voor Stork. Het zal het management de gelegenheid bieden om zich te concentreren op de dagelijkse gang van zaken binnen de onderneming en zal meer zekerheid bieden aan werknemers en klanten; en

(v) het Bod geeft Aandeelhouders de mogelijkheid om hun Aandelen onmiddellijk te verzilveren voor contacten tegen een aantrekkelijke prijs.

Zie tevens Hoofdstuk 5.8 (The Rationale for the Offer).

15.3.2 Financiering van het Bod

De Bieder zal aanmeldingen onder het Bod financieren door middel van een combinatie van geheel toegezegde kredietfaciliteiten die onderworpen zijn aan voorwaarden in lijn met het Bod en bepaalde andere voorwaarden die de Bieder als technisch van aard beschouwt, gearrangeerd door Goldman Sachs International en eigen vermogen, beschikbaar gesteld door fondsen die worden bestuurd en geadviseerd door- of gelieerd zijn aan Candover. De Bieder heeft daarnaast gegarandeerd aan Stork (i) dat de Bieder op 27 november 2007 beschikt over documenten waaruit blijkt dat de Bieder beschikt over geheel toegezegde kredietfaciliteiten, voldoende voor het voldoen aan haar verplichtingen onder het Bod (de ''Financieringstoezeggingen''), (ii) dat geen van de Financieringstoezeggingen is gewijzigd, ingetrokken of ontbonden en dat de Financieringstoezeggingen ten volle van kracht zijn, (iii) dat er geen opschortende voorwaarden of andere onvoorziene omstandigheden zijn in verband met het beschikbaar komen van het volle bedrag van de financiering beschikbaar onder de Financieringstoezeggingen, anders dan de voorwaarden uiteengezet of voorzien in de Financieringstoezeggingen zelf, en (iv) dat de Bieder per 27 november 2007 geen reden heeft te geloven dat niet alle voorwaarden onder de Financieringstoezeggingen voor het beschikbaar komen van de financiering vervuld zullen worden, of dat de voornoemde financiering de Bieder niet ter beschikking zal staan op de Dag van Overdracht.

15.4 Aanbeveling van de Raad van Commissarissen en de Raad van Bestuur

De Raad van Commissarissen en de Raad van Bestuur hebben de strategische-, financiële- en sociale aspecten en gevolgen van het Bod op grondige en uitvoerige wijze overwogen en zijn tot de conclusie gekomen dat het Bod in het belang is van Stork, de Aandeelhouders en alle andere belanghebbenden van Stork.

De Raad van Commissarissen en de Raad van Bestuur zijn van mening dat de Biedprijs en de andere bepalingen en voorwaarden van het Bod redelijk en eerlijk zijn voor de Aandeelhouders. In dat kader wordt verwezen naar *fairness opinions* afgegeven door ABN AMRO, zoals opgenomen in Hoofdstuk 6 (Fairness Opinion ABN AMRO), en Kempen & Co zoals opgenomen in Hoofdstuk 7 (Fairness Opinion Kempen & Co) van dit Biedingsbericht. Onder verwijzing naar het bovenstaande steunen de Raad van Commissarissen en de Raad van Bestuur het Bod unaniem en bevelen zij de Aandeelhouders unaniem aan om het Bod te accepteren.

15.5.1 Centaurus en Paulson

Centaurus en Paulson, die gezamenlijk 9,932,499 Aandelen houden, hetgeen gelijkstaat aan ongeveer 32% van het geplaatste en uitstaande aandelenkapitaal, hebben zich tegenover de Bieder verplicht om hun Aandelen aan te melden overeenkomstig de bepalingen, voorwaarden en restricties van het Bod zoals beschreven in dit Biedingsbericht. Het aantal Aandelen dat zal worden aangeboden door Centaurus en Paulson onder het Bod verschilt van het aantal Aandelen dat eerder door Centaurus en Paulson gemeld werd aan de AFM op grond van de Wft (of haar voorganger de *Wet Melding Zeggenschap en kapitaalbelang in effectenuitgevende instellingen* of de *Wet Melding Zeggenschap in ter beurze genoteerde vennootschappen 1996*) doordat een relatief klein aantal Aandelen dat gehouden wordt door Paulson niet in de bovenstaande verplichting op is genomen. Behalve de informatie die deel uitmaakt van dit Biedingsbericht, hebben Centaurus en Paulson van de Bieder geen wezenlijke informatie ontvangen omtrent het Bod, die relevant zou zijn voor Aandeelhouders bij hun overweging om Aandelen aan te melden onder het Bod. Centaurus en Paulson hoeven niet aan hun verplichting tot aanmelding te voldoen in geval van een bepaald hoger bod of in bepaalde andere gebruikelijke omstandigheden.

15.5.2 Ioliet

Ioliet houdt 13,617,690 Aandelen, hetgeen gelijkstaat aan ongeveer 43% van het geplaatste en uitstaande aandelenkapitaal. Ioliet heeft zich tegenover de Bieder verplicht om, afhankelijk van bepaalde voorwaarden waaronder de goedkeuring van de algemene vergadering van Aandeelhouders voor de verkoop van Stork Food Systems, haar Aandelen als volgt over te dragen.

Ioliet heeft zich, afhankelijk van bepaalde voorwaarden met betrekking tot de verkoop van Stork Food Systems, tegenover de Bieder verplicht 10,156,946 Aandelen, gelijkstaand aan ongeveer 32% van het geplaatste en uitstaande aandelenkapitaal aan te melden overeenkomstig de bepalingen, voorwaarden en restricties van het Bod zoals beschreven in dit Biedingsbericht.

Ioliet heeft, voorafgaand aan de mededeling van het voorgenomen Bod op 28 november 2007, verkocht aan de Bieder en is daarnaast met de Bieder overeengekomen dat Ioliet 3,460,744 Aandelen, gelijkstaand aan ongeveer 11% van het geplaatste en uitstaande aandelenkapitaal aan de Bieder zal leveren in ruil voor aandelen die door de Bieder's indirecte moedervennootschap zullen worden uitgegeven afhankelijk van de voorwaarde dat het Bod gestand is gedaan. Zie Hoofdstuk 12 (Information on the Offeror) voor meer informatie over Ioliet.

15.6 Aandelenbezit van de Raad van Commissarissen en de Raad van Bestuur

Op de datum van dit Biedingsbericht worden 154.946 Aandelen gehouden door Sj.S. Vollebregt, worden 57.748 Aandelen gehouden door J.C.M. Schönfeld, worden 13.958 Aandelen gehouden door H.E.H. Bouland, en worden 1.000 Aandelen gehouden door C.J. van den Driest. Voornoemde personen hebben zich onherroepelijk verplicht om hun Aandelen aan te melden overeenkomstig de bepalingen en voorwaarden van het Bod zoals beschreven in dit Biedingsbericht. Behalve de informatie die deel uitmaakt van dit Biedingsbericht, hebben voornoemde personen van de Bieder geen wezenlijke informatie ontvangen omtrent het Bod, die relevant zou zijn voor Aandeelhouders bij hun overweging om Aandelen aan te melden onder het Bod. Op de datum van dit Biedingsbericht worden er geen Aandelen gehouden door andere leden van de Raad van Commissarissen. Zie tevens Hoofdstuk 5.5 (Shareholdings of members of the Supervisory Board and Management Board).

15.7 Aanmelding

Het Bod zal gestand worden gedaan indien voldaan is aan de Voorwaarden zoals beschreven in Hoofdstuk 5.2 (Offer Conditions), of, indien dat onder het toepasselijke recht is toegestaan, daarvan afstand is gedaan door de Bieder.

15.7.1 Aanmeldingstermijn

De Aanmeldingstermijn vangt aan op 17 december 2007 om 09:00 uur CET en eindigt, tenzij de Aanmeldingstermijn wordt verlengd overeenkomstig artikel 15 van het Bob Wft, op 14 januari 2008 om 15:00 uur CET. Zie tevens Hoofdstuk 9.5 (Acceptance Period).

Indien aan alle Voorwaarden is voldaan of, voor zover van toepassing, daarvan afstand is gedaan, zal de Bieder alle Aandelen aanvaarden die op geldige wijze zijn aangemeld (of op ongeldige wijze, indien de Bieder de aanmelding desalniettemin aanvaardt) en niet eerder zijn teruggetrokken in overeenstemming met de voorwaarden van het Bod met inachtneming van, met betrekking tot de Aandelen, de procedures zoals uiteengezet in Hoofdstuk 9.2 (Acceptance by Shareholders through an Admitted Institution).

15.7.2 Gestanddoening van het Bod

Het Bod wordt gedaan onder het voorbehoud van vervulling van de Voorwaarden. De Bieder behoudt zich het recht voor afstand te doen van de Voorwaarden zoals uiteengezet in sub-paragraaf 5.2.1, met dien verstande dat de Bieder dit eenzijdig mag doen bij een aanvaardingsdrempel tussen 80% en 95% en de voorafgaande goedkeuring van Stork behoeft indien de Bieder de aanvaardingsdrempel wil verlagen naar een niveau lager dan 80% van het uitgegeven en uitstaande aandelenkapitaal van Stork. Zie Hoofdstuk 5.2 (Offer Conditions). Indien de Bieder afstand wenst te doen van één of meer Voorwaarden, dan wel deze wenst te beperken, dan zal de Bieder op een daartoe redelijkerwijs geschikte wijze de Aandeelhouders informeren dat de Bieder afstand doet van deze Voorwaarde(n) dan wel deze wenst te beperken, op de wijze zoals voorzien in de Fusieregels.

Tenzij de Aanmeldingstermijn wordt verlengd, zal de Bieder met inachtneming van de bepalingen van artikel 16 van het Bob Wft binnen drie Handelsdagen na de Sluitingsdatum aankondigen of het Bod gestand wordt gedaan. In het geval het Bod niet gestand wordt gedaan zal de Bieder zijn beslissing om niet gestand te doen motiveren. Zie Hoofdstuk 9.6 (Declaring the Offer Unconditional).

Wanneer de Bieder aankondigt dat het Bod gestand wordt gedaan, dan kan de Bieder, in overeenstemming met artikel 17 van het Bob Wft, binnen drie Handelsdagen na de mededeling dat gestand wordt gedaan een verlenging van de Aanmeldingstermijn aankondigen om Aandeelhouders die hun Aandelen niet hebben aangeboden tijdens de Aanmeldingstermijn alsnog de mogelijkheid te bieden om hun Aandelen aan te bieden onder de voorwaarden en condities van het Bod Zie Hoofdstuk 9.6 (Declaring the Offer Unconditional and post Acceptance Period). Een dergelijke verlenging van de Aanmeldingstermijn vangt aan op de eerste Handelsdag volgend op de mededeling dat de Aanmeldingstermijn wordt verlengd en zal maximaal twee weken bedragen. De Bieder zal alle Aandelen blijven aanvaarden die op geldige wijze zijn aangemeld (of op ongeldige wijze, indien de Bieder de aanmelding desalniettemin aanvaardt) tijdens een dergelijke periode en zal voor dergelijke Aandelen betalen binnen drie Handelsdagen na het einde van de verlengde Aanmeldingstermijn.

15.7.3 Verlenging

De Bieder kan het Bod verlengen tot na de Sluitingsdatum, in welk geval alle verwijzingen in dit Biedingsbericht naar de ''Sluitingsdatum'' of naar ''15:00 uur, CET, 14 january 2008'' worden verschoven naar de uiterste datum en tijd waarnaar het Bod is verlengd, tenzij uit de context anders blijkt. Een bewaarnemer, bank of effectenmakelaar kan een vroegere uiterste termijn vaststellen voor de communicatie door de Aandeelhouders teneinde de bewaarnemer, bank of effectenmakelaar in staat te stellen hun acceptaties tijdig aan het Omwissel- en Betaalkantoor te communiceren.

Indien de Aanmeldingstermijn wordt verlengd, zal dit, met inachtneming van de toepasselijke wetgeving, openbaar worden medegedeeld. Artikel 15.2 van het Bob Wft vereist dat een dergelijke mededeling uiterlijk op de derde Handelsdag na de oorspronkelijke Sluitingsdatum wordt gedaan. Zie Hoofdstuk 9.7 (Extension of the Acceptance Period).

15.7.4 Overdracht

In het geval dat de Bieder aankondigt dat het Bod gestand wordt gedaan, zullen Aandeelhouders die hun Aandelen voor of op de Sluitingsdatum hebben aangemeld en geleverd overeenkomstig het Bod, de Biedprijs ontvangen met betrekking tot elk Aandeel dat op geldige wijze is aangemeld (of op ongeldige wijze, indien de Bieder de aanmelding desalniettemin aanvaardt). Zie Hoofdstuk 9.8 (Settlement of the Offer).

15.8 Bieder

De Bieder is London Acquisition B.V., een besloten vennootschap met beperkte aansprakelijkheid, opgericht op 21 juni 2007 naar Nederlands recht, en statutair gevestigd in Amsterdam, Nederland.

15.9 Voorwaarden voor het Bod

De verplichting van de Bieder om het Bod gestand te doen geldt indien aan elk van de volgende Voorwaarden wordt voldaan, tenzij van bepaalde Voorwaarden afstand wordt gedaan:

15.9.1 een zodanig aantal Aandelen wordt ter aanvaarding aangemeld dat deze, tezamen met (i) de Aandelen die rechtstreeks of indirect door de Bieder op de Sluitingsdatum worden gehouden, (ii) de Aandelen waarop de Bieder op de Sluitingsdatum, indien het Bod gestand wordt gedaan, een onvoorwaardelijk recht tot levering heeft en (iii) de Aandelen die, direct of indirect, door Stork uit eigen hoofde gehouden worden op de Sluitingsdatum, op de Sluitingsdatum tenminste 95% (vijfennegentig procent) van het geplaatst en uitstaand aandelenkapitaal van Stork vertegenwoordigen;

15.9.2 tussen de datum waarop het Bod is gedaan en de Dag van Gestanddoening, heeft zich geen gebeurtenis, omstandigheid of ontwikkeling voorgedaan die een materieel negatief effect heeft op de onderneming, de kaspositie, de financiële positie, de bezittingen of vooruitzichten van de

Stork Groep als geheel en die zodanig van aard is dat van de Bieder redelijkerwijs niet verwacht kan worden dat hij doorgaat met het Bod;

15.9.3 er is geen openbare of schriftelijke mededeling gedaan waaruit voor de eerste maal blijkt dat een bonafide derde partij voorbereidingen treft voor of een aankondiging doet van een openbaar bod op alle Aandelen, welk bod gekwalificeerd wordt als een concurrerend bod zoals uiteengezet in Hoofdstuk 5.10 van dit Biedingsbericht en er is geen derde partij die een recht heeft tot verkrijging van of inschrijving op aandelen of toestemming heeft gegeven tot verkrijging van of inschrijving op aandelen in het kapitaal van Stork;

15.9.4 op of voorafgaand aan de Sluitingsdatum is er geen bevel, schorsing, vonnis of besluit gegeven of verstrekt door een rechter, arbitragecommissie, overheid, overheidsinstantie of andere toezichthoudende of administratieve instantie, noch is er enig(e) wet, regel, regeling, bevel of verbod van overheidswege voorgesteld, in de wet opgenomen, ten uitvoer gelegd of van toepassing geacht op het Bod, welke op enigerlei wijze het Bod beperkt, verbiedt of vertraagt, of waarvan redelijkerwijs aannemelijk is dat deze de uitvoering van het Bod in enige materiële zin zal beperken, verbieden of vertragen;

15.9.5 op of voorafgaand aan de Sluitingsdatum heeft Stork geen materiële inbreuk gemaakt op haar afspraken met de Bieder, voorzover een dergelijke inbreuk substantiële negatieve gevolgen heeft op het Bod danwel voor zover zulke gevolgen redelijkerwijs verwacht kunnen worden en, voor zover een zodanige inbreuk zich heeft voorgedaan, deze niet binnen 5 (vijf) Handelsdagen na ontvangst van een schriftelijke aanmaning van de Bieder is hersteld door Stork, met dien verstande dat (i) Stork niet gerechtigd zal zijn tot een zodanig herstel, indien de inbreuk niet hersteld kan worden en (ii) indien de periode tot de Dag van Overdracht korter is dan 5 (vijf) Handelsdagen, de herstelperiode zal aflopen voor de Dag van Overdracht;

15.9.6 op of voorafgaand aan de Sluitingsdatum is door de AFM geen aanwijzing gegeven in de zin van artikel 5:80 Wft op basis waarvan beleggingsondernemingen zich dienen te onthouden van medewerking aan het Bod omdat dit in strijd met de bij of krachtens hoofdstuk 5.5 Wft gestelde regels is voorbereid of uitgebracht, en de handel in Aandelen op Euronext Amsterdam niet blijvend is opgeschort als gevolg van een noteringsmaatregel genomen door Euronext Amsterdam overeenkomstig artikel 2706/1 van het Euronext Rulebook II;

15.9.7 de Bieder heeft een schriftelijke verklaring van Stork ontvangen dat aan de Voorwaarden is voldaan;

15.9.8 de toezeggingen van Centaurus en Paulson zijn niet beëindigd overeenkomstig hun voorwaarden;

15.9.9 de algemene vergadering van aandeelhouders van Stork heeft, op voorwaarde dat de Bieder het Bod gestand doet, nieuwe leden van de Raad van Commissarissen benoemd en de statuten van Stork en het profiel van de leden van de Raad van Commissarissen gewijzigd;

15.9.10 het plaatshebben van één van de volgende gebeurtenissen uiterlijk drie (3) Handelsdagen voor de Sluitingsdatum:

(i) Mededingingsautoriteiten die een beschikking afgeven met betrekking tot het Bod, inhoudende goedkeuring van de voorgestelde concentratie en indien deze goedkeuring is gegeven onder voorbehoud van voorwaarden en verplichtingen dat deze voorwaarden en verplichtingen acceptabel zijn voor een redelijk handelend Bieder, met dien verstande dat Stork en de Bieder verplicht zijn om elke voorwaarde of verplichting te accepteren die niet wezenlijk van aard is;

(ii) het verlopen, verstrijken of beëindigd zijn van alle relevante wachtperioden en andere tijdsperioden (met inbegrip van verlengingen daarvan) volgens iedere van toepassing zijnde wetgeving of regelgeving;

15.9.11 de Koopovereenkomt (inclusief maar niet beperkt tot de voorwaarden van de financiering van de transacties als uiteengezet in de Koopovereenkomst) is niet ontbonden in overeenstemming met de in de Koopovereenkomst genoemde voorwaarden, is niet geschonden en is niet aangepast zonder goedkeuring van de Bieder, en de afwezigheid van een afstand van recht door Stork met betrekking tot een of meer van de volgende noodzakelijke voorwaarden voor het in werking treden van de Koopovereenkomst (i) Marel heeft toestemming van de mededingingsautoriteiten gekregen voor de aankoop van Stork Food Systems; (ii) Marel en Stork hebben voldaan aan de verplichtingen onder de Wet op de Ondernemingsraden; (iii) de buitengewone vergadering van aandeelhouders heeft de verkoop van Stork Food Systems goedgekeurd; (iv) het Bod is uitgebracht en gestand gedaan door de Bieder; (v) de afwezigheid van enige ingreep door een overheidsorgaan, rechtbank of het van kracht worden van enige wet of regel die Stork verbiedt om haar verplichtingen onder de Koopovereenkomst te vervullen; en (vi) de afwezigheid van een *bona fide* derde partij die Stork beperkt in het vervullen van haar verplichtingen onder de Koopovereenkomst of andere rechten onder de Koopovereenkomst;

15.9.12 Stork de volgende overeenkomsten niet schendt:

(a) de financieringsovereenkomst met betrekking tot een kredietfaciliteit van EUR 300.000.000 (driehonderd miljoen) met een syndicaat van vijf (5) banken zoals vastgelegd in de Multi Currency Revolving Facility agreement, dd. 27 april 2004 (zoals aangepast, opnieuw vastgesteld of aangevuld van tijd tot tijd);

(b) de bilaterale umbrella facility agreement dd 19 augustus 2003 overeengekomen tussen Stork en ABN AMRO (zoals aangepast, opnieuw vastgesteld of aangevuld van tijd tot tijd);

(c) de bilaterale loan, guarantee and export financing facility dd 8 november 2004 overeengekomen tussen Stork en Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (zoals aangepast, opnieuw vastgesteld of aangevuld van tijd tot tijd);

(d) de credit agreement dd 23 september 2003 overeengekomen tussen Stork, Stork Mercantile Engineers and Contractors N.V., Stork Limebel N.V., Stork Intermes N.V. en KBC Bank N.V. (zoals aangepast, opnieuw vastgesteld of aangevuld van tijd tot tijd);

(e) de credit agreement dd 6 december 2002 overeengekomen tussen Sutherland-Schultz Inc. en The Toronto- Dominion Bank (zoals aangepast, opnieuw vastgesteld of aangevuld van tijd tot tijd);

(f) een guarantee letter dd 13 januari 2003 van Stork aan The Toronto- Diminion Bank;

en alle financieringovereenkomsten die niet beeindigd zijn in overeenstemming met de voorwaarden daarin.

De Voorwaarden strekken ten behoeve van de Bieder, die daarvan, voorzover wettelijk toegestaan, op elk moment (geheel of gedeeltelijk) afstand kan doen door schriftelijke kennisgeving aan Stork, met dien verstande dat ten aanzien van de Voorwaarde in subparagraaf 5.2.1 van het Biedingsbericht geldt dat wanneer het aantal Aandelen dat ter aanvaarding is aangemeld tezamen met (i) de Aandelen die direct of indirect door de Bieder worden gehouden op de Sluitingsdatum, (ii) de Aandelen waarop de Bieder op de Sluitingsdatum, indien het Bod gestand wordt gedaan, een onvoorwaardelijk recht tot levering heeft en (iii) de Aandelen gehouden door Stork uit eigen hoofde op de Sluitingsdatum minder dan 80% (tachtig procent) van het totaal geplaatste aandelenkapitaal vertegenwoordigt, de Bieder slechts bevoegd is het Bod gestand te doen met voorafgaande schriftelijke goedkeuring van Stork.

Zowel Stork als de Bieder zullen hun uiterste best doen om zo snel als redelijkerwijs mogelijk de vervulling van de Voorwaarden te bewerkstelligen. Wanneer op enig tijdstip Stork of de Bieder zich bewust wordt van een feit of een omstandigheid die ertoe zou kunnen leiden dat een Voorwaarde niet wordt vervuld, zal deze partij de andere partij daarvan onmiddellijk schriftelijk op de hoogte stellen.

15.10 Liquiditeit en Beëindiging Beursnotering Aandelen

De aankoop van de Aandelen door de Bieder onder het Bod zal onder andere tot gevolg hebben dat het aantal Aandeelhouders en het aantal Aandelen dat anders openbaar verhandeld zou kunnen worden vermindert en zou een negatieve invloed kunnen hebben op de liquiditeit en de marktwaarde van de overige Aandelen die niet zijn aangemeld en niet gehouden worden door Stork.

Indien het Bod gestand wordt gedaan is het voornemen om zo spoedig mogelijk daarna de notering van de Aandelen aan Euronext Amsterdam te beëindigen. Dit zal verdere negatieve gevolgen hebben voor de liquiditeit van de Aandelen die niet zijn aangemeld. Verder zou de Bieder één van de procedures zoals beschreven in Hoofdstuk 5.9.3 (Legal Structure of Stork following the Offer) kunnen initiëren, inclusief procedures die leiden tot de beëindiging van de beursnotering van de Aandelen (inclusief de niet aangeboden Aandelen). Het beleid van Euronext Amsterdam houdt in dat in het geval van een openbaar bod het opheffen van de beursnotering niet is toegestaan totdat ten minste 95% van alle ter beurze genoteerde aandelen worden gehouden door een enkele rechtspersoon of een groep bestuurd door een enkele rechtspersoon. Zie subparagraaf 5.9.2 (Liquidity and Delisting).

15.11 Juridische structuur van Stork na het Bod

Samenvatting van de risicofactoren na het Bod

Aandeelhouders die hun Aandelen niet aanmelden onder het Bod dienen zorgvuldig dit Hoofdstuk 15.11 te bestuderen, waarin bepaalde risico's worden beschreven die zij lopen nadat het Bod gestand wordt gedaan. Het betreft hier additionele risico's die men loopt naast de risico's die samenhangen met de bedrijfsuitoefening door Stork en haar dochterondernemingen, aangezien deze bedrijfsuitoefening en de structuur van de Stork Groep na de Dag van Overdracht kunnen wijzigen. Hieronder volgt een samenvatting van de belangrijkste additionele risico's:

- **VERPLICHTE KOOP**

Op het moment dat is voldaan aan de relevante juridische vereisten kan de Bieder besluiten de resterende Aandelen te verwerven door middel van een wettelijke Uitkoopprocedure.

- **VERLIES LIQUIDITEIT**

De Bieder kan op het moment dat is voldaan aan de relevante vereisten er voor kiezen de beursnotering van de Aandelen aan Euronext Amsterdam te beëindigen en Stork om te zetten in een besloten vennootschap met beperkte aansprakelijkheid wat er, onder andere, toe zal leiden dat alle Aandelen slechts beperkt overdraagbaar zijn.

De Bieder kan, in plaats daarvan of in aanvulling daarop, kiezen voor een fusie waarbij Stork de verdwijnende vennootschap is, hetgeen er toe kan leiden dat de aandeelhouders in Stork van rechtswege aandeelhouders worden van de verkrijgende vennootschap. De verkrijgende vennootschap zal een besloten vennootschap met beperkte aansprakelijkheid zijn en de aandelen in haar kapitaal zullen niet genoteerd dan wel publiek verhandelbaar zijn en zullen slechts in beperkte mate overdraagbaar zijn.

Zelfs wanneer er geen sprake is van een omzetting of van een fusie zal het aantal vrij verhandelbare Aandelen substantieel afnemen als gevolg van het Bod. Dit zal een negatieve invloed hebben op het handelsvolume en de liquiditeit van de Aandelen.

De Bieder kan ook besluiten om substantieel alle activa van Stork te verkopen hetgeen gevolgd kan worden door een liquidatie en een uitkering van de verkoopopbrengsten.

- **VERHOGING VAN FINANCIERING MET VREEMD VERMOGEN**

Als gevolg van een of meer juridische fusies of als gevolg van andere maatregelen die door de Bieder en Stork na de Dag van Overdracht worden geïmplementeerd kan het gedeelte van Stork of haar rechtsopvolgers' balanstotaal dat bestaat uit vreemd vermogen substantieel toenemen ten opzichte van de huidige situatie.

- **BEPERKTERE GOVERNANCE**

Wanneer Stork of haar rechtsopvolger niet meer beursgenoteerd is en haar aandelen niet langer publiekelijk verhandeld worden, zullen de wettelijke bepalingen inzake de governance van publieke of genoteerde ondernemingen niet langer van toepassing zijn en zullen de rechten van de minderheidsaandeelhouders worden beperkt tot het wettelijk minimum.

- **CONTROLERENDE AANDEELHOUDER**

Na de Dag van Overdracht zal de Bieder een meerderheidsbelang houden in Stork en zullen de indirecte aandeelhouders van de Bieder alle leden van de Raad van Commissarissen benoemen, afgezien van onafhankelijke leden van de Raad van Commissarissen die zijn aangesteld in overeenstemming met subparagraaf 5.9.7.

- **FISCALE BEHANDELING VAN UITKERINGEN**

De Bieder en Stork hebben geen inzicht in en geen verantwoordelijkheid voor de fiscale behandeling van uitkeringen zoals dividenden, terugbetaling van kapitaal en liquidatie opbrengsten, gedaan door Stork of één van haar rechtsopvolgers. Wanneer verkoop plaatsvindt van substantieel alle activa van Stork gevolgd door liquidatie en uitkering van de verkoopopbrengsten zal dit kunnen leiden tot specifieke fiscale kwesties voor de Aandeelhouders.

15.11.1 Algemeen

De Bieder behoudt zich het recht voor om elke juridisch toegestane methode aan te wenden om 100% van het aandelenkapitaal van Stork te verkrijgen, alsmede om de structuur van Stork in lijn te brengen met de houdster- en financieringsstructuur van de groep ondernemingen waartoe de Bieder behoort. Hiertoe zal de Bieder, afhankelijk van, onder andere, het aantal Aandelen verkregen door de Bieder als gevolg van het Bod, een aantal processen overwegen, waaronder een uitkoopprocedure overeenkomstig artikel 2:359c of 2:92a van het Nederlandse Burgerlijk Wetboek (''Uitkoopprocedure''), een juridische fusie tussen Stork en de Bieder of een aan de Bieder gelieerde (rechts) persoon overeenkomstig artikel 2:309 en verder van het Nederlandse Burgerlijk Wetboek (''Juridische Fusie''), een inbreng van activa in Stork in ruil voor nieuw uit te geven aandelen (in welk geval de bestaande aandeelhouders geen voorkeursrechten hebben), of de verkoop van activa door Stork. Daarnaast kan de Bieder Stork laten omzetten in een besloten vennootschap met beperkte aansprakelijkheid.

Ter voorkoming van misverstanden, de Bieder heeft, behoudens toepasselijke bepalingen van Nederlands recht, de discretionaire bevoegdheid om de maatregelen en processen beschreven in deze subparagraaf 15.11.1 cumulatief, alternatief of helemaal niet toe te passen.

15.11.2 Uitkoopprocedure

Wanneer de Bieder 95% of meer van het geplaatste en uitstaande aandelenkapitaal van Stork op of na de Dag van Overdracht heeft verkregen, zal de Bieder zo spoedig mogelijk een Uitkoopprocedure initiëren om de resterende aandelen, die niet zijn aangeboden noch gehouden worden door de Bieder of Stork, te verkrijgen. De Bieder kan ook op enig moment na de Dag van Overdracht, indien en wanneer hij daartoe bevoegd is, een Uitkoopprocedure initiëren met betrekking tot de aandelen in enig rechtsopvolger van Stork, ontstaan door een Juridische Fusie of op andere wijze.

15.11.3 Juridische Fusie

Op ieder moment na gestanddoening van het Bod kunnen de Bieder en Stork stappen zetten om een Juridische Fusie tussen de Bieder of een gelieerde (rechts) persoon van de Bieder (de ''Fuserende Entiteit'') en Stork te bewerkstelligen. Als gevolg van een dergelijke Juridische Fusie zal er één van de twee betrokken juridische entiteiten verdwijnen (de ''Verdwijnende Entiteit''). De andere entiteit (de ''Verkrijgende Entiteit'') zal overblijven en alle activa en passiva van de Verdwijnende Entiteit overnemen op de dag dat de Juridische Fusie van rechtswege effectief wordt (de ''Fusiedatum''). De volgende alinea's van deze subparagraaf verklaren de twee belangrijkste vormen van een Juridische Fusie die de Bieder kan overwegen en geven een samenvatting van het proces dat doorlopen dient te worden alvorens een Juridische Fusie kan worden geïmplementeerd. Er kunnen geen rechten worden ontleend aan deze verklaring en de Bieder behoudt zich het recht voor om een Juridische Fusie onder andere voorwaarden na te streven.

Wanneer een Juridische Fusie wordt geëffectueerd waarin Stork de Verdwijnende Entiteit is, een zogenaamde ''Opwaartse Juridische Fusie'', zullen de aandeelhouders van Stork (inclusief aandeelhouders die hun Aandelen niet hebben aangeboden onder het Bod, maar exclusief de Fuserende Entiteit) van rechtswege aandeelhouders in de Fuserende Entiteit worden, naast de Bieder of de aan de Bieder gelieerde (rechts) persoon die reeds aandeelhouder van de Fuserende Entiteit is. De nieuwe aandeelhouders zullen aandelen verkrijgen in het kapitaal van de Fuserende Entiteit die dezelfde economische waarde hebben als de aandelen Stork die zij houden direct voordat de Juridische Fusie wordt geëffectueerd, welke waarde zal worden berekend op basis van de relevante prijzen uiteengezet in dit Biedingsbericht verminderd met eventuele uitkeringen aan de betrokken aandeelhouders uitgekeerd na de Dag van Overdracht. Het kapitaal van de Fuserende Entiteit zal waarschijnlijk worden verdeeld in verschillende klassen aandelen en houders van aandelen van een bepaalde klasse in Stork kunnen één of meer klassen van aandelen in de Fuserende Entiteit verkrijgen, afhankelijk van een aantal factoren zoals bijvoorbeeld de rechten verbonden aan de aandelen in Stork die zij houden op de Fusiedatum en het bedrag aan vreemd vermogen dat de Fuserende Entiteit op dat moment heeft uitstaan. De precieze identiteit van de Fuserende Entiteit, de samenstelling van het aandelenkapitaal, de economische en andere rechten behorend bij iedere klasse aandelen in dat kapitaal en de ruilverhouding van toepassing op elke klasse aandelen in Stork, zullen pas worden vastgesteld door de Raad van Bestuur van Stork en van de Bieder op of na de Dag van Gestanddoening en zullen worden goedgekeurd door de Raad van Commissarissen. Deze goedkeuring vereist een meerderheid van stemmen van de onafhankelijke leden van de Raad van Commissarissen (zie subparagraaf 5.9.7), wanneer het besluit hiertoe wordt genomen op of na de Dag van Overdracht. De onafhankelijke leden van de Raad van Commissarissen kunnen verzoeken om de benoeming van additionele, onafhankelijke financiële of juridische deskundigen om hen te adviseren over de redelijkheid van de voorgestelde ruilverhouding voor de aandelen in de Fuserende Entiteit, met het oog op de economische en andere rechten verbonden aan de aandelen in de Fuserende Entiteit die zullen worden ontvangen door de minderheidsaandeelhouders in vergelijking met de economische en andere rechten verbonden met de aandelen in Stork die door hen direct voor de Fusiedatum worden gehouden.

Het is niet de bedoeling dat enige aandelen in de Fuserende Entiteit worden genoteerd aan enige beurs of op een andere manier openbaar worden verhandeld. Omdat de Fuserende Entiteit een besloten vennootschap met beperkte aansprakelijkheid zal zijn, zullen beperkingen gelden met betrekking tot de overdraagbaarheid van deze aandelen. Echter, de Bieder of de aan de Bieder gelieerde (rechts) persoon die reeds aandeelhouder van de Fuserende Entiteit is kan de nieuwe aandeelhouders in de Fuserende Entiteit het recht geven om voor een bepaalde periode na de Fusiedatum hun aandelen aan hen te verkopen, voor een prijs per aandeel gelijk aan de relevante prijs uiteengezet in dit Biedingsbericht, verminderd met uitkeringen aan de betrokken aandeelhouders gedaan na de Dag van Overdracht. Aandeelhouders die hun Aandelen niet hebben aangeboden tijdens het Bod, moeten zich bewust zijn dat wanneer het Bod gestand wordt gedaan en een dergelijke Juridische Fusie wordt geïmplementeerd, met uitzondering van de mate en voor de periode dat een verkooprecht is gegarandeerd in overeenstemming met de vorige zin, de aandelen in de Fuserende Entiteit die zij ontvangen in ruil voor hun Aandelen niet liquide zullen zijn en niet vrijelijk kunnen worden verhandeld.

Een ander gevolg van het feit dat de Fuserende Entiteit in een Opwaartse Juridische Fusie een niet genoteerde besloten vennootschap met beperkte aansprakelijkheid zal zijn, is dat statutaire bepalingen die van toepassing zijn op de governance van openbare of genoteerde ondernemingen niet van toepassing zullen zijn op de Fuserende Entiteit en de rechten van de minderheidsaandeelhouders in de Fuserende Entiteit beperkt zullen worden tot het wettelijke minimum.

Als een alternatief voor of voorafgaand aan een Juridische Fusie als hierboven beschreven kan de Bieder kiezen om een Juridische Fusie te implementeren waarbij de Fuserende Entiteit de Verdwijnende Entiteit zal zijn en Stork de Verkrijgende Entiteit. In een dergelijk geval zullen de aandeelhouders van Stork hun aandelen blijven houden. De aandelen die worden gehouden door de Fuserende Entiteit zullen worden ingetrokken en aan de Bieder of de aan de Bieder gelieerde (rechts) persoon die reeds aandeelhouder is van de Fuserende Entiteit zullen nieuwe aandelen worden uitgegeven, rekening houdend met alle activa of passiva die de Fuserende Entiteit bezit op de Fusiedatum, anders dan aandelen.

Een dergelijke ''Neerwaartse Juridische Fusie'' zal op zichzelf de notering van Stork aan Euronext Amsterdam of verhandelbaarheid van Aandelen niet beïnvloeden. Dit zal echter de Bieder en Stork niet verhinderen om te streven naar een beëindiging van die notering, als ze hiertoe bevoegd zijn onder de toepasselijke noteringregels. De Bieder kan, als en wanneer zij hiertoe bevoegd is, ook volgend op een Neerwaartse Juridische Fusie een Uitkoopprocedure starten met betrekking tot de aandelen in Stork die zij op dat moment niet bezit (anders dan de aandelen die Stork of haar dochtermaatschappijen bezitten). De voltooiing van het Bod en enige daaropvolgende maatregelen geïnitieerd door de Bieder en Stork, binnen de beperkingen gesteld door de toepasselijke wet-en regelgeving, zullen bovendien waarschijnlijk het handelsvolume van de Aandelen aanzienlijk verminderen en daarmee de liquiditeit van een aangehouden investering in de Aandelen na de Dag van Overdracht.

Nadat een Neerwaartse Juridische Fusie is geïmplementeerd, kan de Bieder beslissen om een Opwaartse Juridische Fusie te implementeren, met een andere Fuserende Entiteit dan degene die verdwenen is als gevolg van de Neerwaartse Juridische Fusie. De vorige subparagraaf betreffende een Opwaartse Juridische Fusie en de aandelen die zullen worden uitgegeven aan houders van aandelen in Stork, zal *mutatis mutandis* van toepassing zijn in een dergelijk geval.

In het geval dat de Bieder ervoor kiest een Juridische Fusie na te streven, zal het proces om dit te bereiken onderworpen zijn aan Titel 7 van Boek 2 van het Nederlandse Burgerlijk Wetboek en enige andere toepasselijke bepalingen van Nederlands recht. Het proces zal garanties bevatten om te verzekeren dat door onafhankelijke experts wordt bevestigd dat de ruilverhoudingen en verhoudingen, van toepassing op iedere respectievelijke klasse aandelen in Stork, redelijk zijn en zal uiteindelijk worden goedgekeurd door de Raad van Commissarissen, inclusief een meerderheid van stemmen van de onafhankelijke leden van de Raad van Commissarissen (zie subparagraaf 5.9.7).

Het proces vereist ook een besluit van de aandeelhoudersvergadering van de Verdwijnende Entiteit en, onder bepaalde omstandigheden, van de algemene vergadering van aandeelhouders van de Verkrijgende Entiteit. Aandeelhouders moeten zich echter bewust zijn dat deze garanties en procedures de Verkrijgende Entiteit, waarvan zij aandeelhouders zullen zijn vanaf de Fusiedatum, er niet van weerhouden om substantieel meer schulden te hebben in verhouding tot zijn balanstotaal dan Stork momenteel heeft.

15.11.4 Verkoop van activa

Op elk moment nadat het Bod gestand is gedaan, kunnen de Bieder en Stork stappen nemen om een verkoop door Stork van alle of nagenoeg alle of een substantieel deel van haar activa aan een onderneming direct of indirect volledig eigendom van de Bieder of van een (rechts) persoon gelieerd aan de Bieder, te effectueren.

Indien nodig of gewenst, zal een bevestiging van de redelijkheid van een dergelijke transactie worden gevraagd van onafhankelijke experts. Voor een dergelijke transactie zal daarnaast de goedkeuring van de Raad van Commissarissen zijn vereist, inclusief een meerderheid van de onafhankelijke leden (zie subparagraaf 5.9.7), alsmede de goedkeuring van de algemene vergadering van aandeelhouders van Stork (inclusief de Bieder). Na een verkoop door Stork van alle of nagenoeg alle van haar activa, kan Stork worden geliquideerd, in welk geval de opbrengsten van de transactie worden verdeeld onder haar aandeelhouders, in overeenstemming met de bepalingen van de statuten van Stork van kracht op het relevante tijdstip.

15.11.5 Overige mogelijke maatregelen

De Bieder behoudt zich het recht voor om elke juridisch toegestane methode aan te wenden om 100% van Stork's aandelenkapitaal te verkrijgen, alsmede om de structuur van Stork in lijn te brengen met de nieuwe houdster- en financieringsstructuur die zal bestaan zodra het Bod gestand is gedaan, inclusief de inbreng van activa door de Bieder in Stork tegen de uitgifte van aandelen in het kapitaal van Stork, daarbij de voorkeursrechten (indien aanwezig) van Aandeelhouders uitsluitend, dit alles in overeenstemming met het Nederlands recht en de statuten van Stork die van kracht zijn op het relevante tijdstip.

Tenslotte houdt de Bieder zich het recht voor om zich te richten op wijziging van de bedrijfs- en kapitaalsstructuur van Stork, met inbegrip van interne reorganisaties, wijziging van de accountingmethodes zoals deze worden toegepast door Stork, wijziging van de Stork Statuten, een liquidatie, een splitsing zoals beschreven in artikel 2:334a van het Nederlandse Burgerlijke Wetboek of een claimemissie, alles met inachtneming van de relevante bepalingen van het Nederlands recht en de Stork Statuten (zoals die van tijd tot tijd worden gewijzigd). Gedane uitkeringen kunnen de vorm hebben van een uitkering uit de reserves, een interim dividend, een slotdividend, een betaling na intrekking of in het geval Stork wordt geliquideerd, een uitkering van de liquidatieopbrengsten.

15.12 Dividendbeleid

De Bieder is van plan het dividendbeleid van Stork in belangrijke mate te wijzigen indien het Bod gestand wordt gedaan. De Bieder verwacht kort na de Dag van Overdracht op te zullen houden met het uitkeren van reguliere dividenden in contanten, met inachtneming van bepalingen van Nederlands recht. Enig dividend dat uitgekeerd wordt in de nabije toekomst kan eenmalig van aard zijn. De hoogte en de aard van eenmalige dividenden (voor zover aanwezig) zal afhankelijk zijn van meerdere factoren maar kan significant zijn. Uitkeringen die worden gedaan op de relevante aandelen na de Dag van Overdracht (voor zover aanwezig) zullen worden afgetrokken van de waarde per aandeel omwille van het vaststellen van de waarde per Aandeel in het geval van een Juridische Fusie of andere relevante maatregel zoals beschreven in subparagraaf 5.9.3.

15.13 Werknemersbelangen

De Centrale Ondernemingsraad van Stork heeft advies gegeven overeenkomstig artikel 25 lid 1 Wet op de Ondernemingsraden en is ermee akkoord dat Stork doorgaat met het Bod en de verkoop van Stork Food Systems. De Bieder ondersteunt dat in samenhang met dit advies, de verplichtingen uiteengezet in subparagraaf 5.9.5 zijn neergelegd in een convenant afgesloten met de Ondernemingsraad van Stork. Consultatie van de vakbonden heeft eveneens plaatsgevonden en de Sociaal Economische Raad is geïnformeerd over het Bod overeenkomstig het SER-Besluit Fusiegedragsregels 2000.

15.14 Toekomstige samenstelling van de Raad van Commissarissen en de Raad van Bestuur

Het is op dit moment beoogd dat met ingang van de Dag van Overdracht de Raad van Bestuur zal bestaan uit tenminste drie (3) leden, waaronder in ieder geval de heer Sj.S. Vollebregt, de heer J.C.M. Schönfeld en de heer H.E.H. Bouland.

Alle huidige leden van de Raad van Commissarissen zullen onmiddellijk ontslag nemen per de Dag van Overdracht, op voorwaarde dat het Bod gestand is gedaan. De leden van de ESB zullen ontslag nemen vanaf de datum dat zij door de Ondernemingskamer ontslagen zijn van hun verplichtingen. De aftredende leden van de Raad van Commissarissen zullen een pro rata deel (welk deel overeen zal stemmen met het gedeelte van het jaar dat zij lid waren van de Raad van Commissarissen) ontvangen van hun jaarlijkse vergoeding als lid van de Raad van Commissarissen.

Het is op dit moment beoogd dat met ingang van de Dag van Overdracht, de Raad van Commissarissen zal bestaan uit de heer J.H Schraven als voorzitter (onafhankelijk in de zin van de Nederlandse corporate governance code), de heer M.S. Gumienny als vice-voorzitter (vertegenwoordiger van de Bieder), de heer E.J.F.H.C. Ernst (vertegenwoordiger van de Bieder) en de heer P.F. Hartman (voorgedragen door de Ondernemingsraad van Stork en onafhankelijk in de zin van de Nederlandse corporate governance code).

Na de Dag van Overdracht

Na de Dag van Overdracht zal de heer C.J. van den Driest door de Raad van Commissarissen worden voorgedragen ter benoeming door de eerste aandeelhoudersvergadering na de Dag van Overdracht. De heer C.J. van den Driest zal worden voorgedragen op aanbeveling van de Centrale Ondernemingsraad van Stork en zal geacht worden onafhankelijk te zijn (in de betekenis van dit begrip zoals beschreven in de Nederlandse corporate governance regels).

Landbanki en Eyrir Invest hebben gezamenlijk het recht de Raad van Commissarissen te verzoeken een (1) persoon op aanbeveling van Landsbanki en Eyrir Invest voor te dragen ter benoeming als lid van de Raad van Commissarissen door de aandeelhoudersvergadering. Landsbanki en Eyrir Invest hebben aangegeven aan de Bieder dat zij voornemens zijn dit recht in de toekomst uit te oefenen en in ieder geval na de verkoop van Stork Food Systems.

De aandeelhoudersvergadering heeft te allen tijde het recht om het aantal leden van de Raad van Commissarissen te verhogen, in welk geval, afhankelijk van goedkeuring door de algemene vergadering van aandeelhouders, de Raad van Commissarissen extra leden voor de Raad van Commissarissen voor zal dragen ter benoeming door de aandeelhoudersvergadering. Daarnaast zal het reglement van de Raad van Commissarissen vanaf de Dag van Overdracht bepalen dat de vice-voorzitter van de Raad van Commissarissen een beslissende stem zal hebben indien de Raad van Commissarissen acht (8) leden heeft.

15.15 Verplichtingen na de Overdracht

Centaurus en Paulson hebben zich tegenover de Bieder verplicht om, onmiddellijk na de Dag van Overdracht, alle noodzakelijke maatregelen te nemen om beëindiging van de procedure, momenteel aanhangig tussen Stork aan de ene kant en Centaurus en Paulson inclusief aan hen gelieerde ondernemingen tezamen met enkele belanghebbende partijen aan de andere kant, te ondersteunen (inclusief de beëindiging van de aanhangige enquête en de voorlopige maatregelen opgelegd bij de beslissing van de Ondernemingskamer gedateerd op 17 januari 2007 en de daaropvolgende aanstelling van de ESB leden op 26 januari 2007).

15.16 Aanbevelingen van de Raad van Commissarissen en de Raad van Bestuur

De Raad van Commissarissen en de Raad van Bestuur hebben de strategische-, financiële- en sociale aspecten en gevolgen van het Bod grondig en uitvoerig overwogen en zijn tot de conclusie gekomen dat het Bod in het beste belang is van Stork, de Aandeelhouders en alle andere belanghebbenden van Stork.

Gedurende het proces zijn de Raad van Commissarissen en de Raad van Bestuur op regelmatige basis bijeengekomen om de voortgang van het proces en om de belangrijkste beslissingen die in dat kader moesten worden genomen, te bespreken. De belangrijkste bepalingen en voorwaarden van het Bod zijn tussen Stork en de Bieder pas overeengekomen na de voorafgaande goedkeuring van de Raad van Commissarissen.

De Raad van Commissarissen en de Raad van Bestuur zijn van mening dat de Biedprijs en de andere bepalingen en voorwaarden van het Bod redelijk en eerlijk zijn voor de Aandeelhouders. In dat kader wordt verwezen naar fairness opinions afgegeven door ABN AMRO, zoals opgenomen in Hoofdstuk 6 (Fairness Opinion ABN AMRO) en Kempen & Co zoals opgenomen in Hoofdstuk 7 (Fairness Opinion Kempen & Co) van dit Biedingsbericht. Onder verwijzing naar het bovenstaande steunen de Raad van Commissarissen en de Raad van Bestuur het Bod unaniem en bevelen zij de Aandeelhouders unaniem aan om het Bod te accepteren.

27 november 2007

Raad van Commissarissen	**Raad van Bestuur**
P.J. Kalff	Sj.S. Vollebregt
A. van der Velden	J.C.M. Schönfeld
J. Aalberts	H.E.H. Bouland
C.J. van den Driest	
D.G. Eustace	
W. Kok	
C.J.A. van Lede	

15.17 Aankondigingen

Aankondigingen in verband met gestanddoening van het Bod en een verlenging van de Aanmeldingstermijn zullen door middel van een persbericht worden gedaan en tevens worden gepubliceerd in *de Officiële Prijscourant* van Euronext Amsterdam en in ten minste één landelijk Nederlands dagblad (*Het Financieele Dagblad* of *NRC Handelsblad*). Met inachtneming van de Fusieregels en zonder de wijze waarop de Bieder een publieke aankondiging kan doen te beperken, heeft de Bieder geen verplichting enige publieke aankondiging te doen anders dan hierboven beschreven.

15.18 Beoogd tijdschema

Verwachte Datum en Tijd	Gebeurtenis
(Alle tijden zijn in CET)	
14 december 2007	Publicatie van het persbericht met betrekking tot de verkrijgbaarstelling van het Biedingsbericht, publicatie van het Biedingsbericht overeenkomstig artikel 10 van het Bob Wft en de aanvang van het Bod
09:00 uur, 17 december 2007	Aanvang van de Aanmeldingstermijn onder het Bod overeenkomstig artikel 14 van het Bob Wft
15:00 uur, 4 januari 2008	Buitengewone Algemene Vergadering van Aandeelhouders, waarin onder andere het Bod zal worden toegelicht en besproken, overeenkomstig het bepaalde in artikel 18 van het Bob Wft
15:00 uur, 14 januari 2008, behoudens verlenging	*Sluitingsdatum* Uiterste datum waarop Aandeelhouders hun Aandelen onder het Bod kunnen aanmelden
Uiterlijk drie Handelsdagen na de Sluitingsdatum	*Dag van Gestanddoening* De dag waarop de Bieder openbaar aankondigt of het Bod gestand wordt gedaan, overeenkomstig de Fusieregels. Volgens artikel 16 lid 1 van het Bob Wft is dit uiterlijk drie Handelsdagen na de Sluitingsdatum
Uiterlijk drie Handelsdagen na de Dag van Gestanddoening	*Dag van Overdracht* De datum waarop, overeenkomstig de Voorwaarden van het Bod, de Bieder zal overgaan tot betaling van de Biedprijs per Aandeel aan de Aandeelhouders die op geldige wijze hun Aandelen hebben aangemeld (of op ongeldige wijze, mits de Bieder de aanmelding en levering daarvan desalniettemin aanvaardt) en geleverd voor de Sluitingsdatum, onder de voorwaarde dat het Bod gestand wordt gedaan, zijnde uiterlijk drie Handelsdagen na de Dag van Gestanddoening.

15.19 Verkrijgbaarheid informatie

Digitale exemplaren van dit biedingsbericht zijn verkrijgbaar op de website van Stork (www.stork.com). De website van Stork maakt op geen enkele wijze deel uit van dit Biedingsbericht. Exemplaren van dit Biedingsbericht zijn verder kosteloos verkrijgbaar op het hoofdkantoor van Stork, het Omwissel- en Betaalkantoor en het informatiekantoor op onderstaande adressen.

Exemplaren van de London Acquisition Statuten zijn kosteloos verkrijgbaar op het kantoor van London Acquisition en kunnen verkregen worden door contact op te nemen met London Acquisition op onderstaand adres. Aangezien London Acquisition een nieuw opgerichte vennootschap is, is er geen jaarverslag van de Bieder beschikbaar.

Exemplaren van de Stork Statuten, de voorgestelde statuten van Stork, de financiële informatie met betrekking tot de jaarrekening van Stork voor het Boekjaar 2006, het Boekjaar 2005 en het Boekjaar 2004 zoals goedgekeurd door de algemene vergadering van Aandeelhouders van Stork, welke documenten door middel van verwijzing (*incorporation by reference*) zijn opgenomen in, en een onderdeel vormen van het Biedingsbericht, zijn kosteloos verkrijgbaar op het kantoor van Stork en het informatiekantoor en kunnen verkregen worden door contact op te nemen met Stork of het informatiekantoor op onderstaande adressen.

Adressen:

London Acquisition B.V.
Strawinskylaan 3105
1077 ZX Amsterdam
Nederland

Stork N.V.
Amersfoortsestraatweg 7
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Omwissel- en Betaalkantoor
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Informatiekantoor
Georgeson
86 Upper Thames Street
London EC4V 3BJ
Verenigd Koninkrijk
Tel: 00 800 1020 1200
(wereldwijd voor aandeelhouders gratis nummer)

16. Advisers

Advisers to the Offeror

Financial advisers	Legal advisers
Barons Financial Services (UK) Ltd 24 Parkside Knightsbridge London, SW1X 7JW United Kingdom	Clifford Chance LLP Droogbak 1A 1013 GE Amsterdam The Netherlands
Goldman Sachs International Peterborough Court 133 Fleet Street London, EC4A 2BB United Kingdom	

Advisers to Stork

Financial advisers	Legal advisers	Auditors
To the Company ABN AMRO Bank N.V. Gustav Mahlerlaan 10 1082 PP Amsterdam The Netherlands	*To the Company* De Brauw Blackstone Westbroek N.V. Tripolis Burgerweeshuispad 301 1076 HR Amsterdam The Netherlands	KPMG Accountants N.V. Burgemeester Rijnderslaan 10-20 1185 MC Amstelveen The Netherlands
To the Supervisory Board Kempen & Co Corporate Finance B.V. Beethovenstraat 300 1077 WZ Amsterdam The Netherlands	*To the Supervisory Board* NautaDutilh N.V. Strawinskylaan 1999 1077 XV Amsterdam The Netherlands	
	Stibbe N.V. Strawinskylaan 2001 1077 ZZ Amsterdam The Netherlands	

SCHEDULE 1

Proposed Articles of Association of Stork N.V.

ARTICLES OF ASSOCIATION OF STORK N.V.

a public limited company with registered office in Amsterdam (Netherlands)

Deed of amendment to Articles of Association dated [•] 2007 signed before R.J.C. van Helden, notary public in Amsterdam. Ministerial declaration of no objection dated [•] 2007, number N.V. 67.059.

NAME AND REGISTERED OFFICE

Article 1

1. The name of the company is: **Stork N.V.**
2. The company has its registered office in Amsterdam.

OBJECT

Article 2

1. The object of the company is: the formation of, the participation in, the financing of and the management of companies which engage in the development, design, manufacture, sale, installation and maintenance of industrial systems and products, as well as systems and products in the field of aviation and space travel, all this in the widest sense of the word;
2. The company can participate in, take an interest in or conduct the management of other companies and enterprises;
3. The company can borrow, lend or raise funds, including the issue of bonds, promissory notes or other securities or evidence of indebtedness as well as enter into agreements in connection with the aforementioned;
4. The company can render guarantees, bind the company and pledge its assets for obligations of the companies and enterprises with which it forms a group and on behalf of third parties;
5. The company can do everything pertaining to the foregoing, relating thereto or conducive thereto, all in the widest sense of the word.

POLICY

Article 3

The company intends to promote:

1. the direct interests of all whose income depends on the existence and prosperity of the company, both of those who have a share in its capital and of those who contribute their labour to the enterprise connected with the company;
2. the indirect interests of very many, resulting from the social function of the company.

CAPITAL

Article 4

1. The authorised share capital of the company is fifty million euro (€50,000,000.-).

   The authorised share capital is divided into fifty million (50,000,000) ordinary shares;

   Each share has a nominal value of one euro (€1.-).

ISSUE OF SHARES

Article 5

1. Shares that have not yet been subscribed to will be issued pursuant to a resolution of the General Meeting of Shareholders insofar and so long as the General Meeting of Shareholders has not

designated another corporate body to exercise that power. The shares will be issued at the price fixed by the body authorised to this, but not below par, subject to the provisions in Article 2:80, paragraph 2 of the Civil Code. A resolution to issue shares can be passed on a proposal of the Management Board subject to the approval of the Supervisory Board.

2. Unless otherwise provided at the designation as mentioned in paragraph 1 of this article, such designation cannot be revoked and will make the General Meeting of Shareholders unauthorised to issue shares for the duration of the designation.

3. If the Management Board has been designated as the body empowered to issue shares, with approval of the Supervisory Board, this authority concerns all as yet unissued shares, subject to an express limitation in a designation as referred to in paragraph 1 of this article, including those shares that can be issued after any later increase of the authorised capital.

4. The shares will be issued against full payment.

PRE-EMPTIVE RIGHT AT ISSUE

Article 6

1. When issuing shares against contribution in cash each holder of shares will have a pre-emptive right in proportion to the joint amount of his shares. A shareholder does not have a pre-emptive right to shares issued to employees of the company or of a group company.

2. Subject to any statutory provisions, the pre-emptive right can at each issue be limited or excluded by the body empowered to effect the issue. The prior approval of the Supervisory Board is required for such a resolution.

ACQUISITION OF THE COMPANY'S OWN SHARES

Article 7

1. The company may only acquire fully paid-up shares in its capital for no consideration or if:

    (a) its net assets less the acquisition price are not less than the sum of the paid and called-up part of the capital and the reserves which must be maintained by law or under the articles of association, and

    (b) the nominal amount of the shares in its capital which the company acquires, holds or holds as pledgee or which are held by a subsidiary does not exceed more than one-tenth of the issued capital. The company may dispose of shares acquired in its own capital on a proposal of the Management Board with the approval of the Supervisory Board.

2. The General Meeting of Shareholders must authorise the Management Board, subject to approval by the Supervisory Board, for acquiring shares other than for no consideration. Such authorisation will be valid for at most eighteen months. In the authorisation the General Meeting of Shareholders must specify the number of shares which may be acquired, the manner in which they may be acquired and the limits within which the price must be set.

3. The company may not cast any votes in respect of shares held by the company or on which it has a right of usufruct or pledge. Neither can the pledgee or usufructary of a share held by the company itself cast a vote in respect of such a share if the right has been created by the company. No votes may be cast in respect of shares for which the depositary receipts are held by the company. The above applies by analogy to shares or depositary receipts held by subsidiaries or on which the latter have a right of usufruct or pledge. When establishing if a certain part of the issued capital has been represented or if a majority represents a certain part of the issued capital, such capital is reduced by the amount of the shares in respect of which no votes may be cast.

REDUCTION OF THE ISSUED CAPITAL

Article 8

1. Subject to the provisions in Article 2:99 of the Civil Code, the General Meeting of Shareholders may resolve to reduce the issued capital by cancelling shares or by reducing the nominal amount of the shares by amending the articles of association.

2. A partial repayment on shares must be made in respect of all shares.

SHARES, DEFINITIONS

Article 9

1. **Wge:** Securities (Bank Giro Transactions) Act (*Wet giraal effectenverkeer*);

   Necigef: Dutch Central Securities Depository (*Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.*) in Amsterdam, the Central Institute within the meaning of the Wge;

   affiliated institution: an affiliated institution within the meaning of the Wge;

   participant: participant in the collective depot as referred to in the Wge;

   collective depot: collective depot within the meaning of the Wge.

2. The ordinary shares are in registered form or in bearer form. The ordinary shares shall be in bearer form unless the shareholder requests them to be in registered form. Registered ordinary shares shall not be included in a collective depot.
3. If a registered share or a restricted right on it belongs to a community, the participants can only be represented vis-à-vis the company by one or more persons designated by them for this purpose in writing. In such designation the joint participants can specify that, if a participant so requires, such number of votes will be cast according to his directions as corresponds with the part he is entitled to.

SHAREHOLDERS REGISTER

Article 10 A

1. The Management Board will keep a register in respect of the holders of registered shares, or it will see to it that such a register is kept, in which such entries and notes will be made, of which such extracts will be issued and which will be deposited for inspection in such a way and for such persons as prescribed by the law.
2. Every holder, usufructary and pledgee of a registered share is obliged to inform the Management Board in writing of his address and of any change therein.
3. The Management Board will issue free of charge to a shareholder, usufructary or pledgee at his request an unmarketable extract from the register in respect of his right to a registered share.

USUFRUCT AND PLEDGE OF SHARES, ISSUANCE OF DEPOSITARY RECEIPTS OF SHARES

Article 10 B

1. The shareholder has the voting right of pledged shares or shares in respect of which a right of usufruct has been created, unless the voting rights are assigned to the beneficiary of the right of usufruct or the beneficiary of the pledge upon creation of such right of usufruct or pledge.
2. The shareholder without voting rights and the beneficiary of the right of usufruct or pledge with voting rights, have the rights attributed by law to holders of depositary receipts issued with the cooperation of the company.
3. The rights attributed by law to the holders of depositary receipts issued with the cooperation of the company are not granted to the beneficiary of the right of usufruct or pledge without voting rights.
4. The company shall not lend its cooperation to the issue of depositary receipts for its shares.

SHARE CERTIFICATES

Article 11

1. No certificates for registered shares are issued.
2. All bearer shares will be represented by one share certificate.

3. The company will have this share certificate kept in safe custody by Necigef for the benefit of the entitled person(s).

4. The company will confer a right to a bearer share on an entitled person by (a) having Necigef enable the company to add a share to the share certificate and (b) by the entitled person designating an affiliated institution that will accordingly credit him as participant in its collective depot.

5. Without prejudice to the provisions in the second and third sentence of Article 31, paragraph 1, of these articles of association, Necigef will be irrevocably charged with the management of the share certificate and be irrevocable authorised on behalf of the entitled person(s) to perform all acts in respect of the shares concerned, including acceptance, delivery and lending cooperation in the crediting and debiting of the share certificate.

MANAGEMENT AND SUPERVISION

Article 12

1. Articles 2:158 to 2:164 inclusive of the Civil Code apply to the company. The company is managed by a Management Board.

2. The management is supervised by a Supervisory Board consisting of at least five persons. The Management Board consists of at least three members. The General Meeting of Shareholders will determine the number of members of the Management Board and of the Supervisory Board.

3. The majority of the members of the Management Board, including the chairman, must have the nationality of one of the member states of the European Community.

4. In the event of absence or inability to act of one or more members of the Management Board, the remaining member(s) of the board will be charged with the management of the company. In the event of absence or inability to act of all members of the Management Board, the Supervisory Board will be charged temporarily with the management, without prejudice to its authority to delegate the management temporarily to one or more persons, whether or not members of the Supervisory Board.

MANAGEMENT BOARD

Article 13

1. The members of the Management Board will be appointed and dismissed by the Supervisory Board. A director will be appointed for a period of four years and will immediately qualify for reappointment.

2. Before going over to appointment the Supervisory Board will convene a General Meeting of Shareholders, at which meeting it will be notified whom the Supervisory Board intends to appoint as member of the Management Board.

3. The Supervisory Board will not dismiss a member of the Management Board until the General Meeting of Shareholders has been consulted on the intended dismissal; the member of the Management Board who the Supervisory Board intends to dismiss will be given the opportunity to be heard by the General Meeting of Shareholders.

4. The members of the Management Board may at any time be suspended by the Supervisory Board.

5. In the event of suspension of a member of the Management Board a meeting of the Supervisory Board will be held within three months after the date of suspension, at which meeting the suspension will be terminated or a decision will be made about the intention to dismiss the suspended member. At the meeting the suspended member will be given the opportunity to account for himself. The suspension will terminate by operation of the law when the Supervisory Board has failed to take a decision within the stated period of three months, as well as when no General Meeting of Shareholders, as referred to in paragraph 3 of this article, has been convened within one month after a decision intending to dismiss the member of the Management Board has been taken.

6. The Supervisory Board will choose a chairman and a deputy chairman of the Management Board from among the members of the Management Board.

7. The Supervisory Board may appoint a presidium of at least two and at most three members from among the members of the Management Board. The chairman of the presidium will be the chairman of the Management Board.

8. The presidium will in particular be charged with the general policy of the company and with the coordination of the management. After having heard the Management Board and subject to the approval of the Supervisory Board and with due observance of the provisions in Article 12, paragraph 1, and in the preceding sentence, the presidium will determine the allocation of tasks to the members of the Management Board.

9. The Supervisory Board may lay down further rules about the meetings of and the decision-making process in the Management Board.

10. The Management Board will remain a lawfully composed body even if the board is not complete.

REMUNERATION

Article 14

1. The company has a policy in respect of the remuneration of the Management Board. The policy will be adopted by the General Meeting of Shareholders. The remuneration policy will at least contain arrangements about payments at termination of the employment, profit-sharing arrangements and bonus payments as well as rewards payable in the future.

2. The remuneration policy will be submitted for information to the Works Council, in writing and simultaneously with the presentation to the General Meeting of Shareholders.

3. If the remuneration policy includes an arrangement for payment in the form of shares or for subscribing to shares, the Supervisory Board will submit it for approval to the General Meeting of Shareholders. The proposal must at least determine how many shares or rights to subscribe to shares may be awarded to the Management Board and which criteria apply for award or modification. The Supervisory Board for that matter will remain authorised to determine the remuneration of individual members of the Management Board. The lack of approval of the General Meeting does not affect the representative authority of the body.

Article 15

1. The Management Board represents the company in and out of court.

2. The Management Board is charged with the management of the business of the company and with the management of its assets.

3. The general representative authority of the company will vest in two jointly acting persons, being directors or holders of power of attorney to whom such authority has been granted.

4. The Management Board may appoint such general or special holders of power of attorney, assigning them such title and such authority as the Management Board will consider appropriate; these holders of power of attorney may be declared to have sole representative authority of the company abroad.

5. The approval of the Supervisory Board will be required for resolutions of the Management Board relating to:

   (a) The issue and acquisition of shares of the company and debt instruments issued by the company or of debt instruments issued by a limited partnership or a general partnership of which the company is a general partner with full liability;

   (b) Cooperation in the issue of depositary receipts for shares;

   (c) Application for listing or withdrawal of listing on any stock exchange of the securities referred to under (a) and (b);

   (d) the entering into or termination of long-term cooperation of the company or a dependent company with another legal entity or company or as a fully liable partner in a limited partnership or a general partnership if such cooperation or termination is of fundamental importance to the company;

(e) the acquisition of a participation worth at least one quarter of the company's issued capital plus the reserves according to the balance sheet and explanatory notes, by the company or a dependent company in the capital of another company, and any substantial increase or decrease of such a participation;

(f) investments requiring an amount equal to at least one quarter of the company's issued capital plus the reserves according to its balance sheet and explanatory notes;

(g) a proposal to amend the articles of association;

(h) a proposal to dissolve the company;

(i) a petition for bankruptcy or a request for suspension of payments;

(j) the termination of the employment of a considerable number of the company's employees or of a dependent company's employees simultaneously or within a short period of time;

(k) a significant change in the employment conditions of a considerable number of the company's employees or of a dependent company's employees;

(l) a proposal to reduce the issued capital of the company;

6. The Management Board is authorised without instruction from the General Meeting of Shareholders, but subject to approval by the Supervisory Board to enter into agreements:

(a) relating to the subscription for shares by third parties, whereby special obligations are imposed on the company;

(b) concerning the acquisition of shares by third parties on different terms than on which the public is invited to participate in the company;

(c) concerning the non-cash contribution on shares.

7. The approval of the General Meeting of Shareholders is required for the resolutions of the Management Board about an important change of the identity or the nature of the company or the enterprise, including in any case:

(a) the transfer of the enterprise or almost the whole enterprise to a third party;

(b) the entering into or termination of long-term cooperation of the company or a subsidiary with another legal entity or company or as a fully liable partner in a limited partnership or a general partnership if such cooperation or termination is of fundamental importance to the company;

(c) the acquisition or disposal, by the company itself or by a subsidiary, of a participation in the capital of a company amounting to at least one third of the amount of the assets according to the balance sheet and explanatory notes or, if the company draws up a consolidated balance sheet, according to the consolidated balance sheet and explanatory notes according to the most recently adopted annual accounts of the company, by the company or one of its subsidiaries.

8. The Supervisory Board is authorised to subject to its approval resolutions of the board other than those mentioned above. These resolutions need to be clearly described and notice thereof needs to be given to the Management Board.

SUPERVISORY BOARD

Article 16

1. The duties of the Supervisory Board will be to supervise the policy of the Management Board and the general course of affairs of the company and the enterprise connected therewith and to give advice to the Management Board. In the performance of its duties the Supervisory Board will be guided by the interest of the company and the enterprise connected therewith and while doing so it will weigh the relevant interests of those involved in the company. The Supervisory Board is responsible for the quality of its own performance.

2. Subject to the provisions in paragraph 8, the supervisory directors will be appointed by the General Meeting of Shareholders on nomination of the Supervisory Board. The Supervisory Board will simultaneously inform the General Meeting of Shareholders and the Works Council of the nomination. The reasons for the nomination must be given. Without prejudice to the provisions in Article 2:160 of the Civil Code, the articles of association cannot restrict the circle of persons eligible for appointment.

3. The General Meeting of Shareholders and the Works Council may recommend persons to the Supervisory Board to be nominated as supervisory director. The board will inform them well in advance when, for what reason and according to which profile a vacancy must be filled. If the enhanced right of recommendation referred to in paragraph 4 applies to the vacancy, the Supervisory Board will also give notice of this.

4. For one third of the number of members of the Supervisory Board it applies that the Supervisory Board will place a person recommended by the Works Council on the nomination list, unless the Supervisory Board objects to the recommendation based on the expectation that the recommended person will be unsuitable for the performance of the duties of a supervisory director or that, when the appointment is made according to the recommendation, the Supervisory Board will not be suitably composed. If the number of the members of the Supervisory Board cannot be divided by three, the nearest lower number which can be divided by three will be taken for determining the number of members to which this enhanced right of recommendation applies.

5. The Works Council may recommend persons for appointment as supervisory director. The person who convenes the General Meeting of Shareholders will inform the Works Council well in advance that the appointment of supervisory directors will be a matter for discussion at the General Meeting, stating whether a supervisory director will be appointed in accordance with the right of recommendation of the Works Council by virtue of Article 2:158, paragraph 6 of the Civil Code.

6. If the Supervisory Board raises an objection, it will inform the Works Council of the objection while stating reasons. The Supervisory Board will without delay enter into consultations with the Works Council with a view to reaching agreement about the nomination. If the Supervisory Board observes that no agreement can be reached, a representative of the Supervisory Board designated for this purpose will request the Enterprises Division of the Amsterdam Court of Appeal to declare the objection well founded. The request will be submitted no earlier than after four weeks have expired after commencing the consultations with the Works Council. The Supervisory Board will place the recommended person on the nomination list if the Enterprises Division declares the objection unfounded. If the Enterprises Division declares the objection well-founded, the Works Council may make a new recommendation in accordance with the provisions in paragraph 4.

7. The Enterprises Division will call upon the Works Council to appear in court. The decision of the Enterprises Division is not open to appeal. The Enterprises Division may not make an order for costs.

8. The General Meeting of Shareholders may reject the nomination with an absolute majority of the votes cast representing at least one third of the issued capital. If not at least one third of the issued capital was represented at the meeting, a new meeting may be convened at which the nomination can be rejected with an absolute majority of the votes cast. In that case the Supervisory Board will draw up a new nomination. Paragraphs 3 to 7 inclusive will apply. If the General Meeting of Shareholders does not appoint the nominated person and does not decide to reject the nomination, the Supervisory Board will appoint the nominated person.

9. The General Meeting of Shareholders may transfer its authority under paragraph 3 to a committee of shareholders whose members it shall nominate for a period it shall determine up to a maximum of two consecutive years on each occasion; in such cases, the Supervisory Board will provide the information referred to in paragraph 3 to the committee. The General Meeting of Shareholders may revoke this transfer of authority at any time.

10. For the purpose of this article the Works Council is understood to mean the Works Council of the enterprise of the company or of the enterprise of a dependent company. If there is more than one Works Council, the powers of this article will be exercised separately by these councils. If there is

a nomination as referred to in paragraph 4, the powers of this paragraph will be exercised jointly by these councils. If a central Works Council has been set up for the enterprise or enterprises in question, the powers of the Works Council according to this article will vest in the central Works Council.

Article 17

1. A supervisory director will resign on the day of the first General Meeting of Shareholders when four years have passed since his appointment as supervisory director.
2. The retiring supervisory director will immediately qualify for reappointment. A supervisory director may serve at most three periods of four years as a member of the Supervisory Board.
3. The Supervisory Board will remain lawfully composed even if the board is not complete.
4. The position of supervisory director may not be held by:
   (a) persons employed by the company;
   (b) persons employed by a legal entity, in which the company participates for at least half of the issued capital;
   (c) officers and persons employed by an employees' organisation customarily involved in the establishment of the terms of employment of the persons referred to under a. and b.
5. If there are no members of the Supervisory Board, the appointment will be made by the General Meeting of Shareholders in accordance with the provisions in Article 2:159 of the Civil Code.
6. A member of the Supervisory Board may be suspended by the Supervisory Board. The suspension will terminate by operation of the law if, within one month after the commencement of the suspension, the company has not submitted a request for removal of the person concerned to the Enterprises Division of the Amsterdam Court of Appeal. Upon application the Enterprises Division of the Amsterdam Court of Appeal may remove a supervisory director for dereliction of his duties, for other important reasons or on account of any far-reaching change of circumstances, as a result of which the company may not reasonably be required to maintain him as supervisory director. Such an application may be made by the company represented for this purpose by the Supervisory Board, and also by a representative designated for this purpose by the General Meeting of Shareholders or the Works Council.

Article 18

1. By an absolute majority of the votes cast representing at least one third of the issued capital, the General Meeting of Shareholders may abandon its confidence in the Board of Supervisory Directors. The reasons for the resolution must be given. The resolution may not be passed in respect of supervisory directors appointed by the Enterprises Division in accordance with paragraph 3 of this article.
2. A resolution as referred to in paragraph 1 will only be passed after the Management Board has notified the Works Council of the proposal for the resolution and the reasons for it. The notification will be effected at least thirty days prior to the General Meeting of Shareholders at which the proposal will be discussed. If the Works Council defines a position about the proposal, the Management Board will inform the Supervisory Board and the General Meeting of Shareholders of this position. The Works Council may explain its position at the General Meeting.
3. The resolution referred to in paragraph 1 will result in the immediate dismissal of the members of the Supervisory Board. In that case the Management Board will without delay request the Enterprises Division of the Amsterdam Court of Appeal to temporarily appoint one or more supervisory directors. The Enterprises Division will make an arrangement about the consequences of the appointment.
4. The Supervisory Board will promote that within a period determined by the Enterprises Division a new board will be constituted with due observance of Article 2:158 of the Civil Code.

Article 19

1. The Supervisory Board will appoint a chairman and deputy chairman from among its midst.

2. The division of duties of the Supervisory Board, as well as its working procedures will be laid down in bye-laws. In the bye-laws the Supervisory Board will include a passage about its contact with the Management Board, the General Meeting of Shareholders and the Works Council.

3. Minutes will be kept of the meetings of the Supervisory Board.

4. The resolutions of the Supervisory Board will be carried out by the chairman of the Supervisory Board or his deputy jointly with another member of the Supervisory Board.

5. The General Meeting of Shareholders—on a proposal of the Supervisory Board—will determine the remuneration of the supervisory directors. The remuneration will not depend on the results of the company.

Article 20

1. The Supervisory Board will have access to the company's offices and will be entitled to inspect the company's books, documents and values as well as its cash funds.

2. The Management Board is obliged to provide the Supervisory Board with all information asked for, concerning the company. If requested, the members of the Management Board will attend the meetings of the Supervisory Board, at which they will act in an advisory capacity. At least once per year the Management Board will inform the Supervisory Board in writing of the main features of the strategic policy, the general and financial risks and the management and control system of the company.

3. The members of the Supervisory Board will receive from the Management Board periodically, but at least three times per year a written report about the position and activities of the company in the past period.

Article 21

1. The Supervisory Board may appoint standing and/or ad hoc committees from among its midst and charge them with tasks to be specified by the Supervisory Board. The Supervisory Board will appoint in any case an audit committee and a remuneration committee. The Supervisory Board will as a whole be responsible for the selection and appointment of members of the Management Board. However, the Supervisory Board has the right to set up a separate selection and appointment committee. The Supervisory Board will remain responsible for decisions, even if they are prepared by committees constituted from the Supervisory Board.

2. The remuneration to be received by the members of the Supervisory Board will be fixed at a higher amount for the chairman, the deputy chairman and the delegated members of the board than for the other members of the Supervisory Board.

SHAREHOLDERS' COMMITTEE

Article 22

The General Meeting of Shareholders may resolve to appoint a Committee of shareholders as referred to in Article 2:158, paragraph 10, of the Civil Code. The appointment decision should describe which powers based on the law have been transferred to this Committee, and the relevant statutory provisions will apply to these powers and to the term of office of its members.

AUDITOR

Article 23

1. The Management Board is responsible for the quality and completeness of the financial reports that are made public. The Supervisory Board will see to it that the Management Board will discharge this responsibility.

2. The external auditor will be appointed by the General Meeting of Shareholders, on the recommendation of the Supervisory Board, whereby both the audit committee and the Management Board give advice to the Supervisory Board. The remuneration of and the instruction to carry out non-audit activities by the external auditor will be approved by the Supervisory Board on a proposal of the audit committee and after consultation with the Management Board.

3. The auditor will report on his audit to the Supervisory Board and the Management Board.
4. The auditor will convey the results of his audit in a report.

ANNUAL ACCOUNTS

Article 24

1. The financial year coincides with the calendar year.
2. Each year as of the thirty-first of December the books of the company will be closed and from them the Management Board will prepare annual accounts, consisting of a balance sheet and a profit and loss account plus, as an appendix, the explanatory notes to these documents, which documents will be submitted to the Supervisory Board before the first of May of the following year.
3. The annual accounts, with the auditor's report on them, as well as the annual report of the Management Board and the other information to be added by virtue of Article 2:392, paragraph 1, of the Civil Code, will be submitted for adoption to the General Meeting of Shareholders within five months after the end of the financial year of the company, subject to extension of this period by at most six months by the General Meeting of Shareholders because of special circumstances. The annual accounts will be signed by all members of the Management Board and the Supervisory Board. The documents referred to above will be simultaneously provided to the Works Council.
4. If any signature, as referred to in the preceding paragraph, is lacking, the reason for this will be stated on the documents.

Article 25

1. The annual report of the Management Board will be brought up for discussion at the annual meeting of shareholders.
2. From the day of the notice convening the General Meeting of Shareholders intended for discussing the annual report and the annual accounts until after the end of this meeting, the annual accounts with the auditor's report, as well as the annual report and the information to be added by virtue of Article 2:392, paragraph 1, of the Civil Code will be available for inspection by the shareholders at the office of the company and at a location to be designated by the Management Board. Each shareholder may obtain a complete copy of these documents free of charge.
3. At the annual General Meeting of Shareholders the discharge of the members of the Management Board and of the Supervisory Board will be brought up for discussion.
4. The company may only make distributions to the shareholders and other persons entitled to the profit intended for distribution insofar as the shareholders' equity exceeds the issued and called-up part of the capital plus the reserves which must be maintained by law.

DISTRIBUTION OF PROFITS

Article 26

1. Distribution of profits to the shareholders and others entitled to distribution of profits may be made only insofar as the net assets exceed the paid in and called up part of the capital plus the reserves which must be maintained by virtue of the law.
2. Distribution of profits may be made only after the annual accounts evidencing justification of such distribution are drawn up.
3. At the expense of the profit such a reserve will be made as the Management Board will determine subject to the approval of the Supervisory Board.
4. The then remaining profit will be at the disposal of the General Meeting of Shareholders.
5. Resolutions to discontinue the reserves formed by virtue of paragraph 3 in part or in full can only be passed by the General Meeting of Shareholders.

Article 27

1. The General Meeting of Shareholders determines when the dividend and other distributions will be made payable; the Management Board determines the places at which the dividend will be made payable; this will be announced in at least one nationally distributed newspaper.

2. Subject to the approval of the Supervisory Board and insofar as the profit permits as evidenced by an interim statement of assets and liabilities, with due observance of the provisions in Article 2:105, paragraph 4, of the Civil Code, the Management Board is entitled one or more times in the course of a financial year to pay dividend already before the annual accounts have been adopted by the General Meeting of Shareholders.

3. Claims in respect of profit distributions will lapse after five years, counted from the day on which the profit will be payable.

GENERAL MEETINGS

Article 28

1. The General Meetings of Shareholders will be held in Amsterdam, Schiphol (*Municipality Haarlemmermeer*), The Hague, Utrecht, Hengelo (*Overijssel*) or Naarden.

2. The General Meetings of Shareholders will be convened by the Management Board or the Supervisory Board or any individual Supervisory Board member no later than on the fifteenth day prior to that of the meeting by means of an announcement in at least one nationally distributed newspaper.

Article 29

1. The annual General Meeting of Shareholders will be held no later than in the month of June.

2. Extraordinary General Meetings of Shareholders will be held if convened by the Management Board or the Supervisory Board or any individual Supervisory Board member, or if shareholders representing at least ten per cent (10%) of the issued capital deem this necessary. If in spite of a request to that effect from shareholders—on submission of such documents, to be approved by the Management Board, which show that they represent an interest of ten per cent (10%)—no meeting is convened in accordance with the preceding sentence, such that such meeting is held within six weeks after the request, the said shareholders may themselves go over to convening the meeting.

3. The notice convening the General Meeting of Shareholders will state the subjects to be considered or it will state that the shareholders may inspect the same at the office of the company and at a place to be designated by the Management Board, without prejudice to the provisions in Article 32, paragraph 2.

4. If one or more holders of shares who have the right to make a request by virtue of the next paragraph request in writing that a subject be discussed, such subject will be included in the convening notice or be announced in the same way, if the company has received the request no later than on the sixtieth day prior to the meeting and provided that this will not be incompatible with any weighty interest of the company.

5. Discussion of a subject may be requested by one or more holders of shares who solely or jointly represent at least one per cent (1%) of the issued capital, or represent a market value of fifty million euro (€50,000,000.-) at the moment of the request.

6. The person who has submitted such a request must be able to give evidence of his interest at the moment of submission, this at the sole discretion of the Management Board.

CHAIRMANSHIP OF THE MEETING, MINUTES

Article 30

1. The General Meetings of Shareholders will be chaired by the chairman of the Supervisory Board and in the absence of the chairman by the deputy chairman and in the absence of the deputy chairman by one of the other members of the Supervisory Board present at the meeting, to be

designated by them. In the absence of all members of the Supervisory Board the meeting will itself appoint a chairman.

2. Minutes will be kept of the proceedings of the General Meetings of Shareholders by the secretary of the Supervisory Board and in his absence by one of those present at the meeting to be appointed for this purpose by the chairman of the meeting, which minutes will be adopted and signed by the chairman of the meeting and by the person who has kept the minutes, unless a notarial record of the proceedings is made. If a notarial record of the proceedings is made, it is sufficient for the chairman to co-sign it.

3. The minutes will be available for inspection by shareholders.

ADMISSION

Article 31

1. Each shareholder entitled to vote and each usufructary of shares with a right to vote or pledgee of shares with a right to vote have the right, either in person, or represented by a person holding a written proxy, to attend the General Meeting of Shareholders, to address the meeting and to exercise the voting right, provided that he has notified his intention to this in conformity with the provisions in the convening notice and with due observance of this article.

   For establishing the voting right and/or the right to attend meetings of shareholders, the company will recognise as a shareholder the person named in a written statement from an affiliated institution to the effect that the person named in the statement on the date indicated by the company is entitled as a participant to the number of shares stated in its collective depot, provided that the statement in question has been deposited in a timely manner and in conformity with the specification in the convening notice at the office of the company or at another place to be determined by the Management Board. The provisions in the preceding sentence apply by analogy to the usufructary and the pledgee of these shares.

2. A person entitled to attend meetings and who wants to be represented at the General Meeting by a person holding a written proxy is obliged to submit such proxy prior to the meeting.

3. The company may request the shareholder and the person entitled to attend meetings or his proxy to sign the attendance list before commencement of the meeting.

4. Disputes about the question whether a shareholder, person entitled to attend meetings or proxy has furnished sufficient proof of his identity in order to attend the General Meeting and to exercise the voting rights, and all other questions related to the proper course of affairs at the meeting will be settled by the chairman of the meeting.

5. All resolutions of the General Meeting for which no greater majority is required by law or these articles of association will be passed by an absolute majority of the votes cast.

6. Blank and invalid votes will be counted as not cast.

7. Voting on things will be oral. Voting on persons will be by unsigned ballot papers, unless the meeting on the proposal of one of the persons attending unanimously prefers an oral vote or a vote by acclamation.

8. Each share entitles to cast one vote.

9. For the application of the provisions in Articles 25.2, 29.2, 31.2 and 33.2 persons who have rights as vested in holders of depositary receipts issued for shares with the cooperation of the company will be considered equivalent to shareholders.

AMENDMENT OF THE ARTICLES OF ASSOCIATION, DISSOLUTION

Article 32

1. A resolution to amend the articles of association or a resolution to dissolve the company will be adopted by a General Meeting of Shareholders.

2. A proposal to amend the articles of association must be stated in the notice convening the General Meetings of Shareholders, at which such proposal will be put forward, while a copy of the proposal including the verbatim text of the proposed amendments must be made available for

inspection by the shareholders from the day of convocation to the meeting until the end of the meeting, at the office of the company and at a place to be designated by the Management Board. Each shareholder may obtain a copy thereof free of charge.

3. This will be done with due observance of the relevant statutory provisions.

WINDING-UP

Article 33

1. If the company is dissolved, it will be liquidated with due observance of the statutory provisions.
2. During liquidation the articles of association will remain in force as far as possible.
3. The surplus of the assets of the dissolved company remaining after payment of the debts and after payment of all costs and charges falls to the shareholders, in proportion to each shareholding.
4. After the liquidation the books and documents of the company will be retained for the periods laid down by law by the person designated as such by the General Meeting of Shareholders.

SCHEDULE 2

OVERVIEW OF TRANSACTION BY WHICH IOLIET ACQUIRED ITS SHARES IN STORK N.V.

Name	Transaction Type	Number of Relevant Stork Securities	Date	Price (high)	Price (low)	Currency
Ioliet Beheer B.V.	Buy	135,028	05-Jun-2007	41.01	39.70	EUR
Ioliet Beheer B.V.	Buy	337,179	08-Jun-2007	40.24	39.88	EUR
Ioliet Beheer B.V.	Buy	295,224	11-Jun-2007	41.50	40.23	EUR
Ioliet Beheer B.V.	Buy	28,562	18-Jun-2007	42.21	42.09	EUR
Ioliet Beheer B.V.	Buy	1,119,164	25-Jun-2007	46.20	45.83	EUR
Ioliet Beheer B.V.	Buy	724,616	26-Jun-2007	47.15	46.20	EUR
Ioliet Beheer B.V.	Buy	293,598	28-Jun-2007	47.70	47.12	EUR
Ioliet Beheer B.V.	Buy	450,000	29-Jun-2007	48.00	47.33	EUR
Ioliet Beheer B.V.	Buy	83,475	05-Jul-2007	48.70	47.93	EUR
Ioliet Beheer B.V.	Buy	205,000	06-Jul-2007	48.49	47.66	EUR
Ioliet Beheer B.V.	Buy	63,542	13-Jul-2007	48.01	48.00	EUR
Ioliet Beheer B.V.	Buy	132,465	18-Jul-2007	48.01	47.77	EUR
Ioliet Beheer B.V.	Buy	168,594	20-Jul-2007	48.41	47.96	EUR
Ioliet Beheer B.V.	Buy	389,211	25-Jul-2007	48.50	47.61	EUR
Ioliet Beheer B.V.	Buy	365,054	26-Jul-2007	47.97	47.60	EUR
Ioliet Beheer B.V.	Buy	174,572	27-Jul-2007	48.00	47.30	EUR
Ioliet Beheer B.V.	Buy	322,438	31-Jul-2007	48.00	47.17	EUR
Ioliet Beheer B.V.	Buy	335,186	03-Aug-2007	48.55	47.70	EUR
Ioliet Beheer B.V.	Buy	286,783	07-Aug-2007	48.60	47.79	EUR
Ioliet Beheer B.V.	Buy	303,657	10-Aug-2007	48.50	47.20	EUR
Ioliet Beheer B.V.	Buy	1,196,370	13-Aug-2007	48.50	47.65	EUR
Ioliet Beheer B.V.	Buy	218,362	14-Aug-2007	48.50	47.75	EUR
Ioliet Beheer B.V.	Buy	370,000	15-Aug-2007	48.50	47.98	EUR
Ioliet Beheer B.V.	Buy	207,296	27-Aug-2007	48.20	47.13	EUR
Ioliet Beheer B.V.	Buy	500,000	28-Aug-2007	48.00	47.50	EUR
Ioliet Beheer B.V.	Buy	278,824	29-Aug-2007	47.50	47.10	EUR
Ioliet Beheer B.V.	Buy	397,315	30-Aug-2007	47.40	47.08	EUR
Ioliet Beheer B.V.	Buy	1,594,608	31-Aug-2007	47.75	47.20	EUR

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Part II Shareholders Circular

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STORK®

Shareholders Circular

relating to

the recommended cash offer by London Acquisition B.V.
dated 14 December 2007 for all the outstanding shares in Stork N.V.

and

the sale of Stork Food Systems

Dated 14 December 2007

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Important information

This document does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities to any person in any jurisdiction. This document is not for release, distribution or publication, in whole or in part, in the United States of America, Japan or Canada.

This Shareholders Circular has been published by Stork for the sole purpose of providing information to its Shareholders on:

i. the recommended cash offer by London Acquisition for all of the issued and outstanding ordinary shares in the share capital of Stork, as required pursuant to article 18 and Annex G of the Takeover Decree (*Besluit openbare biedingen Wft*); and

ii. the proposed sale by Stork of Stork Food Systems to Marel, as required pursuant to article 2:107a of the Dutch Civil Code.

In relation to the Offer and the sale of Stork Food Systems, an extraordinary general meeting of Shareholders shall be held at 15:00 CET on 4 January 2008 in the Okura hotel in Amsterdam, The Netherlands.

Copies of this Shareholders Circular are available at www.stork.com and can be obtained free-of-charge by contacting Stork via email at info@stork.com or by telephone on +31 35 695 74 11.

The information included in this Shareholders Circular reflects the situation as of the date of this Shareholders Circular. Stork does not undertake any obligation to publicly release any revisions to this information to reflect events or circumstances after the date of this document, except as may be required by applicable securities law.

Stork is exclusively responsible for the accuracy and completeness of the information contained in this Shareholders Circular.

The information contained in this document contains certain statements that are neither reported financial results nor other historical information. These statements are forward-looking statements that involve risk and uncertainty. These statements include, but are not limited to, statements regarding the fairness and attractiveness of the proposed Offer and of the proposed sale of Stork Food Systems. These forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied by the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond Stork's ability to control or estimate precisely, such as the satisfaction of, or delays in satisfying, closing conditions to the Sale, general economic conditions, fluctuations in exchange rates or interest rates, increases or changes in competition, Stork's ability to implement and complete successfully its plans and strategies, the benefits from and resources generated by Stork's plans and strategies being less than or different from those anticipated, the actions of government agencies, competitors and third parties and other factors discussed in Stork's public filings. Readers are cautioned not to place undue reliance on these forward-looking statements.

This Shareholders Circular is governed by the laws of The Netherlands. The District Court of Amsterdam (*Rechtbank Amsterdam*) and its appellate courts shall have exclusive jurisdiction to settle any disputes which might arise out of or in connection with this Shareholders Circular. Accordingly, any legal action or proceedings arising out of or in connection with this Shareholders Circular may be brought exclusively in such courts.

Contents

1 Definitions

In this Shareholders Circular the following capitalised terms shall have the following meanings:

ABN AMRO means ABN AMRO Bank N.V.;

Acceptance Closing Date means the time and date on which the Offer expires, being at 15:00 hours CET, on 14 January 2008, unless extended in accordance with article 15 of the Takeover Decree;

Boards means the Supervisory Board, including the ESB, and the Management Board together;

Business Day means a day on which Euronext Amsterdam is open for trading;

Candover means Candover Partners Limited;

Centaurus means Centaurus Capital Limited and entities affiliated thereto;

CET means Central European Time;

ESB means the supervisory directors of Stork with special powers, Messrs C.J.A. van Lede, W. Kok and D.G. Eustace, appointed by the Enterprise Section (*Ondernemingskamer*) of the Amsterdam Court of Appeal (*Gerechtshof*);

EUR means Euro, the legal currency of the European Monetary Union;

Euronext Amsterdam means Euronext Amsterdam N.V., or the Official Market Segment of the stock exchange of Eurolist by Euronext Amsterdam N.V., as appropriate;

Extraordinary General Meeting of Shareholders means the extraordinary general meeting of Shareholders that will be held at 15:00 CET on 4 January 2008 in the Okura hotel in Amsterdam;

Kempen & Co means Kempen & Co Corporate Finance B.V.;

LME means LME Eignarhaldsfelag ehf, a consortium consisting of Landsbanki Islands hf and Eyrir Invest hf;

Management Board means the management board (*raad van bestuur*) of Stork;

Marel means Marel Food Systems hf;

Offer means the recommended cash offer by London Acquisition B.V. for all the issued and outstanding ordinary Shares in the share capital of Stork;

Offer Memorandum means the offer memorandum relating to the Offer and made generally available on 14 December 2007;

Offer Price means a cash amount of EUR 48.40 for each Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*) under the terms and subject to the conditions and restrictions of the Offer. The Offer Price is cum dividend, which reflects that the Company has paid the dividend over 2006 and has committed not to declare any dividends or distributions on Shares prior to settlement of the Offer;

Offeror or London Acquisition means London Acquisition B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated and validly existing under the laws of The Netherlands, having its statutory seat *(statutaire zetel)* in Amsterdam, The Netherlands and registered with the chamber of commerce under number 34276763 and, where appropriate, also including the group companies as described in article 2:24b of the Dutch Civil Code owned by it and the affiliates owned by it;

Paulson means Paulson & Co Inc. and entities affiliated thereto;

SARs means stock appreciation rights;

Settlement Date means the date on which, in accordance with the terms and conditions of the Offer, payment of the Offer Price shall be made by the Offeror to the Shareholders who have validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*) their Shares under the Offer prior to the Acceptance Closing Date, which date shall be promptly, but in any event within three Business Days following the Unconditional Date, subject to the Offer being declared unconditional (*gestanddoening*);

Share(s) means the issued and outstanding ordinary shares with a nominal value of EUR 1.00 each in the capital of Stork;

Shareholder(s) means holder(s) of one or more Share(s);

Shareholders Circular means this shareholders circular;

Stork or the Company means Stork N.V., a public limited liability company (*naamloze vennootschap*), incorporated under the laws of The Netherlands, having its statutory seat (*statutaire zetel*) in Amsterdam, having its registered office at Amersfoortsestraatweg 7, 1412 KA Naarden, The Netherlands and registered with the chamber of commerce under number 32044373 and, where appropriate, also including the Stork Group and the affiliates owned by it;

Stork Food Systems means the Stork food systems group;

Stork Group means Stork and the group companies as referred to in article 2:24b of the Dutch Civil Code owned by it;

Supervisory Board means the supervisory board (*Raad van commissarissen*) of Stork, including the ESB;

Takeover Decree means the Decree public offers Wft (*Besluit openbare biedingen Wft*);

Unconditional Date means the date on which the Offeror shall publicly announce whether the Offer is declared unconditional (*gestand wordt gedaan*); and

Wft means Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

2 Letter to Shareholders

Dear Shareholders,

The Extraordinary General Meeting of Shareholders to be held on 4 January 2008 is an important event for Stork. During this meeting we will, among other things, discuss the proposed Offer and the proposed divestment of Stork Food Systems.

On 28 November 2007 Stork and the Offeror jointly announced that Stork and the Offeror reached conditional agreement on the terms and conditions for a public offer by the Offeror for all of the issued and outstanding ordinary share capital of Stork at an offer price of EUR 48.40 in cash per Share.

On such date Stork also announced that Stork and Marel reached conditional agreement on the terms and conditions of the divestment of Stork Food Systems to Marel as an integral and inseparable part of the Offer, for a cash consideration of EUR 415,000,000.

Since the termination of the public offer for Stork that was launched on 10 August 2007, it became clear that it would not be possible to retain the strategy as presented by Stork in 2006. In order to be able to follow its strategic objectives in the other divisions and to steer Stork into calmer waters, the divestment of Stork Food Systems (as an integral and inseparable part of the Offer) to Marel was deemed to be the best possible solution for Stork in this respect.

The current transactions not only provide the Shareholders with a reasonable and fair price, they indeed also provide Stork, its employees and other stakeholders with the environment in which it can, again, focus on growing its business. The divestment of Stork Food Systems furthermore provides the employees and other stakeholders of Stork Food Systems with a strong new partner which can assist Stork Food Systems in its goal to become market leader in food equipment.

In this letter, we would like to address the background of these proposed transactions. As you will see from the process described herein, the Boards (including the ESB) have given these transactions careful and extensive consideration. The Boards have reached the conclusion that the Offer and (as an integral and inseparable part thereof) the sale of Stork Food Systems are in the best interests of Stork, its Shareholders and all of its other stakeholders. We therefore unanimously support and recommend (i) the Offer to the Shareholders for acceptance and (ii) (subject to the Offer having been declared unconditional) the sale of Stork Food Systems for approval.

2.1 Recommendations of the Boards

Throughout the process, the Supervisory Board and the Management Board have met on a frequent basis and discussed the progress of the process and key decisions in connection therewith. The key terms and conditions to the Offer and the sale of Stork Food Systems have been agreed between the Company and the Offeror and the Company and Marel, respectively, only after prior approval of the Supervisory Board, with direct involvement from time to time of the chairman and other members of the Supervisory Board.

The Supervisory Board and the Management Board, after having given due and extensive consideration to the difficult position of the Company having regard to the position of its major Shareholders and to the strategic, financial and social aspects and consequences of the proposed transactions, have reached the conclusion that (i) the Offer and (ii) (subject to the Offer having been declared unconditional) the sale of Stork Food Systems are in the best interests of the Company, the Shareholders and all other stakeholders of the Company.

Recommendation for acceptance of the Offer

The Supervisory Board and the Management Board are of the opinion that the price being offered per Share and the other terms of the Offer are reasonable and fair to the Shareholders. In this respect, reference is made to the fairness opinions rendered by ABN AMRO and Kempen & Co, as included in Chapter 3 (Fairness opinion ABN AMRO) and Chapter 4 (Fairness opinion Kempen & Co). With reference to the above, the Supervisory Board and the Management Board unanimously support the Offer and unanimously recommend the Offer to the Shareholders for acceptance.

Recommendation for approval of the sale of Stork Food Systems

The Supervisory Board and the Management Board are of the opinion that the sale of Stork Food Systems as an integral and inseparable part of the Offer is fair from a financial point of view. With reference to the above and as an integral and inseparable part of the Offer, the Supervisory Board and the Management Board unanimously support the sale of Stork Food Systems and unanimously recommend the sale of Stork Food Systems (subject to the Offer having been declared unconditional) to the Shareholders for approval.

2.2 The Boards' Rationale for the Offer

Public-to-Private pursuant to the Offer

In assessing the strategic alternatives available to the Company, the Boards thoroughly and extensively considered and compared the merits and disadvantages of the Offer and the divestment of Stork Food Systems, and compared it with the previous public offer that was withdrawn on 17 September 2007. They also considered earlier analyses of a possible stand-alone strategy or a full break-up of the Company and took into account the extraordinary situation the Company has been in since the last public offer was withdrawn. In reaching their decision to approve the Offer and to recommend that the Shareholders tender their Shares under the Offer, the Supervisory Board and the Management Board consulted with the Company's financial and legal advisers. The Boards considered a number of factors and potential benefits and disadvantages associated with the Offer including, without limitation, the following:

(i) the Offer Price for the Shares in the transaction represents a substantial premium to historic trading prices, including a premium of (i) 9% relative to the closing share price of EUR 44.55 of a Share on 27 November 2007, the last trading day prior to 28 November 2007, the day on which the Offeror and Stork announced that they reached conditional agreement on the terms and conditions for the Offer, (ii) 15% relative to the closing share price of EUR 42.21 of a Share on 18 June 2007, the last trading day prior to 19 June 2007, the day on which Stork first announced that it was in discussions with Candover regarding a possible public offer, and (iii) 23% relative to the average closing share price of a Share during the last three months prior to 19 June 2007, the day on which Stork first announced that it was in discussions with Candover regarding a possible public offer;

(ii) the Offer Price for the Shares implies a value for the Company

- at a multiple of approximately 10 (ten) times 2006 normalised EBITDA (corrected for advisory costs (EUR 18 million) and bookprofit divestments (EUR 66 million));
- that fully values the Company's projected growth, eliminating execution risk which, particularly for Aerospace Industries, is significant;

(iii) the fact that the Offer Price is all cash, which provides certainty of value to the Shareholders;

(iv) the fact that the price for Stork Food Systems of EUR 415,000,000 fully reflects the value of this business unit;

(v) the fact that the Offeror supports the Company's overall strategy for long-term growth and that the Offeror consists of investors who can provide significant support, expertise and capital to support future strategic initiatives and long term development of the Company;

(vi) the fact that the Offeror supports the business strategy of Stork and has confirmed that for a minimum period of two years following the Settlement Date it shall support and implement the business strategy, and it shall keep the business of the Stork Group materially intact under one central management and it shall not sell or transfer to any third party any of the Stork Group's material assets, unless, after having consulted the Supervisory Board, the Offeror and the Management Board agree otherwise;

(vii) the fact that the Offeror is committed for a period of two years to Stork not making distributions of profit or capital to Shareholders and the Offeror not initiating a financial restructuring of the Stork Group if and to the extent such distributions or restructuring would lead to a consolidated capital and debt structure of the Stork Group that (i) would adversely affect the business strategy or (ii) would on a structural basis lead to a consolidated net cash pay financial interest bearing debt/ EBITDA Ratio of the Stork Group of more than 6.5;

(viii) the fact that the Offeror is committed to Stork having a capital structure that can support the business of the Stork Group;

(ix) the fact that the Offeror is committed for a period of two years to having at least two independent Supervisory Board members, one of which, being the chairman, with specific powers;

(x) the fact that the Offeror is committed that there shall be no direct negative employment consequences for the Stork Group as a whole as a direct result of the Offer other than a limited number of redundancies at Stork holding level as a direct result of the delisting of Stork from Euronext Amsterdam;

(xi) the fact that the Offeror is committed, subject to the Offer being declared unconditional (*gestand wordt gedaan*), to respecting all existing rights of the employees of Stork and the fact that the Offeror is prepared to work with such employees on the basis of (i) the employee co-determination regulations (*medezeggenschapregels*) as applied by the Stork Group, and (ii) the arrangements entered into by Stork and the trade unions, including any existing social plans and collective labour agreements;

(xii) the fact that the Offeror is committed to respecting and supporting Stork's existing obligations regarding the pension rights of its employees;

(xiii) the fact that the Offeror is committed to respecting and supporting Stork's policies regarding safety, health, environment and quality;

(xiv) the fact that the Offeror is committed to having discussions with the Stork central works council to assist Stork in obtaining such central works council's advice and the fact that the Offeror shall support that in obtaining such advice the undertakings as set our under (ix), (x), (xi) and (xii) shall be laid down in a covenant to be entered into with Stork's central works council;

(xv) the possible alternatives to the sale of the Company, including a full break-up of the Company, and the risks and time value of money costs associated with such alternatives, each of which the Boards determined not to pursue in light of its belief that the sale of the remaining business groups to the Offeror maximised shareholder value and represented the best available alternative for the Company's stakeholders under the current conditions;

(xvi) the Offer represents an attractive multiple of historical and projected cash flows compared with continuing on a stand-alone basis, even assuming the Company's long-term operating plan is fully achieved;

(xvii) the pending litigation between Stork and certain of its major Shareholders will be terminated as soon as possible after the Settlement Date;

(xviii) the belief of the Boards that the consideration to be received by the Shareholders pursuant to the Offer exceeds the intrinsic value of the Company based on the Boards' familiarity with such matters and the presentations of the Company's financial advisers;

(xix) the debt commitment letters obtained by the Offeror indicated a strong commitment on the part of the lenders with few conditions that would permit the lenders to terminate their commitment, and the receipt of financing is not a condition to the Offer;

(xx) the fact that the transactions contemplated can be accomplished quickly, providing certainty of outcome, reducing time value costs and imposing no further distraction and disruption on the Company and its clients and employees;

(xxi) the opinion dated 27 November 2007 of ABN AMRO that, subject to the assumptions made, matters considered and limitations on the review undertaken in connection with such opinion, the Offer Price to be received by the Shareholders was, as of such date, fair from a financial point of view to such Shareholders (see Chapter 3 (Fairness opinion ABN AMRO));

(xxii) the opinion dated 27 November 2007 of Kempen & Co that, subject to the assumptions made, matters considered and limitations on the review undertaken in connection with such opinion, the Offer Price to be received by the Shareholders was, as of such date, fair from a financial point of view to such Shareholders (see Chapter 4 (Fairness opinion Kempen & Co));

(xxiii) the fact that Centaurus and Paulson and LME committed, under certain circumstances, to tender their Shares under the Offer; and

(xxiv) the fact that the Company will again be able to focus on its business after having been in a controversial situation for well over a year.

In the negotiations resulting in the announcement on 28 November 2007 that Stork and the Offeror reached conditional agreement on the terms and conditions for a public offer by the Offeror for all of the issued and outstanding ordinary share capital of Stork, Stork identified certain core process points in order to be able to safeguard the interests of Stork's stakeholders. In particular Stork agreed with the Offeror:

(i) that the Company is allowed, in case the Company receives unsolicited offers, to provide information to and conduct negotiations with third parties and that the Boards are allowed, under certain circumstances, to change their recommendation that the Shareholders tender their Shares under the Offer;

(ii) that Stork is under certain conditions allowed to accept a superior offer for the Company unless such superior offer is matched by the Offeror (subject to paying the Offeror a EUR 15,000,000 termination fee); and

(iii) that the Offeror has agreed to a limitation of liability of the Company of EUR 7,250,000 in case the Company breaches any of its agreements with the Offeror.

After taking into account all of the factors set forth above, as well as others, the Boards determined that the benefits for the Shareholders from the Offer outweigh the benefits possible with the other alternatives available to the Company. Before reaching this conclusion and before committing to the private-equity offer, the Management Board and the Supervisory Board, supported by its financial advisers, carefully considered the potential value creation available to the Company as a stand-alone public company or alternatively in connection with a full break-up of the Company.

Stand-alone strategy

In addition to considering the value of the Company under the Company's stand-alone operating plan, the Boards took into account the following factors, among others, in comparing the Offer to the Company's prospects on a stand-alone strategy:

(i) the significant challenges associated with the projected recovery and, after 2009, the projected accelerated growth of Aerospace Industries;

(ii) the significant challenges associated with the planned non-autonomous growth;

(iii) the Company may have some difficulty retaining key employees and clients as a result of the ongoing discussions on the future of the Company; and

(iv) the assumption that the Company's major Shareholders would continue to push for a split up of the Company.

Break-up strategy

The Supervisory Board and the Management Board also thoroughly analyzed the risk-reward benefits of fully breaking up the Company. The Boards determined that pursuing a full break-up strategy would not be as attractive to stakeholders as a sale of the Company in a single transaction followed by a sale of Stork Food Systems, particularly after taking into account the time value of money and substantial valuation and execution risks. In reaching such decision, the Boards considered the following factors, among others:

(i) the Offer Price is at the higher end of the range of the sum of the parts analysis;

(ii) no acceptable other offers currently exist for the businesses outside Stork Food Systems, and there would be both timing and achievability risks to obtain such offers at reasonable valuations;

(iii) a substantial portion of the opportunities currently available to the Company may not be obtainable if the Company were split apart; and

(iv) a full break-up of the Company could take an extended period of time to complete, disrupting management and employees and potentially damaging client relationships.

Based on these analyses, the Supervisory Board and the Management Board, after having given due and extensive consideration to the strategic, financial and social aspects and consequences of the proposed transaction have reached the conclusion that the Offer is in the best interests of the Company, the Shareholders and all other stakeholders of the Company.

Conclusion

The Supervisory Board and the Management Board are of the opinion that the price being offered per Share and the other terms of the Offer are reasonable and fair to the Shareholders. In this respect, reference is made to the fairness opinions rendered by ABN AMRO and Kempen & Co, as included in Chapter 3 (Fairness opinion ABN AMRO) and Chapter 4 (Fairness opinion Kempen & Co). With reference to the above, the Supervisory Board and the Management Board unanimously support the Offer and unanimously recommend the Offer to the Shareholders for acceptance.

2.3 The Boards' Rationale for the divestment of Stork Food Systems

General

As an integral and inseparable part of the Offer Stork also announced the divestment of Stork Food Systems to Marel for a cash consideration of EUR 415,000,000. The divestment of this division deviates from the announced strategy of Stork, as published on 1 February 2006 in which Stork communicated to the market that it would focus in the next phase on three core businesses, being Aerospace, Technical Services and Food Systems. Part of the background of this strategy was that the three divisions were in different development phases of their respective business cycles and could support each other in order to accelerate growth and profitability in each of the three divisions. Stork, at that time, also announced that it would reconsider its strategy in case new developments would require a change of such strategy.

Sale of Stork Food Systems in relation to the Offer

LME, being a Shareholder in Stork since 2 March 2006, increased its shareholdings in Stork in a number of steps to 43% in August 2007, therewith obtaining a decisive position in relation to the first public offer of 10 August 2007.

The Boards discussed with LME the possibility of a public offer for all Shares by LME. However, it became insufficiently clear to the Boards that LME would launch an offer for all Shares.

At the extraordinary general meeting of shareholders of 27 August 2007 relating to the first public offer that was launched on 10 August 2007, LME indicated that it would not tender its Shares under such offer. As a result of LME not tendering its Shares under such offer, this offer was withdrawn on 17 September 2007.

During the ensuing process, the Boards came to the conclusion that LME would not co-operate with a new offer for Stork unless Marel would be allowed to acquire Stork Food Systems.

The Boards still believed that, given the different development phases that the divisions were in, combined with other reasons as described in Chapter 2.2. (The Boards' Rationale for the Offer), a full break-up of the Company would not be in the best interest of Stork, its Shareholders and stakeholders. Because continuing with all three divisions was not supported by a major part of the Shareholders, the divestment of Stork Food Systems, combined with a public offer for Stork, was deemed to be the best alternative solution.

The rationale for the Boards to agree with the divestment of Stork Food Systems, as an integral and inseparable part of the Offer, is based on:

(i) the fact that the divestment of Stork Food Systems is an integral part of the Offer, of which the rationale is described in Chapter 2.2. (The Boards' Rationale for the Offer);

(ii) the fact that the price offered by Marel for Stork Food Systems fully reflects the value of the business; and

(iii) the conclusion that it would not be possible to come to an acceptable solution for all parties concerned, without a divestment of SFS to Marel.

Sale of Stork Food Systems on its own merits

Notwithstanding the implications of the sale of Stork Food Systems for Stork as a whole, the Boards also reviewed the offer by Marel for Stork Food Systems on its own merits, including:

(i) the effects of the divestment for employees and stakeholders of Stork Food Systems. The Boards believe that Marel, being a long term partner of Stork Food Systems, will provide employees and stakeholders of Stork Food Systems with a stable basis on which it can continue to grow;

(ii) the fact that the value offered for Stork Food Systems by Marel fully reflects the value of Stork Food Systems. The proceeds of EUR 415,000,000 in the opinion of the Boards not only reflects the current value of Stork Food Systems but also reflects, in part, the future value creation of Stork Food Systems. Based on expected 2007 EBITDA and revenue, the price of EUR 415,000,000 represents an EBITDA multiple of approximately 11.1 and a revenue multiple of approximately 1.1; and

(iii) the fact that the sale of Stork Food Systems is subject to a limited number of conditions precedent. In addition, a limited number of representations and warranties have been agreed.

Furthermore, Stork Food Systems has been managed as a separate business with limited overlap with the other divisions. Certain business relations between Stork Food Systems and the rest of Stork (such as the delivery of semi finished goods by the Technical Services division) will continue after the divestment. Given this position, the Boards believe that the divestment of Stork Food Systems will have minor impact on the rest of Stork.

Conclusion

Given all the above, including the rationale as described in Chapter 2.2. (The Boards' Rationale for the Offer), the Boards believe that the divestment of Stork Food Systems, as an inseparable part of the Offer, is in the best interests of Stork, its Shareholders and stakeholders.

14 December 2007

Supervisory Board

P.J. Kalff

A. van der Velden

J. Aalberts

C.J. van den Driest

D.G. Eustace

W. Kok

C.J.A. van Lede

Management Board

Sj.S. Vollebregt

J.C.M. Schönfeld

H.E.H. Bouland

3 Fairness opinion ABN AMRO

ABN·AMRO

Stork N.V.
Managing Board
Amersfoortseweg 7
1412 KA Naarden
The Netherlands

Strictly Private and Confidential

Letter of opinion 27 November 2007

Dear Sirs,

We understand that London Acquisition B.V., a company established under the laws of the Netherlands controlled by Candover Partners Limited (''London'' or the ''Offeror''), is proposing (i) to make a public offer, directly or through a wholly-owned subsidiary, to acquire all the issued and outstanding shares with a nominal value of Euro 1.00 per share (each a ''Share'' and each beneficial owner of a Share a ''Shareholder'') in the capital of Stork N.V., a company established under the laws of The Netherlands (''Stork'' or the ''Company'')(the ''Offer'').

Pursuant to the terms of the Offer as set out in a merger protocol dated 27 November, 2007 (the ''Merger Protocol''), London is proposing to offer Euro 48.40 in cash per Share to the Shareholders (the ''Consideration'').

Pursuant to our engagement letter dated 16 January, 2006, the managing board (''Managing Board'') of the Company have asked for the opinion of ABN AMRO Bank N.V. (''ABN AMRO'') as to whether the Consideration is fair, from a financial point of view, to the Shareholders.

In connection with the Offer and subject to the terms and conditions of the Merger Protocol, Stork will enter into a (conditional) sale and purchase agreement with Marel Food Systems hf. (''Marel'') for the transfer of Stork Food Systems.

For the purposes of providing our opinion, ABN AMRO has:

1. Reviewed certain publicly available business and financial information relating to Stork, including Stork's audited consolidated financial statements for the three consecutive financial years ending 31 December 2006, 2005 and 2004 and the unaudited quarterly figures for the period ending 31 March, 30 June and 30 September 2007 prepared and provided to us by the Company, and certain publicly available financial forecasts relating to the business and financial prospects of Stork prepared by certain research analysts;
2. Participated in discussions with and reviewed information provided by the senior management of Stork with respect to the businesses and financial projections of the Company;
3. Reviewed the historical stock prices and trading volumes of the Shares;
4. Reviewed the financial terms of certain transactions we believe to be comparable to the Offer;
5. Reviewed public information with respect to certain other companies we believe to be comparable to Stork;
6. Reviewed those parts of the Merger Protocol and other documents, that we deemed relevant for the purposes of providing this opinion; and
7. Performed such other financial reviews and analyses, as we, in our absolute discretion, have deemed appropriate.

ABN AMRO has assumed and relied upon the truth, accuracy and completeness of the information, forecasts, data and financial terms provided to us or used by us, and has assumed that that the same are not misleading and does not assume or accept any liability or responsibility for independent verification or checking of such information or any independent evaluation or appraisal of any of the assets, operations or liabilities of the Company nor have we been provided with any such valuation or appraisal.

With respect to any financial forecasts that may have been made available, ABN AMRO has assumed that they have been reasonably prepared on bases reflecting the best available estimates and judgements of the management of Stork as to the future financial performance of the Company, and that no event subsequent to the date of any such financial forecasts has had a material effect on them. In preparing this opinion, ABN AMRO has received specific confirmation from senior management of Stork that the assumptions specified above are correct and no information has been withheld from ABN AMRO that could have influenced the purport of this opinion or the assumptions on which it is based.

Further, ABN AMRO's opinion is necessarily based on financial, economic, monetary, exchange rate, market and other conditions, as in effect on, and the information made available to ABN AMRO or used by it up to, the date hereof. This opinion exclusively focuses on the fairness, from a financial point of view, of the Consideration to the Shareholders and does not address any other issues such as the underlying business decision to recommend the Offer or its commercial merits, which are matters solely for the Managing Board of the Company. Subsequent developments in the aforementioned conditions may affect this opinion and the assumptions made in preparing this opinion and ABN AMRO is not obliged to update, revise or reaffirm this opinion if such conditions change.

In rendering this opinion, ABN AMRO has not provided legal, regulatory, tax, accounting or actuarial advice and accordingly ABN AMRO does not assume any responsibility or liability in respect thereof. Furthermore, ABN AMRO has assumed that the Offer will be consummated on the terms and conditions as set out in the Merger Protocol, without any changes to or waiver of their terms or conditions, in compliance with law and without the exercise of any appraisal rights, and that all requisite consents and approvals will be obtained. ABN AMRO has assumed that the Company and other parties to the Merger Protocol will comply with all the material terms of the Merger Protocol.

The engagement of ABN AMRO, this letter and the opinion expressed herein are provided for the use of the Managing Board in connection with their evaluation of the Offer. This opinion does not in any way constitute a recommendation by ABN AMRO to any Shareholders as to whether such holders should accept or reject the Offer or otherwise act in relation to the Offer.

ABN AMRO is acting as financial advisor to Stork in connection with the Offer and will receive fees for its services, a significant portion of which fees are contingent upon consummation of the Offer. From time to time ABN AMRO and its affiliates may have also (i) maintained banking and financial advisory relationships with Stork and the Offeror, (ii) executed transactions, for their own account or for the accounts of customers, in the Shares of Stork and, accordingly, may at any time hold a long or short position in such securities. ABN AMRO is a holder of Shares and provides financing facilities to Stork. We may in the future provide certain banking, financial advisory or financing services to Stork or the Offeror, and execute transactions for our own account or for the accounts of our customers in the securities of Stork.

It is understood that this letter may not in any form or manner be made public, disclosed, referenced to, nor relied upon by or otherwise used by, any third party for any purpose whatsoever, without the prior written consent of ABN AMRO.

This opinion is issued in the English language and reliance may only be placed on this opinion as issued in the English language. If any translations of this opinion are delivered they are provided only for ease of reference, have no legal effect and ABN AMRO makes no representation as to (and accepts no liability in respect of) the accuracy of any such translation.

This letter and ABN AMRO's obligations to the Managing Board hereunder shall be governed by and construed in accordance with Dutch law and any claims or disputes arising out of, or in connection with, this letter shall be subject to the exclusive jurisdiction of the Dutch Courts.

Based upon and subject to the foregoing, ABN AMRO is of the opinion that, as at the date hereof, the Consideration is fair, from a financial point of view, to the Shareholders.

Yours sincerely,

ABN AMRO Bank N.V.

4 Fairness Opinion Kempen & Co

KEMPEN & CO
Merchant Bank

FAIRNESS OPINION
Stork N.V.
Supervisory Board
Attn. Mr. P.J. Kalff
P.O. Box 5004
1410 AA NAARDEN

Amsterdam, 27 November 2007

Dear members of the Supervisory Board,

We understand that London Acquisition B.V., a Dutch private company controlled by Candover Partners Limited is considering to make a public offer (the ''Offer'') for all outstanding ordinary shares in Stork N.V. (''Stork'' or the ''Company'') of €48.40 in cash (the ''Offer Price'') per ordinary share with a nominal value of €1.00 each (the ''Ordinary Shares''). This offer will be made pursuant to the Merger Protocol proposed to be entered into on 27 November 2007 between Stork and London Acquisition B.V. (the ''Merger Protocol''). In connection with the Offer and subject to the terms and conditions of the Merger Protocol, Stork will enter into a (conditional) Sale & Purchase Agreement (the ''SPA'') with Marel Food Systems hf. (''Marel'') for the transfer of Stork Food Systems for €415 million on a debt and cash free basis (the ''Food Systems Sale''). The SPA is among others subject to the Offer being declared unconditional. The Supervisory Board of Stork has requested the opinion of Kempen & Co Corporate Finance B.V. (''Kempen & Co'') as to the fairness of the Offer Price, from a financial point of view, to the holders of the Ordinary Shares of Stork (the ''Shareholders'') as a whole (the ''Fairness Opinion'').

For the purpose of the Fairness Opinion, we have:

i. Reviewed the financial terms and conditions of the Offer as set out in the draft Merger Protocol dated 23 November 2007;

ii. Reviewed the Food Systems Sale as set out in the draft SPA dated 26 November 2007;

iii. Reviewed certain publicly available information regarding the Company, such as (semi) annual reports and press releases;

iv. Reviewed certain internal information relating to the Company and its activities, in particular of a financial nature, including various financial forecasts, as prepared by the management of the Company and not publicly available;

v. Conducted discussions with certain members of the management of the Company regarding the current and future activities and prospects of the Company and certain other matters we deemed necessary or relevant for the purpose of the Fairness Opinion;

vi. Reviewed public information with respect to certain other companies active in the same sector and market segments as the Company;

vii. Reviewed the financial conditions of certain transactions we believe to be relevant for evaluating the Offer, to the extent that the information is publicly available;

viii. Reviewed the historical share price development and trading volumes of the shares of the Company; and

ix. Performed other (financial) analyses and considered such other information we have deemed necessary or relevant in arriving at our Fairness Opinion.

In connection with the Fairness Opinion, we have assumed and relied upon the accuracy and completeness of the financial and other information, which was provided to us or is publicly available. We have not independently verified the accuracy and/or completeness of such information. We have assumed that no information has been withheld from us that could have an impact on the Fairness Opinion. With respect to the forecasts, budgets, and (financial) analyses regarding the Company that have been provided to us by the Company, we have assumed that these have been prepared on a basis reflecting the best currently available estimates, assumptions and judgments of the management of the

Company and we accept no responsibility for and express no view as to such forecasts, budgets, and (financial) analyses.

Kempen & Co has not provided, obtained or reviewed any legal, tax, regulatory, accounting, actuarial or other advice and as such assumes no liability or responsibility in connection therewith. Accordingly, in providing the Fairness Opinion, we have not taken into consideration the possible implications of any such advice. The Fairness Opinion, as expressed in this letter, is based on economic, monetary and market conditions as they exist as per the date of this letter. Subsequent developments in the aforementioned conditions may affect the Fairness Opinion and the assumptions made in preparing the Fairness Opinion.

In connection with the Offer, Kempen & Co is acting as financial advisor to the Supervisory Board of Stork and will receive a fee for its services which is not contingent on the consummation of the Offer or the contents of our Fairness Opinion. From time to time Kempen & Co or affiliated companies may (have) maintain(ed) professional relationships with Stork, Candover, Marel and/or affiliated companies, as well as executed transactions, for their own account or for the account of their customers in shares and/or other securities of Stork and/or Marel.

This letter is provided solely for the benefit of the Supervisory Board of Stork in connection with and for the purposes of its consideration of the Offer. It is understood that this letter may not be relied upon by, nor disclosed to, in whole or in part, any third party for any purpose whatsoever, without the prior written consent of Kempen & Co. Notwithstanding the foregoing, this letter may be reproduced in full, for information purposes only, in the Offer Memorandum that will be published in connection with the Offer. The Fairness Opinion contained in this letter does not constitute a recommendation by Kempen & Co to the Shareholders as to whether they should tender their Ordinary Shares pursuant to the Offer when the Offer is actually made.

This letter shall be governed by and construed in accordance with Dutch law and any claims or disputes arising out of, or in connection with, this letter shall be subject to the exclusive jurisdiction of the Dutch courts.

As of the date hereof and based on and subject to the foregoing, including (i) through (ix), Kempen & Co is of the opinion that the Offer Price is fair, from a financial point of view, to the Shareholders as a whole.

Yours sincerely,
Kempen & Co Corporate Finance B.V.

5 Position Works Council

The central works council of Stork has rendered its advise as required pursuant to article 25 paragraph 1 of the Dutch Works Councils Act (*Wet op de Ondernemingsraden*) and agreed that Stork continues with the Offer and the divestment of Stork Food Systems.

6 Transactions and concluded agreements in respect of securities in the capital of Stork

As of the date of this Shareholders Circular Sj.S. Vollebregt, J.C.M. Schönfeld and H.E.H. Bouland hold a number of Shares, conditional options for Shares, unconditional options for Shares and SARs, as shown in the following table(1):

Duration	Number granted	Exercise price	Position ultimo 2006	Granted 2007	Exercised 2007	Lapsed 2007	Current Position
Sj.S. Vollebregt							
2002/2007	51,935	5.90	51,935	0	51,935	0	0
2003/2008	51,935	4.82	51,935	0	51,935	0	0
2004/2011	51,935	12.91	51,935	0	0	7,790	44,145
2005/2012 (conditional)	51,935	27.03	51,935	0	0	0	51,935
2006/2013 (conditional)	51,935	42.62	51,935	0	0	0	51,935
2006/2013	51,935	42.62	51,935	0	0	0	51,935
2007/2014 (SAR—conditional)	0	37.23	0	47,500	0	0	47,500
			311,610	**47,500**	**103,870**	**7,790**	**247,450**
Shares (Part of LT incentive plan)			46,326	4,750			51,076
Shares (Personal)							103,870
Shares Total							**154,946**
J.C.M. Schönfeld							
2002/2007	38,268	13.11	38,268	0	38,268	0	0
2003/2008	25,968	4.82	25,968	0	25,968	0	0
2004/2011	25,968	12.91	25,968	0	0	3,895	22,073
2005/2012 (conditional)	25,968	27.03	25,968	0	0	0	25,968
2006/2013 (conditional)	25,968	42.62	25,968	0	0	0	25,968
2007/2014 (SAR—conditional)	0	37.23	0	23,750	0	0	23,750
			142,140	**23,750**	**64,236**	**3,895**	**97,759**
Shares (Part of LT incentive plan)			11,296	1,350			12,646
Shares (Personal)							45,102
Shares Total							**57,748**
H.E.H. Bouland							
2003/2008	25,968	4.82	25,968	0	25,968	0	0
2004/2011	25,968	12.91	25,968	0	0	3,895	22,073
2005/2012 (conditional)	25,968	27.03	25,968	0	0	0	25,968
2006/2013 (conditional)	25,968	42.62	25,968	0	0	0	25,968
2007/2014 (SAR—conditional)	0	37.23	0	23,750	0	0	23,750
			103,872	**23,750**	**25,968**	**3,895**	**97,759**
Shares (Part of LT incentive plan)			12,608	1,350			13,958
Shares (Personal)							0
Shares Total							**13,958**

At the date of this Shareholders Circular, no options for Shares are held by any of the other members of the Supervisory Board and the Management Board.

Prior to the Settlement Date but after the Offer having been declared unconditional (*gestanddoening*), settlement by Stork of the outstanding stock option rights and SARs shall be as follows:

- the stock option rights and the SARs of the members of the Management Board shall be settled by Stork against cash; and

(1) The table also reflects, as required pursuant to schedule G, paragraph 3 of the Takeover Decree, the transactions concluded in respect of securities in the capital of Stork by the members of the Management Board and the Supervisory Board of Stork in 2007 (until the date of this Shareholders Circular). No such transactions have been concluded in December 2006. Furthermore, no transactions have been concluded by spouses (*echtgenoten*), registered partners (*geregistreerde partners*) or minor children (*minderjarige kinderen*) of the members of the Management Board and Supervisory Board or by companies they have control over (*zeggenschap in hebben*).

- the vested stock option rights of the other employees of Stork shall be settled by Stork against cash. Any non-vested stock option rights and the SARs of the other employees of Stork shall be converted into a cash entitlement in favour of such employees that shall be due and payable by Stork to such employees in accordance with the other terms and conditions of the stock option plan.

The maximum total costs involved with such settlement and conversion will be approximately EUR 15 million.

In addition, all Shares held by the Management Board under the employee share plan and all other Shares held by the Management Board representing 0.73% of Stork's issued share capital shall be tendered under the Offer under the same terms and conditions as described in the Offer Memorandum. All Shares held by the other employees of Stork under the employee share plan and all other Shares held by the other employees of Stork, may be tendered under the Offer under the same terms and conditions as described in the Offer Memorandum.

7 Agenda Extraordinary General Meeting of Shareholders of Stork

The agenda for the Extraordinary General Meeting of Shareholders to be held on 4 January 2008 shall be as follows.

Agenda

For the Extraordinary General Meeting of Shareholders of Stork N.V. to be held on 4 January 2008 at 15.00 hours in the Okura Hotel, Ferdinand Bolstraat 333, Amsterdam.

1. Opening and announcements.
2. Discussion of the public offer by London Acquisition B.V. (the ''Offer'' and the ''Offeror'') for all issued and outstanding ordinary shares in the capital of Stork N.V., pursuant to Article 18 paragraph 1 of the Takeover Decree (''Besluit openbare biedingen Wft'').
3. Approval of the divestment of the division Stork Food Systems to Marel Food Systems hf (''Marel'') subject to the condition that the Offer is made unconditional by the Offeror, pursuant to Article 2:107a of the Dutch Civil Code.
4. Amendment of the articles of association of Stork N.V. subject to the condition that the Offer is made unconditional by the Offeror, whereby the change in the articles of association shall take effect on the ''Settlement Date''.
5. Outline profile of the Supervisory Board.
6. Appointment of members of the Supervisory Board subject to the condition that the Offer is made unconditional by the Offeror, whereby the appointments shall take effect on the ''Settlement Date''.

   Procedure:

   a. notification of vacancies in the Supervisory Board;
   b. opportunity for the General Meeting of Shareholders to make recommendations;
   c. notification by the Supervisory Board of the persons nominated for appointment;
   d. proposal to appoint the persons nominated by the Supervisory Board;
7. Any questions and closure.

N.B. Votes will be held on agenda items 3, 4 and 6.

8 Financial information

8.1 Interim financial information Q3 2007

Please refer to Part III (Financial Information) in which the financial figures of the third quarter of 2007 are included.

8.2 Financial statements 2006

Please refer to Part III (Financial Information) in which the annual figures of 2006 are included.

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Part III Financial information

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1. COMPARATIVE FIGURES FOR THE YEARS 2004-2006

The following abbreviated overviews of the consolidated balance sheet on page F-3, profit and loss accounts on page F-2 and cash flow statement on page F-4 for the years 2006, 2005 and 2004, are derived from and are consistent with the financial statements of the Company for the years 2006 and 2005. The Company's financial statements for the years 2006 and 2005 have been audited by KPMG Accountants N.V. and include unqualified auditor's reports (goedkeurende verklaringen) dated respectively 30 January 2007 and 31 January 2006.

For an understanding of the Company's financial position and results the abbreviated overviews should be read in conjunction with the unabbreviated financial statements of 2006 and 2005.

Consolidated income statement *(in € × 1.000)*

	2006	2005	2004
Net turnover	2,009,084	1,817,908	1,728,889
Cost of sales	(1,461,136)	(1,297,219)	(1,228,915)
Gross operating income	**547,948**	**520,689**	**499,974**
Sales costs	(138,034)	(115,934)	(102,830)
General administrative expenses	(300,737)	(264,061)	(285,559)
Research & Development expenses	(24,035)	(23,076)	(20,204)
Other operating income	298	11,043	14,114
	(462,508)	**(392,028)**	**(394,479)**
Operational result	**85,440**	**128,661**	**105,495**
Financial income	3,128	4,416	5,999
Financial expenses	(9,602)	(4,679)	(13,322)
Share of profit of associates	2,903	1,577	349
Result before tax	**81,869**	**129,975**	**98,521**
Income tax expense	2,040	(36,479)	(24,011)
Result after tax	**83,909**	**93,496**	**74,510**
Book profit from discontinued operations after tax	65,966	—	—
Result from ordinary operations after tax	**149,875**	**93,496**	**74,510**
Attributable to:			
Equity holders of the company (net result)	149,654	93,286	74,256
Minority interest	221	210	254
Weighted average number of issued shares (× 1,000)	31,414	31,958	32,081
Weighted average number of issued shares after dilution (× 1,000)	31,948	32,578	32,579
Basic earnings per share	4.76	2.92	2.31
Diluted earnings per share	4.68	2.86	2.28

COMPARATIVE FIGURES FOR THE YEARS 2004-2006

Consolidated balance sheet *(in € × 1.000)*

	2006	2005	2004
Non-current assets			
Property, plant and equipment	259,329	280,855	280,660
Goodwill	52,219	7,347	6,219
Other intangible fixed assets	115,607	75,689	68,936
Investments in associates	15,845	17,066	15,142
Long-term receivables from associates	117	192	1,365
Deferred tax assets	1,305	7,342	9,859
	444,422	**388,491**	**382,181**
Current assets			
Financial instruments	59,833	15,276	—
Inventories	208,841	213,043	194,469
Due from customers	110,639	159,524	121,108
Trade and other receivables	356,021	354,908	332,043
Current tax assets	1,555	—	—
Cash and cash equivalents	93,175	212,419	239,715
Assets classified as held for sale	112,186	—	—
	942,250	**955,170**	**887,335**
Assets	**1,386,672**	**1,343,661**	**1,269,516**
Equity			
Share capital	33,020	165,098	165,098
Share premium	56,463	56,463	56,463
Statutory reserve	135,303	110,518	68,136
Other reserve	241,419	211,991	159,885
Total equity attributable to equity holders of the company	**466,205**	**544,070**	**449,582**
Minority interest	2,389	2,480	2,209
	468,594	**546,550**	**451,791**
Non-current liabilities			
Long-term debts	30,012	28,926	23,572
Employee benefits	13,402	16,489	31,847
Provisions	37,803	45,413	42,714
Deferred tax liability	33,024	26,246	1,329
	114,241	**117,074**	**99,462**
Current liabilities			
Due to customers	202,271	214,121	173,527
Trade and other payables	384,506	395,559	375,429
Preference shares	7,558	—	—
Current tax payable	—	27,929	23,755
Bank overdraft	114,440	1,447	562
Current liabilities for long-term debt	1,075	538	103,619
Provisions	34,946	40,443	41,371
Liabilities classified as held for sale	59,041	—	—
	803,837	**680,037**	**718,263**
Liabilities	**1,386,672**	**1,343,661**	**1,269,516**

COMPARATIVE FIGURES FOR THE YEARS 2004-2006

Consolidated cash flow statement *(in € × 1.000)*

	2006		2005		2004	
Operational result	85,440		128,661		105,495	
Adjustments for:						
Depreciation of property, plant and equipment	45,126		43,864		47,336	
Amortisation of intangible fixed assets	14,937		5,962		—	
Result from divestments of property, plant and equipment	(2,725)		(14,526)		(13,983)	
Changes in provisions	(9,962)		(13,588)		(7,112)	
Cash flow from ordinary operations before movements in operating capital		**132,816**		**150,373**		**131,736**
Movements in inventories	(22,172)		(18,574)		15,775	
Movements in receivables	(36,710)		(62,672)		20,421	
Movements in debts	25,437		85,732		(30,449)	
		(33,445)		**4,486**		**5,747**
Cash flow from operational activities		**99,371**		**154,859**		**137,483**
Income tax paid	(16,800)		(16,316)		(7,505)	
Interest paid	(4,079)		(5,799)		(9,952)	
Finance costs	(1,158)		(1,016)		(2,329)	
Financial instruments	(17,647)		5,971		—	
Cash flow from ordinary operations		**59,687**		**137,699**		**117,697**
Interest received	3,128		4,415		5,999	
Dividend received	2,740		1,207		948	
Proceeds from sale of property, plant and equipment	8,869		26,089		26,978	
Proceeds from sale of subsidiaries	76,028		—		20,693	
Investments in property, plant and equipment	(49,624)		(48,993)		(41,279)	
Investments in other intangible fixed assets	(26,175)		(10,114)		(10,135)	
Acquisition of subsidiaries	(70,211)		(1,438)		(3,741)	
Cash flow from investment activities		**(55,245)**		**(28,834)**		**(537)**
Dividends paid	(35,148)		(28,747)		(21,069)	
Reduction of capital	(127,829)		—		—	
Purchase of own shares	(70,000)		—		—	
Repayments of long-term debts	(1,031)		(103,065)		(61,953)	
Receipts from long-term debts	3,463		557		6,157	
Exercise of option rights	2,308		6,212		—	
Purchase of own shares for option plan	(6,643)		(15,113)		(18,312)	
Cash flow from financing activities		**(234,880)**		**(140,156)**		**(95,177)**
Net cash flow		**(230,438)**		**(31,291)**		**21,983**
Exchange rate and translation differences on cash		(1,799)		3,110		(1,232)
Movements in liquidity		**(232,237)**		**(28,181)**		**20,751**
Cash and cash equivalents at 1 January		**210,972**		**239,153**		**218,402**
Cash and cash equivalents at 31 December		**(21,265)**		**210,972**		**239,153**
Bank overdraft		**114,440**		**1,447**		**562**
		93,175		**212,419**		**239,715**

2. Interim Financial Information Q3 2007 (Unaudited)

Key figures for Stork *(in € × million, unless otherwise stated)*

	3rd quarter 2007	3rd quarter 2006	**30-09 2007**	30-09 2006
Net turnover	**519.7**	458.0	**1,571.8**	1,469.8
Result before depreciation (EBITDA)	**36.7**	42.7	**105.1**	183.6
Result after depreciation (EBIT)	**20.0**	26.7	**46.7**	140.3
Result after depreciation (EBIT) excl. specials*	**17.2**	27.0	**43.9**	92.2
Result before taxes (EBT)	**17.5**	26.4	**40.2**	139.9
Net result	**17.0**	24.7	**36.0**	124.5
Total assets	**1,516.3**	1,313.3	**1,516.3**	1,313.3
Capital employed	**619.4**	548.8	**619.4**	548.8
Equity attributable to equity holders	**468.9**	454.7	**468.9**	454.7
Long-term debts	**30.8**	31.2	**30.8**	31.2
Cash	**(115.5)**	(59.6)	**(115.5)**	(59.6)
Orders received	**521.7**	464.4	**1,631.6**	1,492.3
Number of employees	**13,697**	12,343	**13,697**	12,343
Key figures in € (including specials)				
Per share of €1				
Net result	**0.56**	0.78	**1.18**	3.92
Diluted net result	**0.55**	0.76	**1.17**	3.85
Cash flow	**0.99**	1.24	**2.42**	5.16
Equity attributable to equity holders	**15.42**	14.81	**15.42**	14.81
Number of shares paid up (× 1,000)	**30,404**	30,704	**30,404**	30,704
Average number of ordinary shares (× 1,000)	**30,372**	31,767	**30,372**	31,767
Average number of ordinary shares (diluted) (× 1,000)	**30,785**	32,320	**30,785**	32,320
Number of shares issued (× 1,000)	**31,251**	33,020	**31,251**	33,020
Ratios in %				
Net result/net turnover	**3.3**	5.4	**2.3**	8.5
Net result/average equity	**14.7**	20.0	**10.4**	33.6
Interest coverage ratio	**6.4**	18.5	**5.2**	63.4
Gearing	**31.2**	20.0	**31.2**	20.0
Equity/balance sheet total	**30.9**	34.6	**30.9**	34.6

* **Specials relates to advisory expenses and divestments of subsidiaries**

Key figures of the groups (unaudited) *(in € × million)*

	3rd quarter 2007	3rd quarter 2006	**30-09 2007**	30-09 2006
Aerospace				
Net turnover	**129.0**	128.7	**405.2**	395.8
EBIT	**1.9**	8.3	**(25.1)**	30.3
Capital employed	**204.6**	276.8	**204.6**	276.8
Orders received	**119.5**	156.6	**431.5**	449.1
Order book position	**841.1**	782.7	**841.1**	782.7
Number of employees at end of period	**3,634**	3,506	**3,634**	3,506
EBIT as % of capital employed	**3.7**	12.0	**(16.4)**	14.6
EBIT as % of net turnover	**1.5**	6.4	**(6.2)**	7.7
Food Systems				
Net turnover	**84.2**	75.2	**272.3**	232.2
EBIT	**4.6**	3.5	**16.0**	17.4
Capital employed	**122.3**	107.0	**122.3**	107.0
Orders received	**89.3**	84.4	**276.5**	219.4
Order book position	**71.8**	78.0	**71.8**	78.0
Number of employees at end of period	**1,797**	1,639	**1,797**	1,639
EBIT as % of capital employed	**15.0**	13.1	**17.4**	21.7
EBIT as % of net turnover	**5.5**	4.7	**5.9**	7.5
Technical Services				
Net turnover	**261.4**	213.8	**755.8**	626.0
EBIT	**16.7**	13.5	**54.3**	39.8
Capital employed	**156.0**	130.8	**156.0**	130.8
Orders received	**269.7**	186.8	**786.4**	607.9
Order book position	**229.6**	187.2	**229.6**	187.2
Number of employees at end of period	**6,911**	5,756	**6,911**	5,756
EBIT as % of capital employed	**42.8**	41.3	**46.4**	40.6
EBIT as % of net turnover	**6.4**	6.3	**7.2**	6.4
Discontinued operations				
Net turnover	**47.3**	43.6	**146.8**	228.2
EBIT	**5.6**	5.0	**20.6**	79.2
EBIT excl. specials	**2.8**	5.3	**17.8**	14.2
Capital employed	**52.1**	52.2	**52.1**	52.2
Orders received	**45.4**	39.8	**145.4**	228.1
Order book position	**12.7**	13.3	**12.7**	13.3
Number of employees at end of period	**1,244**	1,323	**1,244**	1,323
EBIT as % of capital employed	**43.0**	38.3	**52.7**	202.3
EBIT as % of net turnover	**11.8**	11.5	**14.0**	34.7
Holdings and Others				
EBIT	**(8.8)**	(3.6)	**(19.1)**	(26.4)
EBIT excl. specials	**n.a.**	(3.6)	**n.a.**	(9.5)
Capital employed	**84.4**	(18.0)	**84.4**	(18.0)
Number of employees at end of period	**111**	119	**111**	119
Eliminations				
Net turnover	**(2.2)**	(3.3)	**(8.3)**	(12.4)
Orders received	**(2.2)**	(3.2)	**(8.2)**	(12.2)
Total for all groups				
Net turnover	**519.7**	458.0	**1,571.8**	1,469.8
EBIT	**20.0**	26.7	**46.7**	140.3
EBIT excl. specials	**17.2**	27.0	**43.9**	92.2
Capital employed	**619.4**	548.8	**619.4**	548.8
Orders received	**521.7**	464.4	**1,631.6**	1,492.3
Order book position	**1,155.2**	1,061.2	**1,155.2**	1,061.2
Number of employees at end of period	**13,697**	12,343	**13,697**	12,343
EBIT as % of capital employed	**12.9**	19.5	**10.1**	34.1
EBIT as % of net turnover	**3.8**	5.8	**3.0**	9.5

Condensed consolidated income statement third quarter 2007 (unaudited) *(in € × million)*

	3rd quart. 2007 Cont. operations	3rd quart. 2007 Discont. operations	**3rd quart. 2007**	3rd quart. 2006 Cont. operations	3rd quart. 2006 Discont. operations	3rd quart. 2006
Net turnover	472.4	47.3	519.7	414.4	43.6	458.0
Cost of sales	(358.0)	(32.2)	(390.2)	(297.8)	(24.5)	(322.3)
Gross operating income	114.4	15.1	**129.5**	116.6	19.1	135.7
Sales costs	(29.2)	(5.5)	(34.7)	(26.1)	(6.5)	(32.6)
General administrative expenses	(67.9)	(5.3)	(73.2)	(62.9)	(6.0)	(68.9)
Research & development expenses	(2.6)	(1.2)	(3.8)	(4.6)	(1.1)	(5.7)
Other operating income (expenses)	0.2	—	0.2	(0.1)	0.1	—
	(99.5)	(12.0)	(111.5)	(93.7)	(13.5)	(107.2)
Operational result	14.9	3.1	**18.0**	22.9	5.6	28.5
Financial income	0.4	0.2	0.6	1.4	0.3	1.7
Financial expenses	(4.4)	(0.3)	(4.7)	(3.3)	(0.4)	(3.7)
Share of profit of associates	0.8	—	0.8	0.3	—	0.3
Result before taxes	11.7	3.0	**14.7**	21.3	5.5	26.8
Income tax expense	(0.2)	(0.3)	(0.5)	(0.3)	(1.4)	(1.7)
Result after tax	11.5	2.7	**14.2**	21.0	4.1	25.1
Book profit from discontinued operations after tax	—	2.8	2.8	—	(0.3)	(0.3)
Result from ordinary operations after tax	11.5	5.5	**17.0**	21.0	3.8	24.8
Attributable to:						
Equity holders of the company (net result)	11.5	5.5	**17.0**	20.9	3.8	24.7
Minority interest	—	—	**—**	0.1	—	0.1

	3rd quarter 2007	3rd quarter 2006
—Weighted average number of issued shares (× 1,000)	**30,404**	31,767
—Weighted average number of issued shares after dilution (× 1,000)	**30,372**	32,320
—Basic earnings per share	**0.56**	0.78
—Diluted earnings per share	**0.55**	0.76

Condensed consolidated income statement 30 September 2007 (unaudited) *(in € × million)*

	30-09 2007 Cont. operations	30-09 2007 Discont. operations	**30-09 2007**	30-09 2006 Cont. operations	30-09 2006 Discont. operations	30-09 2006
Net turnover	1,425.0	146.8	1,571.8	1,241.6	228.2	1,469.8
Cost of sales	(1,089.4)	(92.4)	(1,181.8)	(887.7)	(157.2)	(1,044.9)
Gross operating income	335.6	54.4	**390.0**	353.9	71.0	424.9
Sales costs	(89.1)	(16.6)	(105.7)	(78.1)	(22.7)	(100.8)
General administrative expenses	(203.7)	(15.3)	(219.0)	(199.9)	(29.6)	(229.5)
Research & development expenses	(16.6)	(4.1)	(20.7)	(14.0)	(3.9)	(17.9)
Other operating income (expenses)	(0.5)	—	(0.5)	1.1	0.1	1.2
	(309.9)	(36.0)	(345.9)	(290.9)	(56.1)	(347.0)
Operational result	25.7	18.4	**44.1**	63.0	14.9	77.9
Financial income	2.5	1.0	3.5	1.9	1.0	2.9
Financial expenses	(12.3)	(0.6)	(12.9)	(6.0)	(1.5)	(7.5)
Share of profit of associates	3.0	—	3.0	1.7	0.1	1.8
Result before taxes	18.9	18.8	**37.7**	60.6	14.5	75.1
Income tax expense	(0.1)	(4.1)	(4.2)	(11.5)	(3.9)	(15.4)
Result after tax	18.8	14.7	**33.5**	49.1	10.6	59.7
Book profit from discontinued operations after tax	—	2.8	2.8	—	65.0	65.0
Result from ordinary operations after tax	18.8	17.5	**36.3**	49.1	75.6	124.7
Attributable to:						
Equity holders of the company (net result)	18.8	17.2	**36.0**	49.1	75.4	124.5
Minority interest	—	0.3	**0.3**	—	0.2	0.2

	30-09 2007	30-09 2006
—Weighted average number of issued shares (× 1,000)	**30,404**	31,767
—Weighted average number of issued shares after dilution (× 1,000)	**30,372**	32,320
—Basic earnings per share	**1.18**	3.92
—Diluted earnings per share	**1.17**	3.85

Condensed consolidated statement of the recognised income and expense (unaudited)

(in € × million)

		30-09 2007		30-09 2006
Equity at the end of the preceding period		468.6		546.6
Equity as at 1 January		**468.6**		546.6
Foreign exchange translation difference	(0.7)		(5.2)	
Effective part of changes in fair value of financial instruments	2.0		9.1	
Net result recognised directly in equity	**1.3**		3.9	
Result for the period	36.0		124.5	
Total recognised income and expense for the period		**37.3**		128.4
Purchase of own shares		(4.3)		(6.6)
Dividends		(33.6)		(35.1)
Share and option plan		3.3		4.2
Capital reduction		—		(127.8)
Share buy back		—		(50.8)
Other movements		—		(1.7)
Movements in minorty interest		0.4		0.1
Equity at the end of period		**471.7**		457.3
Net result recognised directly in equity	**1.3**		3.9	
Result for the period	36.3		124.7	
Total result for the period		**37.6**		128.6
Total result attributable to:				
Equity holders of the company		37.3		128.4
Minority interest		0.3		0.2
		37.6		128.6

Condensed consolidated balance sheet (unaudited) *(in € × million)*

		30-09 2007		31-12 2006
Non-current assets				
Property, plant and equipment	**271.7**		259.3	
Goodwill	**120.6**		52.2	
Other intangible fixed assets	**119.7**		115.6	
Investment in associates	**13.2**		15.9	
Long-term receivables from associates	**0.1**		0.1	
Deferred tax assets	**4.0**		1.3	
		529.3		444.4
Current assets				
Financial instruments	**83.4**		59.8	
Inventories	**225.3**		208.9	
Due from customers	**116.3**		110.6	
Trade and other receivables	**385.5**		356.0	
Current tax assets	**—**		1.6	
Cash and cash equivalents	**65.2**		93.2	
Assets classified as held for sale	**111.3**		112.2	
		987.0		942.3
Assets		**1,516.3**		1,386.7
Equity				
Share capital	**31.3**		33.0	
Share premium	**53.4**		56.5	
Statutory reserves	**140.7**		135.3	
Other reserves	**207.5**		91.7	
Result book year	**36.0**		149.7	
Total equity attributable to equity holders of the company	**468.9**		466.2	
Minority interest	**2.8**		2.4	
		471.7		468.6
Non-current liabilities				
Long-term debts	**30.8**		30.0	
Employee benefits	**20.5**		13.4	
Provisions	**40.7**		37.8	
Deferred tax liabilities	**35.3**		33.0	
		127.3		114.2
Current liabilities				
Due to customers	**256.2**		202.3	
Trade and other payables	**384.3**		384.6	
Preference shares	**—**		7.6	
Current tax payable	**6.9**		—	
Bank overdraft	**180.7**		114.4	
Current liabilities for long-term debt	**1.1**		1.1	
Provisions	**29.9**		34.9	
Liabilities classified as held for sale	**58.2**		59.0	
		917.3		803.9
Liabilities		**1,516.3**		1,386.7

Condensed consolidated cash flow statement (unaudited) *(in € × million)*

		30-09 2007		30-09 2006
Operational Result	**44.1**		77.9	
Adjustments for:				
Depreciation of property, plant and equipment	**37.6**		33.9	
Amortisation of intangible fixed assets	**20.5**		9.3	
Result from divestments of property, plant and equipment	**—**		(1.9)	
Changes in provisions	**(9.6)**		(15.4)	
Cash flow from ordinary operations before movements in operating capital		**92.6**		103.8
Movements in inventories	**(9.1)**		(17.6)	
Movements in receivables	**(19.4)**		(28.1)	
Movements in debts	**30.9**		(36.2)	
		2.4		(81.9)
Cash flow from operational activities		**95.0**		21.9
Income tax paid/received	**(1.0)**		(26.0)	
Interest paid	**(9.7)**		(2.3)	
Finance costs	**(0.4)**		(1.0)	
Financial instruments	**(4.4)**		(8.9)	
		(15.5)		(38.2)
Cash flow from ordinary operations		**79.5**		(16.3)
Interest received	**3.6**		2.9	
Dividend received	**3.0**		2.1	
Proceeds from sale of property, plant and equipment	**1.8**		6.6	
Proceeds from sale of subsidiaries	**3.1**		70.9	
Investments in property, plant and equipment	**(43.8)**		(33.4)	
Investments in other intangible fixed assets	**(17.2)**		(20.8)	
Acquisition of subsidiaries	**(87.4)**		(73.3)	
Cash flow from investment activities		**(136.9)**		(45.0)
Dividends paid	**(33.6)**		(35.1)	
Reduction of capital	**—**		(127.8)	
Share buy back	**—**		(50.8)	
Repayments of long-term debts	**(1.2)**		(0.8)	
Receipts from long-term debts	**1.5**		3.2	
Exercise of option rights	**1.9**		10.2	
Purchase of own shares	**(4.3)**		(7.0)	
Cash flow from financing activities		**(35.7)**		(208.1)
Net cash flow		**(93.1)**		(269.4)
Exchange rate and translation differences on cash		**(1.2)**		(1.2)
Movements in liquidity		**(94.3)**		(270.6)
Cash position/bank overdrafts at 1 January		**(21.2)**		211.0
Cash position/bank overdrafts at 30 September		**(115.5)**		(59.6)

Notes

This interim financial report has been prepared in accordance with IAS 34 and approved by the Board of Management on 22 October 2007.

Accounting policies

Stork reports in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. We refer to the 2006 Annual report for the accounting policies.

Estimates

In preparing these condensed consolidated interim financial statements, the significant judgements made by the Board of Management in applying the accounting policies of Stork N.V. and the key sources of uncertainty in estimates were the same as those that applied to the consolidated financial statements for the year ended 31 December 2006. Changes in estimates and assumptions may influence the amounts to be reported in subsequent years. Actual outcomes may differ from these estimates.

Discontinued operations

Based on IFRS 5 the Prints Division is classified as held for sale as of 31 December 2006. As a consequence the assets and liabilities of this division are presented separately in the balance sheet as held for sale. Based on IFRS regulation this division is also classified as discontinued operations in the income statement. The comparative figures have been restated for this purpose.

In addition to the Prints Division, the comparative 2006 figures of the discontinued operations consist of Stork WorkSphere, Stork Bronswerk Inc. (Montreal, Canada) and the activities of Stork Bouwtechniek.

The book profit from discontinued operations (€2.8 million) is related to the divestment of the activities of DCI Meettechniek B.V..

Cash flow in 2007 in respect of discontinued operations amounted to approx. €21 million from ordinary operations and approx. €1 million from investment activities compared to €(7) million and €78 million respectively, in the same period in 2006.

Acquisitions of subsidiaries

In the first half year, the acquisitions of Nijal Technologie Alimentaire (19 January 2007), Reda Gmbh (1 February 2007), Turbo-Service GmbH (13 February 2007), Aerotron AirPower Inc. (26 March 2007) and East West Technology Inc. (31 March 2007) were recorded.

As per 1 August 2007 Stork Industry Specialists finalised the acquisition of GTO Gloeitechniek B.V. and the expansion of the 50% participation in MTT Holding B.V. to 100%.

GTO Gloeitechniek B.V. is a technical service provider specialized in Heat Treatment Services. The company has an annual turnover of approx. €1 million and employs 7 people. MTT Holding B.V. contains three legal entities and offers mechanical testing, chemical analysis, weld inspection, and failure analysis. With 60 people the company realizes an annual turnover of €9 million.

The cash out for the activities acquired in 2007 amounts to an approximate total of €87 million. The purchase price includes goodwill, including acquisition costs and expected earn out schemes, to an amount of approx. €70 million.

From the date of acquisitions until 30 September 2007, the contribution of these acquisitions to the consolidated EBIT for the financial year amounted to €7.0 million with a turnover of €63.4 million.

Effect of acquisitions

Balance of assets and liabilities of the acquisitions on the acquisition date (based on provisional accounting)

(in € × million)

	Recognised values	Fair value adjustments	Carrying amounts
Property, plant and equipment	12.3	4.9	7.4
Intangible assets	8.6	8.3	0.3
Other non-current assets	0.3	0.2	0.1
Deferred tax asset	1.1	—	1.1
Inventories	7.1	—	7.1
Trade and other receivables	24.8	1.4	23.4
Cash and cash equivalents and bank overdrafts	2.0	—	2.0
Interest-bearing loans and borrowings	(1.1)	—	(1.1)
Deferred tax liabilities	(5.6)	(5.3)	(0.3)
Provisions	(11.7)	(0.3)	(11.4)
Trade creditors and liabilities	(13.9)	—	(13.9)
Net identifiable assets and liabilities	23.9	9.2	14.7
Transfer of investment in associates	(1.9)		
Goodwill	70.1		
Purchase price	92.1		
Cash acquired	(2.0)		
Net cash outflow	87.4		
Recognised as liability	2.7		

The provisional goodwill can mainly be contributed to the expertise and technical qualities of the workforce of the acquired companies and the expected synergy benefit from integration. The effects of the acquisitions have been calculated provisionally, because the Purchase Price Allocation for some entities has not yet been finalised completely. The fair value adjustments and accompanying adjustment of goodwill will be finalised this year. Accordingly, these published figures are still provisional and may be subject to changes.

Provisions

As a result of technical problems, provisions were recognised in the second quarter amounting to €35 million for the NH90 helicopter programme. This addition has been included in the cost of sales.

Taxation

The tax burden for 2007 on the basis of the annual forecast amounts to approx. 10%. The low tax burden is due to a compromise with the Dutch Tax Authorities in relation to fiscal pre-consolidated losses, the change of deferred taxes in Belgium and Germany, non-fiscal book profit from discontinued operations and the release of several provisions for tax risks.

Financial position

In 2007, the liquidity position decreased from €22 million negative to €115 million negative. The decrease in liquid assets was primarily caused by the payment of dividend (€34 million), acquisition of subsidiaries (€87 million) and the repurchase of the cumulative preference shares from the Stork Foundation (Stichting Stork) (€8 million).

The ''net debt'' position (liquidities + long-term loans) decreased in 2007 from €52 million negative to €147 million negative. For the financing of the negative liquidity position, Stork has taken up €180 million from the credit facility of €300 million.

Financial instruments

Stork applies cash flow hedge accounting to a large part of the foreign exchange contracts, which are concluded with banks. These are Euro/US dollar forward contracts for the benefit of the Aerospace group. Applying cash flow hedge accounting impacted shareholders' equity positively by €2.0 million as per 30 September 2007. The value of the financial derivatives increased by €23.6 million. The cash flow hedge reserve has also changed as a consequence of a provision for aircraft programmes, which would only incur a loss following Fair Value calculations. This €16.9 million provision increased to €30.5 million as a consequence of the decrease of the US dollar. Furthermore, the cash flow hedge reserve decreased by €0.7 million compared to year-end 2006 mainly due to a tax deferral.

Dividend

The cash dividend paid out in March 2007 was €27.9 million. The accompanying dividend tax of €5.5 million was paid in the second quarter.

Share Appreciation Rights

For costs of Share Appreciation Rights, an expense of €1.5 million was recorded in 2007.

Paid-up shares

There were 30,236,518 paid-up shares as per 31 December 2006. A number of 103,952 shares were repurchased in 2007 to cover the Share Appreciation Rights and shares granted under the Share Appreciation Rights.

During this year, option rights exercised resulted in 253,222 shares being transferred to option holders. Furthermore 17,750 shares were delivered for the previous years' granted shares. The total number of paid-up shares at the end of September 2007 thus amounted to 30,403,538.

Based on the granted option rights, the Stork Foundation (Stichting Stork) has decided to execute its rights to purchase preference shares B in Stork on 19 December 2006. On 17 January, the Enterprise Chamber of the Court of Appeal in Amsterdam has ordered to facilitate the withdrawal of the cumulative preference shares B that were issued at the request of the Stork Foundation. This order has been acted upon and the procedure was finalised on 11 May 2007.

Post balance sheet events

No subsequent events occurred after balance sheet date.

Naarden, 24 October 2007

Board of Management

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Key figures for Stork *(in € × million, unless otherwise stated)*

	2nd quarter 2007	2nd quarter 2006	**30-06 2007**	30-06 2006
Net turnover	554.9	533.0	1,052.1	1,011.8
Result before depreciation (EBITDA)	28.7	103.1	68.5	140.9
Result after depreciation (EBIT)	1.3	89.4	26.7	113.6
Result after depreciation (EBIT) excl. specials*	n.a.	36.0	n.a.	65.2
Result before taxes (EBT)	—	88.7	22.7	113.5
Net result	0.3	81.5	19.0	99.8
Total assets	1,551.0	1,372.6	1,551.0	1,372.6
Capital employed	602.0	494.2	602.0	494.2
Equity attributable to equity holders	447.9	483.2	447.9	483.2
Long-term debts	30.5	29.4	30.5	29.4
Cash	(119.4)	21.7	(119.4)	21.7
Orders received	559.8	520.4	1,109.9	1,027.9
Number of employees	13,334	12,156	13,334	12,156
Key figures in € (including specials)				
Per share of €1				
Net result	0.01	2.55	0.63	3.12
Diluted net result	0.01	2.51	0.62	3.07
Cash flow	0.43	2.91	1.43	3.82
Equity attributable to equity holders	14.73	15.11	14.73	15.11
Number of shares paid up (× 1,000)	30,403	31,985	30,403	31,985
Average number of ordinary shares (× 1,000)	30,359	31,951	30,359	31,951
Average number of ordinary shares (diluted) (× 1,000)	30,690	32,517	30,690	32,517
Number of shares issued (× 1,000)	31,251	33,020	31,251	33,020
Ratios in %				
Net result/net turnover	—	15.3	1.8	9.9
Net result/average equity	0.2	64.2	8.2	39.3
Interest coverage ratio	1.0	351.6	4.6	158.4
Gearing	33.5	1.7	33.5	1.7
Equity/balance sheet total	28.9	35.2	28.9	35.2

*** Specials relates to advisory expenses and divestments of subsidiaries**

Key figures of the groups *(in € × million)*

	2nd quarter 2007	2nd quarter 2006	**30-06 2007**	30-06 2006
Aerospace				
Net turnover	**142.8**	127.9	**276.2**	267.1
EBIT	**(31.3)**	10.0	**(27.0)**	22.0
Capital employed	**206.2**	263.2	**206.2**	263.2
Orders received	**170.6**	155.5	**312.0**	292.5
Order book position	**852.2**	704.1	**852.2**	704.1
Number of employees at end of period	**3,552**	3,404	**3,552**	3,404
EBIT as % of capital employed	**(60.7)**	15.2	**(26.2)**	16.7
EBIT as % of net turnover	**(21.9)**	7.8	**(9.8)**	8.2
Food Systems				
Net turnover	**97.9**	89.3	**186.4**	157.0
EBIT	**6.3**	6.8	**11.6**	13.9
Capital employed	**130.6**	104.6	**130.6**	104.6
Orders received	**83.7**	80.9	**186.2**	135.0
Order book position	**70.5**	69.1	**70.5**	69.1
Number of employees at end of period	**1,709**	1,627	**1,709**	1,627
EBIT as % of capital employed	**19.3**	26.0	**17.8**	26.6
EBIT as % of net turnover	**6.4**	7.6	**6.2**	8.9
Technical Services				
Net turnover	**263.5**	226.3	**494.4**	412.2
EBIT	**22.7**	17.6	**37.6**	26.3
Capital employed	**156.1**	133.7	**156.1**	133.7
Orders received	**253.6**	202.3	**516.7**	421.1
Order book position	**223.5**	212.5	**223.5**	212.5
Number of employees at end of period	**6,694**	5,656	**6,694**	5,656
EBIT as % of capital employed	**58.2**	52.7	**48.2**	39.3
EBIT as % of net turnover	**8.6**	7.8	**7.6**	6.4
Discontinued operations				
Net turnover	**52.8**	94.2	**100.9**	184.6
EBIT	**7.7**	70.6	**14.8**	74.2
EBIT excl. specials	**n.a.**	5.3	**n.a.**	8.9
Capital employed	**58.0**	45.6	**58.0**	45.6
Orders received	**53.7**	86.2	**101.4**	188.3
Order book position	**14.6**	17.1	**14.6**	17.1
Number of employees at end of period	**1,267**	1,349	**1,267**	1,349
EBIT as % of capital employed	**53.1**	619.3	**51.0**	325.4
EBIT as % of net turnover	**14.6**	74.9	**14.7**	40.2
Holdings and Others				
EBIT	**(4.1)**	(15.6)	**(10.3)**	(22.8)
EBIT excl. specials	**n.a.**	(3.7)	**n.a.**	(5.9)
Capital employed	**51.1**	(52.9)	**51.1**	(52.9)
Number of employees at end of period	**112**	120	**112**	120
Eliminations				
Net turnover	**(2.1)**	(4.7)	**(5.8)**	(9.1)
Orders received	**(1.8)**	(4.5)	**(6.4)**	(9.0)
Total for all groups				
Net turnover	**554.9**	533.0	**1,052.1**	1,011.8
EBIT	**1.3**	89.4	**26.7**	113.6
EBIT excl. specials	**n.a.**	36.0	**n.a.**	65.2
Capital employed	**602.0**	494.2	**602.0**	494.2
Orders received	**559.8**	520.4	**1,109.9**	1,027.9
Order book position	**1,160.8**	1,002.8	**1,160.8**	1,002.8
Number of employees at end of period	**13,334**	12,156	**13,334**	12,156
EBIT as % of capital employed	**0.9**	72.4	**8.9**	46.0
EBIT as % of net turnover	**0.2**	16.8	**2.5**	11.2

Condensed consolidated income statement second quarter 2007 *(in € × million)*

	2nd quart. 2007 Cont. operations	2nd quart. 2007 Discont. operations	**2nd quart. 2007**	2nd quart. 2006 Cont. operations	2nd quart. 2006 Discont. operations	2nd quart. 2006
Net turnover	502.1	52.8	554.9	438.8	94.2	533.0
Cost of sales	(401.7)	(32.5)	(434.2)	(314.9)	(68.0)	(382.9)
Gross operating income	100.4	20.3	**120.7**	123.9	26.2	150.1
Sales costs	(31.5)	(5.8)	(37.3)	(27.6)	(7.9)	(35.5)
General administrative expenses	(69.7)	(5.1)	(74.8)	(71.1)	(11.2)	(82.3)
Research & development expenses	(6.4)	(1.4)	(7.8)	(5.3)	(1.5)	(6.8)
Other operating income (expenses)	(0.5)	—	(0.5)	(0.1)	—	(0.1)
	(108.1)	(12.3)	(120.4)	(104.1)	(20.6)	(124.7)
Operational result	(7.7)	8.0	**0.3**	19.8	5.6	25.4
Financial income	1.8	0.4	2.2	(0.6)	0.4	(0.2)
Financial expenses	(3.6)	(0.1)	(3.7)	(2.0)	(0.9)	(2.9)
Share of profit of associates	1.4	—	1.4	1.2	—	1.2
Result before taxes	(8.1)	8.3	**0.2**	18.4	5.1	23.5
Income tax expense	2.2	(1.9)	0.3	(5.6)	(1.6)	(7.2)
Result after tax	(5.9)	6.4	**0.5**	12.8	3.5	16.3
Book profit from discontinued operations after tax	—	—	—	—	65.3	65.3
Result from ordinary operations after tax	(5.9)	6.4	**0.5**	12.8	68.8	81.6
Attributable to:						
Equity holders of the company (net result)	(5.9)	6.2	**0.3**	12.7	68.8	81.5
Minority interest	—	0.2	**0.2**	0.1	—	0.1

	2nd quarter 2007	2nd quarter 2006
—Weighted average number of issued shares (× 1,000)	30,359	31,951
—Weighted average number of issued shares after dilution (× 1,000)	30,690	32,517
—Basic earnings per share	0.01	2.55
—Diluted earnings per share	0.01	2.51

Condensed consolidated income statement 30 June 2007 *(in € × million)*

	30-06 2007 Cont. operations	30-06 2007 Discont. Operations	**30-06 2007**	30-06 2006 Cont. operations	30-06 2006 Discont. Operations	30-06 2006
Net turnover	951.2	100.9	1,052.1	827.2	184.6	1,011.8
Cost of sales	(730.6)	(61.0)	(791.6)	(589.9)	(132.7)	(722.6)
Gross operating income	220.6	39.9	**260.5**	237.3	51.9	289.2
Sales costs	(59.4)	(11.6)	(71.0)	(52.0)	(16.2)	(68.2)
General administrative expenses	(135.6)	(10.2)	(145.8)	(137.0)	(23.6)	(160.6)
Research & development expenses	(14.0)	(2.9)	(16.9)	(9.4)	(2.8)	(12.2)
Other operating income (expenses)	(0.7)	—	(0.7)	1.2	—	1.2
	(209.7)	(24.7)	(234.4)	(197.2)	(42.6)	(239.8)
Operational result	10.9	15.2	**26.1**	40.1	9.3	49.4
Financial income	2.1	0.8	2.9	0.5	0.7	1.2
Financial expenses	(7.9)	(0.3)	(8.2)	(2.7)	(1.1)	(3.8)
Share of profit of associates	2.2	—	2.2	1.4	0.1	1.5
Result before taxes	7.3	15.7	**23.0**	39.3	9.0	48.3
Income tax expense	0.1	(3.8)	(3.7)	(11.2)	(2.5)	(13.7)
Result after tax	7.4	11.9	**19.3**	28.1	6.5	34.6
Book profit from discontinued operations after tax	—	—	—	—	65.3	65.3
Result from ordinary operations after tax	7.4	11.9	**19.3**	28.1	71.8	99.9
Attributable to:						
Equity holders of the company (net result)	7.4	11.6	**19.0**	28.0	71.8	99.8
Minority interest	—	0.3	**0.3**	0.1	—	0.1

	30-06 2007	30-06 2006
—Weighted average number of issued shares (× 1,000)	**30,359**	31,951
—Weighted average number of issued shares after dilution (× 1,000)	**30,690**	32,517
—Basic earnings per share	**0.63**	3.12
—Diluted earnings per share	**0.62**	3.07

Condensed consolidated statement of the recognized income and expense *(in € × million)*

		30-06 2007		30-06 2006
Equity at the end of the preceding period		468.6		546.6
Equity as at 1 January		**468.6**		546.6
Foreign exchange translation difference	1.4		(5.0)	
Effective part of changes in fair value of financial instruments	(4.3)		11.8	
Net result recognized directly in equity	**(2.9)**		6.8	
Result for the period	19.0		99.8	
Total recognized income and expense for the period		**16.1**		106.6
Purchase of own shares		(3.6)		(6.6)
Dividends		(33.6)		(35.1)
Share and option plan		2.8		3.7
Capital reduction		—		(127.8)
Other movements		—		(1.7)
Movements in minority interest		0.4		—
Equity at the end of period		**450.7**		485.7
Net result recognized directly in equity	**(2.9)**		6.8	
Result for the period	19.3		99.9	
Total result for the period		**16.4**		106.7
Total result attributable to:				
Equity holders of the company		16.1		106.6
Minority interest		0.3		0.1
		16.4		106.7

Condensed consolidated balance sheet *(in € × million)*

		30-06 2007		31-12 2006
Non-current assets				
Property, plant and equipment	**269.5**		259.3	
Goodwill	**114.8**		52.2	
Other intangible fixed assets	**119.9**		115.6	
Investment in associates	**15.4**		15.9	
Long-term receivables from associates	**0.2**		0.1	
Deferred tax assets	**3.7**		1.3	
		523.5		444.4
Current assets				
Financial instruments	**52.9**		59.8	
Inventories	**223.9**		208.9	
Due from customers	**122.5**		110.6	
Trade and other receivables	**399.1**		356.0	
Current tax assets	**—**		1.6	
Cash and cash equivalents	**108.0**		93.2	
Assets classified as held for sale	**121.1**		112.2	
		1,027.5		942.3
Assets		**1,551.0**		1,386.7
Equity				
Share capital	**31.3**		33.0	
Share premium	**53.4**		56.5	
Statutory reserves	**124.7**		135.3	
Other reserves	**219.5**		91.7	
Result book year	**19.0**		149.7	
Total equity attributable to equity holders of the company	**447.9**		466.2	
Minority interest	**2.8**		2.4	
		450.7		468.6
Non-current liabilities				
Long-term debts	**30.5**		30.0	
Employee benefits	**20.6**		13.4	
Provisions	**40.3**		37.8	
Deferred tax liabilities	**31.8**		33.0	
		123.2		114.2
Current liabilities				
Due to customers	**250.1**		202.3	
Trade and other payables	**390.3**		384.6	
Preference shares	**—**		7.6	
Current tax payable	**16.0**		—	
Bank overdraft	**227.4**		114.4	
Current liabilities for long-term debt	**1.1**		1.1	
Provisions	**29.5**		34.9	
Liabilities classified as held for sale	**62.7**		59.0	
		977.1		803.9
Liabilities		**1,551.0**		1,386.7

Condensed consolidated cashflow statement *(in € × million)*

		30-06 2007		30-06 2006
Operational Result	**26.1**		49.4	
Adjustments for:				
Depreciation of property, plant and equipment	**24.6**		22.4	
Amortisation of intangible fixed assets	**17.1**		4.8	
Result from divestments of property, plant and equipment	**—**		(2.6)	
Changes in provisions	**(9.1)**		(8.2)	
Cash flow from ordinary operations before movements in operating capital		**58.7**		65.8
Movements in inventories	**(11.3)**		(3.9)	
Movements in receivables	**(36.9)**		(22.3)	
Movements in debts	**37.0**		(25.7)	
		(11.2)		(51.9)
Cash flow from operational activities		**47.5**		13.9
Income tax paid/received	**5.9**		(14.0)	
Interest paid	**(6.4)**		(0.7)	
Finance costs	**(0.4)**		(0.6)	
Financial instruments	**3.6**		(2.6)	
		2.7		(17.9)
Cash flow from ordinary operations		**50.2**		(4.0)
Interest received	**2.9**		1.3	
Dividend received	**1.9**		1.5	
Proceeds from sale of property, plant and equipment	**0.8**		4.3	
Proceeds from sale of subsidiaries	**—**		70.9	
Investments in property, plant and equipment	**(26.8)**		(24.1)	
Investments in other intangible fixed assets	**(12.6)**		(15.5)	
Acquisition of subsidiaries	**(78.8)**		(63.4)	
Cash flow from investment activities		**(112.6)**		(25.0)
Dividends paid	**(33.6)**		(35.1)	
Reduction of capital	**—**		(127.8)	
Repayments of long-term debts	**(1.2)**		(0.6)	
Receipts from long-term debts	**1.1**		1.3	
Exercise of option rights	**1.8**		10.1	
Purchase of own shares	**(3.6)**		(7.0)	
Cash flow from financing activities		**(35.5)**		(159.1)
Net cash flow		**(97.9)**		(188.1)
Exchange rate and translation differences on cash		**(0.3)**		(1.2)
Movements in liquidity		**(98.2)**		(189.3)
Cash position/bank overdrafts at 1 January		**(21.2)**		**211.0**
Cash position/bank overdrafts at 30 June		**(119.4)**		**21.7**

Notes

This interim financial report has been prepared in accordance with IAS 34 and approved by the Board of Management on 23 July 2007.

Accounting policies

Stork reports in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. We refer to the 2006 Annual report for the accounting policies.

Estimates

In preparing these condensed consolidated interim financial statements, the significant judgements made by the Board of Management in applying the accounting policies of Stork N.V. and the key sources of uncertainty in estimates were the same as those that applied to the consolidated financial statements for the year ended 31 December 2006. Changes in estimates and assumptions may influence the amounts to be reported in subsequent years. Actual outcomes may differ from these estimates.

Summary by group *(in € × million)*

	Net turnover		EBIT	
	30-06 2007	30-06 2006	**30-06 2007**	30-06 2006
Aerospace	276.2	267.1	(27.0)	22.0
Food Systems	186.4	157.0	11.6	13.9
Technical Services	494.4	412.2	37.6	26.3
Discontinued operations	100.9	184.6	14.8	74.2
Holdings and Others	—	—	(10.3)	(22.8)
Eliminations	(5.8)	(9.1)	—	—
Total for all groups	1,052.1	1,011.8	26.7	113.6

Discontinued operations

Based on IFRS 5 the Prints Division is classified as held for sale as of 31 December 2006. As a consequence the assets and liabilities of this division are presented separately in the balance sheet as held for sale. Based on IFRS regulation this division is also classified as discontinued operations in the income statement. The comparative figures have been restated for this purpose.

In addition to the Prints Division, the comparative 2006 figures of the discontinued operations consist of Stork WorkSphere, Stork Bronswerk Inc. (Montreal, Canada) and the activities of Stork Bouwtechniek.

Cash flow in the first half of 2007 in respect of discontinued operations amounted to approx. €11 million from ordinary operations and approx. €(1) million from investment activities compared to €(5) million and €77 million respectively, in the same period in 2006.

For the sake of completeness, the amounts for year end 2006 are also presented, since these were not disclosed in accordance with IFRS 5.33(c) in the explanatory notes to the financial statements for 2006. The net cash flow that can be allocated to the discontinued operations at year end 2006 totals approx. €2 million from ordinary operations and approximately €77 million from investment activities, including the proceeds from the sale of Stork WorkSphere. The cash flow from financing activities is mainly intercompany in character and has therefore not been taken into consideration.

Acquisitions of subsidiaries

In the first quarter, the acquisitions of Nijal Technologie Alimentaire (19 January 2007), Turbo-Service GmbH (13 February 2007) and Aerotron AirPower Inc. (26 March 2007) were recorded.

As per 1 February 2007 Stork Industry Services finalised the acquisition of Reda GmbH. The acquisition was recorded in the first half-year. Reda GmbH specializes in revisions of circuit breakers for mainly power stations. The company has an annual turnover of approx. €4 million and employs around 40 people.

On 31 March 2007 Stork Industry Specialists finalised the acquisition of East West Technology Inc.. East West Technology Inc. (28 employees) is testing products for aerospace, military and government industries. The annual turnover is approx. €5 million.The cash out for the activities acquired in 2007 amounts to an approximate total of €79 million. The purchase price includes goodwill, including acquisition costs and expected earn out schemes, to an amount of approx. €62 million.

From the date of acquisitions until 30 June 2007, the contribution of these acquisitions to the consolidated EBIT for the financial year amounted to €2.6 million with a turnover of €37.4 million.

Effect of acquisitions

Balance of assets and liabilities of the acquisitions on the acquisition date (based on provisional accounting)

(in € × million)

	Recognised values	Fair value adjustments	Carrying amounts
Property, plant and equipment	10.8	4.9	5.9
Intangible assets	9.1	8.8	0.3
Other non-current assets	1.0	0.2	0.8
Deferred tax asset	0.6	—	0.6
Inventories	7.0	—	7.0
Trade and other receivables	24.3	0.2	24.1
Cash and cash equivalents and bank overdrafts	0.2	—	0.2
Interest-bearing loans and borrowings	(1.1)	—	(1.1)
Deferred tax liabilities	(4.9)	(4.8)	(0.1)
Provisions	(12.6)	—	(12.6)
Trade creditors and liabilities	(14.5)	—	(14.5)
Net identifiable assets and liabilities	19.9	9.3	10.6
Goodwill	61.8		
Purchase price	81.7		
Cash acquired	(0.2)		
Net cash outflow	78.8		
Recognised as liability	2.7		

The provisional goodwill can mainly be contributed to the expertise and technical qualities of the workforce of the acquired companies and the expected synergy benefit from integration. The effects of the acquisitions have been calculated provisionally, because the Purchase Price Allocation for some entities has not yet been finalised completely. The fair value adjustments and accompanying adjustment of goodwill will be finalised this year. Accordingly, these published figures are still provisional and may be subject to changes.

Provisions

As a result of technical problems, provisions were recognised in the second quarter amounting to €35 million for the NH90 helicopter programme. This addition has been included in the cost of sales. These provisions refer to costs and risks relating to design optimisations, further delays and qualifications. Because the total qualification programme still has two years to go, potential risks still remain.

Taxation

The tax burden for the first six months of 2007 on the basis of the annual forecast amounts to 15%. The low tax burden is due to a compromise with the Dutch Tax Authorities in relation to fiscal pre-consolidated losses and the release of several provisions for tax risks.

Financial position

In the first half of 2007, the liquidity position decreased from €22 million negative to €119 million negative. The decrease in liquid assets was primarily caused by the payment of dividend (€34 million), acquisition of subsidiaries (€79 million) and the repurchase of the cumulative preference shares from the Stork Foundation (Stichting Stork) (€8 million).

The ''net debt'' position (liquidities + long-term loans) increased in the first half of 2007 from €52 million negative to €151 million negative. For the financing of the negative liquidity position, Stork has taken up €220 million from the credit facility of €300 million.

Financial instruments

Stork applies cashflow hedge accounting to a large part of the foreign exchange contracts which are concluded with banks. These are Euro/US dollar forward contracts for the benefit of the Aerospace group. Applying cashflow hedge accounting impacted shareholders' equity by €4.3 million as per 30 June 2007. The value of the financial derivatives decreased by €6.9 million. The cashflow hedge reserve has also changed as a consequence of a provision for aircraft programmes, which would only incur a loss following Fair Value calculations. This €16.9 million provision increased to €19.7 million as a consequence of the decrease of the US dollar. Furthermore, the cashflow hedge reserve increased by €1.5 million compared to year-end 2006 mainly due to a tax deferral.

Dividend

The cash dividend paid out in March 2007 was €27.9 million. The accompanying dividend tax of €5.5 million was paid in the second quarter.

Share Appreciation Rights

For costs of Share Appreciation Rights, an expense of €1.0 million was recorded in the first half year of 2007.

Paid-up shares

There were 30,236,518 paid-up shares as per 31 December 2006. A number of 88,701 shares were repurchased in 2007 to cover the Share Appreciation Rights and shares granted under the Share Appreciation Rights.

During this year, option rights exercised resulted in 237,971 shares being transferred to option holders. Furthermore 17,635 shares were delivered for the previous years' granted shares. The total number of paid-up shares at the end of June 2007 thus amounted to 30,403,423.

Based on the granted option rights, the Stork Foundation (Stichting Stork) has decided to execute its rights to purchase preference shares B in Stork on 19 December 2006. On 17 January, the Enterprise Chamber of the Court of Appeal in Amsterdam has ordered to facilitate the withdrawal of the cumulative preference shares B that were issued at the request of the Stork Foundation. This order has been acted upon and the procedure was finalised on 11 May 2007.

Post balance sheet events

Stork N.V. and Bencis Capital Partners have reached a principle agreement on the sale of 60% of the interest in Stork Prints to Bencis. The transaction is expected to be concluded in the second half of 2007, and will not affect the figures of the first half year of 2007.

Naarden, 25 July 2007

Board of Management

Review Report KPMG

To the shareholders

Review Report

Introduction

We have reviewed interim financial information on pages F-18 until F-24 relating to the accompanying consolidated condensed balance sheet of Stork N.V. (''the Company'') as of 30 June 2007, and the related statements of income, changes in equity and cash flows for the six month period then ended. We have not reviewed the quarterly figures for the period 1 April 2007 to 30 June 2007 as included in the interim financial information.

Management is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, ''Interim Financial Reporting'' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Dutch law including standard 2410, ''Review of Interim Financial Information Performed by the Independent Auditor of the Entity''. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at 30 June 2007 is not prepared, in all material respects, in accordance with IAS 34, ''Interim Financial Reporting', as adopted by the European Union.

Amstelveen, 25 July 2007

KPMG ACCOUNTANTS N.V.
A.S. Welling RA

4 Financial Statements 2006 Stork N.V.

Consolidated income statement *(in € × 1,000)*

		2006 Continuing operations	2006 Discontinued operations	2006	2005 Continuing operations	2005 Discontinued operations	2005
36	Net turnover	1,726,661	282,423	2,009,084	1,445,159	372,749	1,817,908
	Cost of sales	(1,266,573)	(194,563)	(1,461,136)	(1,020,992)	(276,227)	(1,297,219)
	Gross operating income	**460,088**	**87,860**	**547,948**	**424,167**	**96,522**	**520,689**
	Sales costs	(110,181)	(27,853)	(138,034)	(81,585)	(34,349)	(115,934)
50	General administrative expenses	(267,172)	(33,565)	(300,737)	(221,965)	(42,096)	(264,061)
51	Research & Development expenses	(18,993)	(5,042)	(24,035)	(16,300)	(6,776)	(23,076)
52	Other operating income	932	(634)	298	9,499	1,544	11,043
		(395,414)	**(67,094)**	**(462,508)**	**(310,351)**	**(81,677)**	**(392,028)**
	Operational result	**64,674**	**20,766**	**85,440**	**113,816**	**14,845**	**128,661**
53	Financial income	1,789	1,339	3,128	2,488	1,928	4,416
54	Financial expenses	(8,353)	(1,249)	(9,602)	(4,391)	(288)	(4,679)
	Share of profit of associates	2,798	105	2,903	1,711	(134)	1,577
	Result before tax	**60,908**	**20,961**	**81,869**	**113,624**	**16,351**	**129,975**
55	Income tax expense	6,301	(4,261)	2,040	(31,768)	(4,711)	(36,479)
	Result after tax	**67,209**	**16,700**	**83,909**	**81,856**	**11,640**	**93,496**
38	Book profit from discontinued operations after tax	—	65,966	65,966	—	—	—
	Result from ordinary operations after tax	**67,209**	**82,666**	**149,875**	**81,856**	**11,640**	**93,496**
	Attributable to:						
	Equity holders of the company (net result)	67,209	82,445	149,654	81,856	11,430	93,286
	Minority interest	—	221	221	—	210	210
	Weighted average number of issued shares (× 1,000)			**31,414**			31,958
	Weighted average number of issued shares after dilution (× 1,000)			**31,948**			32,578
70	Basic earnings per share	2.14	2.62	**4.76**	2.56	0.36	2.92
71	Diluted earnings per share	2.10	2.58	**4.68**	2.51	0.35	2.86

Consolidated statement of recognised income and expense *(in × 1,000)*

		2006		2005
Equity at the end of the preceding period		**546,550**		**451,791**
Application of IAS 32/39		—		73,800
Adjusted equity as at 1 January		**546,550**		**525,591**
Foreign exchange translation difference	(6,520)		9,747	
Effective part of changes in fair value of financial instruments	15,400		(45,280)	
Net result recognised directly in equity	**8,880**		**(35,533)**	
Result for the period	149,654		93,286	
Total recognised income and expense for the period		**158,534**		**57,753**
Purchase of own shares		(76,643)		(15,113)
Capital reduction		(127,829)		—
Dividends		(35,148)		(28,747)
Share and option plans		4,879		7,974
Other movements		(1,658)		(1,179)
Movements in minority interest		(91)		271
Equity at the end of period		**468,594**		**546,550**
Net result recognised directly in equity	**8,880**		**(35,533)**	
Result for the period	149,875		93,496	
Total result for the period		**158,755**		**57,963**
Total result attributable to:				
Equity holders of the company		158,534		57,753
Minority interest		221		210
		158,755		**57,963**

Consolidated balance sheet *(in € × 1,000)*

Note		2006	2006	2005	2005
	Non-current assets				
56	Property, plant and equipment	259,329		280,855	
57	Goodwill	52,219		7,347	
57	Other intangible fixed assets	115,607		75,689	
58	Investments in associates	15,845		17,066	
58	Long-term receivables from associates	117		192	
74	Deferred tax assets	1,305		7,342	
			444,422		**388,491**
	Current assets				
59	Financial instruments	59,833		15,276	
60	Inventories	208,841		213,043	
61	Due from customers	110,639		159,524	
62	Trade and other receivables	356,021		354,908	
	Current tax assets	1,555		—	
63	Cash and cash equivalents	93,175		212,419	
41	Assets classified as held for sale	112,186		—	
			942,250		**955,170**
	Assets		**1,386,672**		**1,343,661**
	Equity				
65	Share capital	33,020		165,098	
65	Share premium	56,463		56,463	
66	Statutory reserve	135,303		110,518	
67	Other reserve	241,419		211,991	
64	Total equity attributable to equity holders of the company	**466,205**		**544,070**	
73	Minority interest	2,389		2,480	
			468,594		**546,550**
	Non-current liabilities				
75	Long-term debts	30,012		28,926	
78	Employee benefits	13,402		16,489	
77	Provisions	37,803		45,413	
74	Deferred tax liability	33,024		26,246	
			114,241		**117,074**
	Current liabilities				
61	Due to customers	202,271		214,121	
76	Trade and other payables	384,506		395,559	
65	Preference shares	7,558		—	
	Current tax payable	—		27,929	
63	Bank overdraft	114,440		1,447	
75	Current liabilities for long-term debt	1,075		538	
77	Provisions	34,946		40,443	
42	Liabilities classified as held for sale	59,041		—	
			803,837		**680,037**
	Liabilities		**1,386,672**		**1,343,661**

Consolidated cash flow statement *(in € × 1,000)*

		2006		2005
Operational result	85,440		128,661	
Adjustments for:				
Depreciation of property, plant and equipment	45,126		43,864	
Amortisation of intangible fixed assets	14,937		5,962	
Result from divestments of property, plant and equipment	(2,725)		(14,526)	
Changes in provisions	(9,962)		(13,588)	
Cash flow from ordinary operations before movements in operating capital		**132,816**		**150,373**
Movements in inventories	(22,172)		(18,574)	
Movements in receivables	(36,710)		(62,672)	
Movements in debts	25,437		85,732	
		(33,445)		**4,486**
Cash flow from operational activities		**99,371**		**154,859**
Income tax paid	(16,800)		(16,316)	
Interest paid	(4,079)		(5,799)	
Finance costs	(1,158)		(1,016)	
Financial instruments	(17,647)		5,971	
Cash flow from ordinary operations		**59,687**		**137,699**
Interest received	3,128		4,415	
Dividend received	2,740		1,207	
Proceeds from sale of property, plant and equipment	8,869		26,089	
Proceeds from sale of subsidiaries	76,028		—	
Investments in property, plant and equipment	(49,624)		(48,993)	
Investments in other intangible fixed assets	(26,175)		(10,114)	
Acquisition of subsidiaries	(70,211)		(1,438)	
Cash flow from investment activities		**(55,245)**		**(28,834)**
Dividends paid	(35,148)		(28,747)	
Reduction of capital	(127,829)		—	
Purchase of own shares	(70,000)		—	
Repayments of long-term debts	(1,031)		(103,065)	
Receipts from long-term debts	3,463		557	
Exercise of option rights	2,308		6,212	
Purchase of own shares for option plan	(6,643)		(15,113)	
Cash flow from financing activities		**(234,880)**		**(140,156)**
Net cash flow		**(230,438)**		**(31,291)**
Exchange rate and translation differences on cash		(1,799)		3,110
Movements in liquidity		**(232,237)**		**(28,181)**
Cash and cash equivalents at 1 January		**210,972**		**239,153**
Cash and cash equivalents at 31 December		**(21,265)**		**210,972**
Bank overdraft		**114,440**		**1,447**
		93,175		**212,419**

Contents of notes to the financial statements

Explanatory notes to consolidated financial statements *(in € × 1,000)*

1. Consolidation principles

Stork N.V. has its statutory seat in Amsterdam, The Netherlands. Its headquarters are located in Naarden. In the consolidated financial statements, Stork N.V. and the entities in which it directly or indirectly holds more than half of the shares or has a predominant influence on the management are consolidated in full. Minority interests in equity and result are stated separately. Participations and joint ventures in which the share is 50% or less are not consolidated if there is no controlling interest.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which a controlling interest was first held, until the date on which this ended.

Where necessary, adjustments have been made to the local financial statements of subsidiaries to bring the valuation principles in line with those of Stork.

Intragroup balances and any unrealised gains and losses on intragroup transactions or income and expenses are eliminated in the preparation of the consolidated financial statements. Unrealised profits from transactions with associates and jointly controlled entities are eliminated to the extent of the interest held by Stork in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no indication for impairment.

2. Significant accounting policies

3. General

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as accepted within the European Union and with Title 9 Book 2 of the Netherlands Civil Code.

The financial statements are presented in euros, rounded to the nearest thousand. The financial statements are prepared on cost basis, except for financial instruments which are stated at fair value. Assets held for sale are stated at the lower of carrying amount or fair value minus the costs of sale.

4. Risks and uncertainties in preparing the financial statements

In preparing the financial statements the management of the company has made estimates and assumptions which influence the amounts shown in the consolidated financial statements, as detailed in paragraph 92 of these notes. Changes in estimates and assumptions may influence the amounts to be reported in subsequent years. Actual outcomes may differ from these estimates.

5. Accounting policies

The financial reporting policies described below have been consistently applied to all periods presented in this consolidated financial statement.

The accounting policies are applied consistently by the group entities.

6. Foreign currencies

Transactions in foreign currencies
Transactions in foreign currencies are translated into euro at the exchange rates applying at the date of the transaction. Monetary and non monetary assets and liabilities in foreign currency are translated into euros at the exchange rates applying on the balance sheet date. Exchange rate differences are recognised in the income statement.

Translation of foreign operations
The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into euros at the exchange rates applying on the balance sheet date. The turnover and expenses from foreign operations are translated into euro at an exchange rate approximating the exchange rate on the transaction date. Income and costs from foreign activities subject to hyper inflation are translated into euro at the exchange rate applying on the balance sheet. This situation did not present itself in 2005 and 2006. Exchange rate translation differences are recognised directly in the translation reserve.

Net investments in foreign activities
Exchange rate differences resulting from the translation of net investments in foreign activities, and or with hedgeing transactions related hereto, are recognised in the translation reserve. On disposal these amounts are released into the income statement. For all foreign operations, exchange rate differences arising before 1 January 2004, the date of transition to IFRS, are presented in equity. The most important exchange rates used in relation to the euro are:

	2006	2005
Income statement		
Average exchange rates during the year		
US dollar	1.25	1.25
Canadian dollar	1.43	1.51
China Renminbi Yuan	10.02	10.23

	2006	2005
Balance sheet		
Exchange rates at year-end		
US dollar	1.32	1.18
Canadian dollar	1.52	1.38
China Renminbi Yuan	10.30	9.55

7. Derivative financial instruments

Hedging
Stork uses derivative financial instruments to hedge currency risks arising from operational and financing activities. In accordance with treasury policy, Stork holds no derivatives for trading purposes and nor does it issue these.

Derivative financial instruments are shown at fair value when they are initially recognised. The fair value of currency forward exchange contracts is the listed market price on the balance sheet date, i.e. the present value of the forward price. The fair value of currency options is the listed market price on the balance sheet date. The profit or loss arising on remeasurement at fair value is recognised directly to the income statement as exchange rate difference, except where cash flow hedge accounting is applied.

Cash flow hedge accounting
Stork applies hedge accounting for currency risks arising from the major Aerospace programmes. Financial instruments are used specifically to hedge the highly probable cash flows in US dollars expected from the Aerospace programmes. The effective parts of gains or loss on these financial instruments are recognised in the cash flow hedge reserve in equity. At the moment when the turnover or the cost of sales of the hedged cash flow is realised, the related cumulative gain or loss on the financial instrument is transferred from cash flow hedge reserve to turnover (incoming US dollar cash flows) or the cost of sales (outgoing US dollar cash flows). The ineffective part of the cash flow hedge is recognised immediately in the income statement. On balance, the turnover and the cost of sales of Stork are presented at the exchange rates hedged by the use of financial instruments. When a financial instrument expires or is sold, the cumulative gain or loss remains in equity when the hedged transaction is still expected to occur. This gain or loss is recognised in accordance with the above principle when the transaction takes place. If the cash flow is no longer expected to occur, the cumulative unrealised gain or loss, which is deferred in equity, is immediately recognised in the income statement.

8. Income statement

The following policies are applied for the determination of the results.

9. Net turnover

This is the turnover from the sale of goods and services and construction contracts to third parties, less discounts and taxes charged on turnover.

Turnover from the sale of goods are allocated to turnover after delivery and transfer of legal ownership, except where the production of the goods forms part of a project contract.

Where the results of project contracts or for services to third parties can be estimated reliably, turnover and costs are determined in proportion to the stage of completion of the project. The stage of completion is assessed from the ratio of costs incurred to expected total costs.

Project costs, including tender costs, are charged to the income statement for the period in which these are incurred. If it may be assumed that the total contract costs will exceed the associated turnover, the expected loss is recognised directly in the income statement. If the outcome of projects cannot reliably be estimated, the turnover is recognised to the level of costs incurred, that are likely to be recoverable.

10. Cost of sales

This is the direct cost of producing the goods and services sold. It also includes movements in the provisions with the exception of provisions recognised under general administrative expenses.

11. Research and Development expenses

Costs comprise research costs and non-capitalised development costs as well as depreciation of capitalised development costs, and are off-set with received subsidies, if applicable.

12. Financing income and costs

Interest income and expenses on bank accounts belonging to one and the same interest combination are offset. The net interest expense of the interest combination is allocated to interest income or interest expense. The costs incurred in relation to financing are shown separately. These include commitment fees. Financing income and expenses are recognised in the income statement using the effective interest method.

13. Income tax

Income tax on the profit for the financial year comprises the current and deferred tax. Income tax is recognised to the income statement, except where it relates to items which are recognised directly to equity, in which case the tax is recognised to equity as well.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that effect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

14. Earnings per share

The earning per ordinary share are calculated as the net profit payable to holders of ordinary shares divided by the weighted average number of shares as issued over the period concerned. The diluted earnings per ordinary share are calculated as profit divided by the weighted average number of shares as issued, including the number of ordinary shares that would be issued on exercise of granted stock options (only if such conversion or exercise would lead to dilution).

15. Balance sheet

16. Property, plant and equipment

Valuation is at cost less cumulative depreciation and impairments. Depreciation is linear and calculated at fixed percentages, based on the expected useful life of the asset and taking into account any residual value. The costs of assets produced in-house comprise material costs, direct labour costs, a first estimate where relevant of the dismantling and disposal costs of the asset and the restoration costs of the site on which the asset is located, and the directly identifiable indirect production costs.

Property, plant and equipment included as a result of a business combination are initially recoginised at fair value, which is based on the market value. The market value of property is the estimated value on the value date for which an immovable property can be traded between an informed buyer and a seller in an objective business transaction in which both parties acted carefully and without compulsion. The market value of other tangible assets and inventory is based on listed market prices of comparable assets and articles.

The estimated useful life for each asset category is:

Buildings	25–30 years
Machines and equipment	5–15 years
Other productive assets	3–11 years
Assets not used in production	10–30 years

Residual values and useful life, if significant, are reassessed annually.

17. Intangible fixed assets

Goodwill
All business combinations are accounted for by applying the purchase method. Goodwill represents amounts arising on acquisition of subsidiaries, associates and joint ventures and represents the difference between the costs of acquisition and the fair value of the net identifiable assets acquired. Goodwill is stated at cost less any cumulative impairment losses. Goodwill is allocated to cash flow-generating units, and is no longer amortised from 1 January 2004. Instead, the applicability of any impairment is tested annually. For associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associate.

Negative goodwill arising on acquisition is recognised directly in the income statement.

Development costs
Costs incurred for research activities carried out with the aim of gaining new scientific or technical knowledge and understanding are charged to the income statement when they are incurred. Costs incurred for development activities, in which the research results are applied in a plan or design for the production of new or significantly improved products and processes, are capitalised if the product or process is technically and commercially feasible, if the costs can be measured reliably and Stork has sufficient resources to complete the development. The capitalised costs comprise material costs, direct labour costs and the directly identifiable indirect costs. The other development costs are charged to the income statement when they are incurred, except where they are covered by credits committed by the Ministry of Economic Affairs. These credit commitments are allocated to long-term debt in the financial statements. The capitalised development costs are valued at cost less cumulative amortisation (see below) and impairment losses.

Start-up costs and costs incurred for training, relocation or reorganisation are charged directly to the income statement.

Other intangible fixed assets from acquisitions
Intangible fixed assets acquired as part of a business combination are initially recoginised at fair value. The fair value of acquired patents and trademarks is determined using the discounted estimated royalties avoided by the ownership of said patent or trademark. The fair value of other intangible assets acquired is based on the expexted cash value of the cash flow from the use and final sale of the assets.

Other intangible fixed assets
The other intangible fixed assets acquired by Stork are valued at cost less cumulative amortisation and impairment losses.

Amortisation
Amortisation is charged on a linear basis to the income statement, based on the estimated useful life of the intangible assets, with the exception of goodwill, non-recurring costs and intangible assets with an indefinite life. The amortisation of the non-recurring costs of Aerospace programmes is based on the projected number of shipsets. Amortisation of other intangible assets starts as soon as the assets are ready for use.

The estimated useful life is as follows:

Patents and trademarks	10–30 years
Capitalised development costs	5–10 years
Other intangible fixed assets	10–20 years

18. Financial fixed assets

Associates and joint ventures in which Stork exercises a significant influence on financial and operational policy, but does not have a controlling interest, are valued at net equity from the date on which Stork first held a significant influence until the date from which this is no longer the case. If the share of Stork in losses exceeds the interest of the participation in an associate, the net equity of the entity in the Stork balance sheet is reduced to zero and further losses are no longer taken into account except to the extent that Stork has incurred into a legally constructive obligation or has made payments on behalf of an associate. Receivables from associates are valued at costs less any provisions considered necessary.

19. Deferred tax assets

Deferred tax assets relate to tax losses eligible for carry-forward which will probably be realised within a reasonable period and to amounts receivable arising from temporary differences in valuation as determined for commercial and fiscal purposes.

20. Inventories

Inventories are valued at cost or net realisable value if lower. Net realisable value is the estimated sale price in the ordinary course of business, less the estimated costs of completion and selling cost, and after deduction of a provision for obsolete stock. Cost is based on the purchase price plus the costs of bringing the inventories to their existing location and condition. Semi-finished goods are valued at the direct attributable costs to bring the inventories into their existing location and condition.

Inventory acquired as part of a business combination is initially recoginised at fair value. This fair value is determined on the basis of the estimated sale price in the ordinary course of business, less the estimated costs of completion and selling cost, plus a reasonable profit margin, which expresses the efforts for completion and sales.

21. Work in progress

Work in progress is valued at cost plus profit, less a provision for foreseeable losses, and less progress billing in proportion to the progress of the project. Cost includes all expenditure related directly to specific projects plus an allocation of the fixed and variable indirect costs in relation to the contract activities of Stork based on the normal operating capacity. Contracts for which the balance of costs incurred and profit recognised exceeds the progress billing are presented as due from customers. Contracts for which the balance of costs incurred and profit recognised is less than the progress billing are presented as due to customers.

22. Trade and other receivables

Non-discounted receivables with a term longer than one year are valued at present value. The discount rate applied at 31 December 2006 was 4.5% (2005: 5%). The costs of discounted trade bills is deducted from this item, to the extent that there is a recourse risk. Provision for doubtful debtors is made as considered necessary.

Debtors with a term of less than one year are valued at costs, less any provisions considered necessary for doubtful debtors.

23. Cash and cash equivalents

Cash and cash equivalents comprise cash, bank balances and other deposits which are available on call. Current account credits which are available for direct withdrawal and form an integrated part of the treasury activities of Stork are allocated to cash in the cash flow statement.

24. Impairments

A new assessment is made on each balance sheet date of whether there are any indications for impairments in the carrying amount of assets, excluding inventories and deferred tax assets. If any such indications exist, an estimate is made of the recoverable amount of the asset. For goodwill, assets with an indefinite economic life and intangible fixed assets that are not yet ready for use, the recoverable amount at the balance sheet date is estimated.

An impairment loss is recognised if the carrying amount of an asset or a cash-generating unit to which the asset belongs exceeds the recoverable amount.

Impairment losses are recognised in the income statement. Impairment losses recognised to cash-generating units are first deducted from the carrying amount of goodwill (if applicable) attributable to cash-generating units (or groups of units), and subsequently deducted pro rata from the carrying amount of the other assets of the unit (or group of units).

The recoverable amount of an asset or cash-generating unit equals the higher of either the fair value minus sales costs or its value in use. When determining the fair value, the cash value of projected future cash flows is calculated using a discount base equal to the WACC applied within Stork.

An assessment was made on 1 January 2004, the transition date to IFRS, of whether there were any indications for impairments of goodwill and intangible fixed assets with an indefinite economic life, even if there were no indications for any impairment.

If a reduction in the fair value of a financial asset available for sale is allocated directly to equity and there is an objective indication that the asset is impaired, the cumulative loss that had been recognised directly to equity is recognised in the income statement, even though the financial asset concerned has not been derecognised. The cumulative loss recognised in the income statement is the difference between cost and the current fair value, less any impairment loss on that financial asset that is already recognised in the income statement.

An impairment loss relating to a receivable stated at the amortised cost is reversed if the increase, after deduction of this charge, of the recoverable amount can objectively be related to an event that took place after the impairment loss was recognised. Impairment losses are not reversed in relation to goodwill.

For other assets, impairment losses are reversed if the estimates on which the recoverable amount is determined have changed. Impairment losses are only reversed to the extent that the carrying amount of the asset does not exceed the carrying amount after deduction of depreciation or amortisation in a situation in which no impairment loss would have been recognised.

25. Share capital

Repurchase of share capital
On repurchase of share capital that is allocated to equity, the amount paid, including the directly attributable costs, is recognised as a movement in equity. Repurchased shares are classified as treasury shares in Stork N.V. and presented as a deduction from total equity.

Dividend
Dividends are recognised in liabilities in the period in which they are declared.

Preference shares

Under IAS 32 cumulative preference shares B with mandatory dividend must be considered as loan capital. Article 28 of the Articles of Association of Stork N.V. stipulates that Stork is obliged to distribute dividend. On the basis of this, the issued cumulative preference shares B are normally not recognised on the balance sheet as equity but as current liabilities. Dividend on these preference shares is recognised under financial expensese. For further information regarding article 28 of the Articles of Association of Stork N.V., please see page [132].

26. Interest-bearing debts

Interest-bearing debts are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, interest-bearing debts are valued at amortised costs, whereby a difference between the cost and the redemption value being recognised in the income statement on the basis of the effective interest method over the term of the debts.

27. Provisions

Provisions included under this heading are made for present legal or constructive obligation as a result of a past event where it is probable that an outflow of economic benefits will follow, which can be estimated reliably. Short-term provisions are shown at face value. Long-term provisions are shown at present value based on a discount for taxes which represents both the active market interest as well as the liability's specific risks.

28. Employee benefits

Stork has several pension plans in accordance with local rules and conditions. Based on IAS 19, several of these plans are classified as Defined Benefit plans. In general, these plans are funded by payments to insurance companies or to funds administered by third parties. For the majority of its employees, Stork has pension plans in which the liabilities to employees are based primarily on the number of years of service and the amount of the salary.

The liabilities for these pension plans are covered systematically by insurance contracts or by the inclusion of liabilities in the balance sheet. Investments are made primarily in fixed-interest securities, listed shares and related instruments, and real estate.

The most important plan in this regard is administered by Stichting Pensioenfonds Stork (Stork Pension Fund Foundation). The pension commitments of Dutch Stork operating companies (so-called average salary schemes) are managed by Stichting Pensioenfonds Stork. The coverage ratio is determined annually, based on actuarial calculations and guidelines issued by De Nederlandsche Bank. Taking into account the outcome of this determination, the pension contributions are determined and if possible the conditional indexation is effected. Of the contributions as determined annually, 50% are payable by the company and 50% by the employee. At end-December 2006 the expected coverage ratio was 126% (2005: 122%). The actual return on plan assets for 2006 equals approximately 6.7% (2005: 14.7%).

Obligations relating to Defined Contribution pension plans are charged to the income statement when the contributions are payable.

The net liabilities of Stork arising out of Defined Benefit commitments are calculated separately for each plan by estimating the pension benefits built up by employees in exchange for their services in the financial year and earlier periods. These pension benefits are discounted to determine their present value, from which the fair value of the plan is deducted. The liability is calculated by means of the projected unit credit method. The discount rate is the yield on the balance sheet date of AA creditrated bonds that have maturity dates approximating that of the Stork Defined Benefit obligation.

If the pension benefits of a plan are improved, the part of the improved pension benefits relating to the past service by employees is recognised on a linear basis to the income statement over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the income statement.

Actuarial gains and losses in the calculation of the obligation of Stork in respect of a pension plan, to the extent that any cumulative unrecognised actuarial gains or losses exceed 10% of the greater of the present value of the Defined Benefit obligations or the fair value of the plan assets, are recognised in the income statement over the expected average remaining period of service of the employees participating in that plan. Otherwise the actuarial gain or loss is not recognised.

If the calculation results in a benefit, the recognised asset is limited to an amount maximally equal to the economic benefits available.

The calculation is performed by qualified actuaries.

Stork also reimburses specific healthcare and life-insurance costs for some of the employees receiving pension benefits in the USA. During the working period of these employees, Stork forms provisions for the payment of these benefits on reaching pensionable age.

29. Share based payment transactions

The share option plan allows employees to acquire Stork shares. The fair value of the options granted is recognised as an employee expense, with a corresponding increase in equity. The fair value is determined at grant date, and is spread over the period until the time at which the employees gain unconditional rights to the options. The fair value of the options is determined by means of the Black-Scholes formula, taking into account the conditions under which the options were granted. The amount recognised as an expense is adjusted for the actual number of share options that become unconditional, with the exception of share options which do not become unconditional as a result of the fact that the share price has not reached a specified threshold.

The fair value of the amount payable to the employee is recognised as an expense, with a corresponding entry in the form of a liability. The fair value is initially determined at the grant date, and spread over the period until the time at which the employees gain unconditional rights to payment. The value of the liability is reassessed at each balance sheet date and at settlement date.

30. Other assets and liabilities

Other assets and liabilities are stated at amortised cost.

31. Cash flow statement

The cash flow statement is drawn up by the indirect method, in which the movements in cash are determined on the basis of the operational result as presented in the consolidated income statement including discontinued operational activities. Transactions which have not yet led to cash flow are not taken into account in the cash flowstatement. Asset/liability transactions are presented as acquisitions and divestments. Resulting cash flows as presented in the consolidated cash flow statement do not correspond to the movements stated in the consolidated balance sheet.

32. Segmentation

The income statement and a number of entries in the balance sheet are shown per group. In addition, the net turnover and assets are reported on a geographical basis.

The primary basis for segmentation, the groups, is based on the managerial structure and the internal reporting structure of Stork N.V.. Comparable figures are adjusted in the event of organisational changes. Information presented according to geographical segmentation is based on the geographical location of the assets.

The prices for transactions between segments are determined on an objective, arm’s length basis.

The following assets and liabilities are disclosed per group: assets, investments in intangible fixed assets and property, plant and equipment, depreciation, amortisation, valuation of associates and liabilities. Liabilities does not include bank debts, loans and debts to subsidiaries other than trading transactions and (deferred) tax assets and liabilities.

33. Discontinued operations

A discontinued operational activity is a component of the Stork activities representing a separate major line of business or a geographical area, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation takes place on divestment or, if earlier, when the operational activity meets the criteria for classification as held for sale (IFRS 5). A disposed group can also meet these criteria. When an operation is classified as a discontinued operation, the comparative income statement is restated as if the operation had been discontinued from the start of the comparative period.

34. New standards and interpretations not yet applied

A number of new standards, amendments to standards and interpretations are not yet effective in 2006 and have accordingly not been applied to the consolidated financial statements.

- IFRS 7 Financial instruments: capital disclosures and the Amendment of IAS 1 Presentation of Annual Statements. Under this rule, capital disclosures make it mandatory for an entity to provide an extensive explanation of the importance of financial instruments for the finanicial position and result and to provide qualititive and quantitive information on the nature and extent of the risks. IFRS 7 and the amended IAS 1 will become mandatorilly applicable to the Stork N.V. financial statements in 2007 and require an additional extensive explanation of the financial instruments and the share capital of Stork N.V.
- IFRIC 7 on Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies concerns the application of IAS 29 when an economy is for the first time confronted with hyperinflation and particularly applies to the processing of deferred tax liabilities. IFRIC 7 will become mandatorily applicable to the financial statements in 2007 and is not expected to influence the consolidated financial statements.
- IFRIC 8 Scope of IFRS 2 Share-based payments concerns the reporting of share-based payments in which goods or services received cannot (in part) be determined specificially. IFRIC 8 will become mandatorily applicable to the financial statements and needs to be applied with retroactive effect. Stork has not yet determined the potential effects of this.
- IFRIC 9 Reassessment of Embedded Derivatives stipulates that for the reassessment of embedded derivatives it is only necessary to separate the derivative from the host contract if there have been modifications to the contract. IFRIC 9 will become mandatorily applicable to the financial statements in 2007 and is not expected to influence the consolidated financial statements.
- IFRIC 10 Interim Financial Reporting and Impairment prohibits the reversal of an impariment of goodwill, an investement in an equity instrument or a financial asset carried at cost reported in a previous interim period. IFRIC 10 will become mandatorily applicable to the financial statements in 2007 and applies to goodwill, investments in an equity instrument and financial assets carried at cost, with retroactive force from the date on which the group applied the valuation standards of IAS 36 and IAS 39 (1 January 2005). Stork is already applying this.
- IFRIC 11 gives an interpretation with respect to reporting payments to own employees in or based on shares, in complement to IFRS 2. IFRIC 11 will become mandatorily applicable to the financial statements in 2007 and is not expected to influence the consolidated financial statements.

35. Segmented information per group *(in € × million)*

	Aerospace		Food Systems		Technical Services		Holdings and other activities	
	2006	2005	2006	2005	2006	2005	2006	2005
Net turnover:								
—net turnover to third parties	548.5	551.3	325.6	240.1	853.1	651.9	—	2.6
—transactions with other segments	—	—	0.7	0.2	15.3	12.5	—	—
Total net turnover	548.5	551.3	326.3	240.3	868.4	664.4	—	2.6
Cost of sales	(437.8)	(396.0)	(214.5)	(154.2)	(631.3)	(492.1)	0.5	7.9
Gross operating income	**110.7**	**155.3**	**111.8**	**86.1**	**237.1**	**172.3**	**0.5**	**10.5**
Sales costs	(27.2)	(23.1)	(41.1)	(28.1)	(41.8)	(30.1)	—	(0.3)
General administrative expenses	(69.6)	(63.6)	(29.8)	(24.7)	(138.2)	(104.7)	(29.6)	(29.0)
Research & Development expenses	(3.1)	(4.9)	(15.5)	(11.0)	(0.4)	(0.4)	—	—
Other operating income	(0.1)	(0.3)	(0.1)	(0.8)	(0.2)	—	1.3	10.7
Operational result	**10.7**	**63.4**	**25.3**	**21.5**	**56.5**	**37.1**	**(27.8)**	**(8.1)**
Financial income								
Financial expenses								
Share of profit of associates	0.5	0.4			2.1	1.2	0.2	
Result before tax								
Income tax expense								
Result after tax								
Book profit from discontinued operations after tax								
Result from ordinary operations after tax								
Minority interest								
Net result								
Assets	607.3	621.9	252.1	166.9	441.6	359.1	—	—
Investments in intangible fixed assets and property, plant and equipment	33.0	19.3	32.4	9.1	33.9	23.2	15.3	2.0
Depreciation	13.9	13.3	5.8	4.4	17.5	16.4	1.6	2.5
Amortisation	10.9	4.6	3.6	0.9	0.2	0.2	—	—
Valuation of associates	5.6	6.7	—	—	5.8	6.8	4.6	3.7
Liabilities	296.2	309.8	119.1	93.9	254.3	188.4	36.5	36.4

(in € × million)

	Discontinued operations 2006	2005	Eliminations 2006	2005	Consolidations 2006	2005
Net turnover:						
—net turnover to third parties	281.9	372.0	—	—	2,009.1	1,817.9
—transactions with other segments	0.5	0.7	(16.5)	(13.4)	—	—
Total net turnover	282.4	372.7	(16.5)	(13.4)	2,009.1	1,817.9
Cost of sales	(194.5)	(276.2)	16.5	13.4	(1,461.1)	(1,297.2)
Gross operating income	**87.9**	**96.5**	**—**	**—**	**548.0**	**520.7**
Sales costs	(27.9)	(34.3)			(138.0)	(115.9)
General administrative expenses	(33.6)	(42.1)			(300.8)	(264.1)
Research & Development expenses	(5.0)	(6.8)			(24.0)	(23.1)
Other operating income	(0.6)	1.5			0.3	11.1
Operational result	**20.8**	**14.8**	**—**	**—**	**85.5**	**128.7**
Financial income					3.1	4.4
Financial expenses					(9.6)	(4.7)
Share of profit of associates	0.1				2.9	1.6
Result before tax					**81.9**	**130.0**
Income tax expense					2.0	(36.5)
Result after tax					**83.9**	**93.5**
Book profit from discontinued operations after tax					66.0	—
Result from ordinary operations after tax					**149.9**	**93.5**
Minority interest					(0.2)	(0.2)
Net result					**149.7**	**93.3**
Assets	149.8	225.9	(64.1)	(30.1)	1,386.7	1,343.7
Investments in intangible fixed assets and property, plant and equipment	6.9	7.7	—	—	121.5	61.3
Depreciation	6.7	7.3	—	—	45.5	43.9
Amortisation	0.2	0.2	—	—	14.9	5.9
Valuation of associates	—	0.1	—	—	16.0	17.3
Liabilities	—	136.6	(26.8)	(25.7)	679.3	739.4

36. Net turnover

Analysis of Stork net turnover:

	2006	2005
Turnover from sale of goods to third parties	188,930	196,458
Turnover from sale of services to third parties	1,184,080	1,052,718
Turnover from construction contracts	636,074	568,732
	2,009,084	**1,817,908**

37. Geographical segments

	Net turnover		Assets		Investments in intangible fixed assets and property, plant and equipment	
	2006	2005	2006	2005	2006	2005
Netherlands	1,464,992	1,399,511	1,060,270	1,043,829	81,020	43,259
Other European countries	153,253	134,588	110,233	109,159	3,698	3,060
North America	293,279	201,136	172,750	122,634	32,129	9,153
South America	48,264	32,908	20,758	27,556	1,288	1,849
Asia	40,625	43,719	18,372	36,842	2,505	3,747
Australia	8,671	6,046	4,289	3,641	252	201
Total	**2,009,084**	**1,817,908**	**1,386,672**	**1,343,661**	**120,892**	**61,269**

38. Discontinued operations

Stork sold WorkSphere on 30 June 2006, a separate business segment. The division was sold for €80.5 million in cash, in which a book profit was realised of €65.1 million. In addition, Technical Services' Stork Bouwtechniek and Stork Bronswerk Inc., as well as Prints' dispensing activities were also sold in 2006.

As at end of 2006, the Prints division is classified as held for sale. Under IFRS rules, this division is accordingly classified as a discontinued operation. The turnover for Prints in 2006 amounts to €192.8 million (2005 €200.1 million). The operational result amounts to €18.2 million (2005 €10.1 million). The comparative figures for 2005 are restated.

39. Effects of the disposal of individual assets and liabilities

(in € × million)	2006
Property, plant and equipment	(1.4)
Associates	(0.2)
Inventories	(0.7)
Trade and other receivables	(61.4)
Cash and cash equivalents	(5.5)
Provisions	4.3
Trade and other payables	59.2
Balance of identifiable assets and liabilities	(5.7)
Received consideration, paid in cash	80.5
Disposed finances	(5.5)
Inflow of cash (net)	75.0

40. Assets held for sale

The Prints division is presented as held for sale following the decision of the Stork management to dispose of this division in order to create further organisational focus. The sale is expected to be finalised in 2007. The group of assets to be disposed of amounts to €112.2 million as at 31 December 2006, which will be lowered by liabilities of €59.0 million.

41. Assets classified as held for sale *(in € × million)*

	2006
Group of assets to be disposed of, held for sale:	
Property, plant and equipment	29.5
Goodwill	1.5
Deferred tax assets	2.8
Inventory	39.0
Due from customers	0.7
Trade and other receivables	38.7
	112.2

42. Liabilities classified as held for sale *(in € × million)*

	2006
Group of liabilities to be disposed of, held for sale:	
Provisions	16.3
Employee benefits	2.2
Long-term debts	0.8
Due to customers	1.5
Trade and other payables	38.2
	59.0

43. Acquisition of subsidiaries

Stork finalised the following securities and asset/liabilities transactions in 2006.

Townsend Engineering
The takeover of Townsend Engineering by Stork Food Systems was finalised on 31 March 2006. Townsend, operating from Des Moines (US) and Oss (NL), is active in the field of meat processing equipment. In 2005 the company achieved a turnover of US$75 million with 400 employees.

Koster
The activities of Koster, a company operating as a systems integrator in the food industry, were acquired on 12 January 2006. Koster has an annual turnover of approximately €12 million and employs a workforce of 120 persons.

Real
On 3 February 2006, Stork Industry Services increased its participating interest in StorkReal to 100%. StorkReal automates and organises maintenance activities and internal logistics for companies and institutions and applies its own methods and practices to improve the efficiency and effectiveness of logistics and maintenance. StorkReal has an annual turnover of approximately €4 milllion and employs a workforce of 33 persons.

Climax Research Services
On 1 March 2006, Stork Industry Specialists acquired the assets and liabilities of Climax Research Services. Climax Research Services is active in the field of metallurgical technology and testing and has an annual turnover of approximately US$4 million and employs 35 persons.

iicorr
On 5 April 2006, Stork Industry Services acquired 85% of the shares in iicorr. iicorr is an international provider of asset integrity management services, and has an annual turnover of approximately GB£10 million and employes some 110 employees.

Technical Service Departments of Akzo Nobel and DSM Research
1 June saw the takeover of the Technical Services department of Akzo Nobel Base Chemicals in Botlek by Stork Industry Services. On 1 October the takeovers by Stork Industry Services of the Technical Services department of Akzo Nobel Base Chemicals in Delfzijl and the Technical Services department of

DSM Research in Geleen were effectuated. The strategy of Stork Industry Services includes expanding and strengthening its maintenance and modification activities in the process industry. Key elements of this strategy are the building of longterm customer relationships and further development and strengthening of core competences. The Botlek Technical Services department employs some 80 persons. The Akzo Nobel Delfzijl Technical Services department employs some 160 persons. The DSM Research Technical Services department employs some 16 persons.

Air Inc

On 13 July 2006, Stork Aerospace acquired the shares of Air Inc. Air Inc provides worldwide services for the revision and repair of components to airline companies and operators and employs 58 persons. The annual turnover is expected to amount to some US$10 million.

AKL Flexo Technik

On 20 November Stork Prints finalised the acquisition of AKL Flexo Technik. AKL Flexo Technik is located in Warburg, Germany, and is a leading producer and innovator of in-theround flexo sleeves. AKL has some 50 employees and achieved a turnover of €4 million in 2005.

Other

In addition to the acquisitions described here, another three small acquisitions took place within Industry Specialists. In view of their minor scale, however, no further explanation is given here.

Purchase price

Stork paid an acquisition price for the Townsend transaction of US$75 million, possibly plus an earn out scheme, depending on the financial results in the coming 3 years. The payment of the earn out scheme is estimated at US$17 million, which will bring the total acquisition price to US$92 million. The estimate of the earn out scheme is recognised as a liability and wil be tested annually.

The puchase price for the activities acquired in 2006 besides Townsend amounts to an approximate total of €16.6 million. This price includes goodwill, including acquisition costs and earn out schemes, to an amount of €28.8 milion.

From the date of acquisitions to 31 December 2006, the contribution of these acquisitions to the consolidated EBIT for the financial year amounted to €4.8 million with a turnover of €118.8 million. If the acquisitions had occurred on 1 January 2006, the contributions to Stork N.V.'s EBIT and turnover would have respectively amounted to €8.2 million and €186.5 million.

Balance of Townsend assets and liabiltities on acquisition date *(in € × million)*

	Recognized value	Fair value adjustment	Carrying amount
Property, plant and equipment	11.7	1.4	10.3
Intangible fixed assets	29.5	26.3	3.2
Inventories	12.0	0.4	11.6
Deferred tax asset	0.9	0.9	—
Trade and other receivables	13.9	—	13.9
Cash and cash equivalents	4.8	—	4.8
Provisions	(0.4)	(0.2)	(0.2)
Trade and other payables	(16.3)	—	(16.3)
Net identifiable assets and liabilities	56.1	28.8	27.3
Goodwill	17.8		
Purchase price	73.9		
Cash acquired	(4.8)		
Net outflow of cash	**56.0**		
Recognised as liability	13.1		

The goodwill can mainly be attributed to the expertise and technical qualities of the workforce of the acquired company and the expected synergy benefit from integration. An earn out scheme has been agreed under the takeover, which is recognised as a liability. The goodwill includes €1.0 million for advisory costs relating to the takeover.

Balance of assets and liabilities of other acquired companies on acquisition date *(in € × million)*

	Recognized value	Fair value adjustment	Carrying amount
Property. plant and equipment	3.3	(0.3)	3.6
Other financial fixed assets	1.1	—	1.1
Inventories	1.4	(0.1)	1.5
Trade and other receivables	11.8	(0.3)	12.1
Cash and cash equivalents	(1.2)	—	(1.2)
Provisions	(16.1)	(0.5)	(15.6)
Deferred tax liability	(0.3)	(0.2)	(0.1)
Trade and other payables	(11.2)	(0.1)	(11.1)
Balance of identifyiable assets and liabilities	(11.2)	(1.5)	(9.7)
Transfer from associates	(1.0)		
Goodwill	28.8		
Purchase price	16.6		
Cash acquired	1.2		
Net outflow of cash	**13.7**		
Recognised as liability	4.1		

44. Salaries and social insurance contributions

Analysis of total salaries and social insurance contributions:

	2006	2005
Salaries	523,601	498,372
Social insurance contributions	73,857	77,032
Pension premiums and other post-retirement payments	52,368	38,735
	649,826	**614,139**
Of which in The Netherlands	489,389	481,340

Pension premiums and other post-retirement payments are recognised in the income statement as follows: costs of sales: €31.0 million, sales costs €6.5 million, general administrative expenses €13.0 million and Research & Development costs €1.9 million.

45. Personnel

The average number of employees is divided among the groups as follows:

	2006	2005
Aerospace	3,432	3,271
Food Systems	1,544	1,198
Technical Services	5,649	5,140
Holdings and other activities	118	124
Discontinued activities	1,993	2,874
	12,736	**12,607**

46. Remuneration of Board of Management

	2006	2005
Sj.S. Vollebregt		
Salaries	493	475
Profit sharing and bonus payments*	150	214
Post-employment benefits**	154	128
	797	**817**
Expenses related to shares and option schemes	531	416
	1,328	**1,233**
J.C.M. Schönfeld		
Salaries	388	375
Profit sharing and bonus payments*	82	118
Additional expense of post employment benefits of last year**	—	37
Post employment benefits**	128	120
	598	**650**
Expenses related to shares and option schemes	158	105
	756	**755**
H.E.H. Bouland		
Salaries	388	375
Profit sharing and bonus payments*	82	118
Additional expense of post employment benefits of last year**	—	29
Post employment benefits**	141	127
	611	**649**
Expenses related to shares and option schemes	158	105
	769	**754**
Former directors		
Post employment benefits**	558	—
	558	—
Total		
Salaries	1,269	1,225
Profit sharing and bonus payments*	314	450
Additional expense of post employment benefits of last year**	—	66
Post employment benefits**	981	375
	2,564	**2,116**
Expenses related to shares and option schemes	847	626
	3,411	**2,742**

* Granted for financial year
** Pension expenses, and suchlike

No loans, advances or guarantees have been granted to the members of the Board of Management.

47. Stork shares held by members of the Board of Management *(in no. of shares)*

Ordinary shares in Stork N.V. held at 31 December were as follows:

	2006	2005
Sj.S. Vollebregt	46,326	41,176
J.C.M. Schönfeld	11,296	9,846
H.E.H. Bouland	12,608	11,158
Total	**70,230**	**62,180**

48. Remuneration of Supervisory Board

The fixed individual remunerations paid to the members of the Supervisory Board are as follows.

	2006	2005
J. Aalberts	27	27
J.P. Bahlmann	—	5
S.D. de Bree	12	47
C.J. van den Driest	22	—
C. den Hartog	27	27
P.J. Kalff	45	38
A. van der Velden	36	27
Total	**169**	**171**

No loans, advances or guarantees have been granted to the members of the Supervisory Board.

49. Stork shares held by members of the Supervisory Board

As at 31 December 2006, C.J. van den Driest held 1,000 ordinary shares. None of the other Supervisory Board members held any ordinary shares of Stork N.V..

50. General administrative expenses

General administrative expenses consist primarily of (indirect) personnel expenses, depreciation and administrative expenses. In addition, the contribution to the provision for doubtful debts and release of provisions for general administrative expenses incurred are included in this.

51. Research and Development expenses

As stated in the accounting principles, these costs comprise research costs and non-capitalised development costs as well as depreciation of capitalised development costs, and are off-set against received subsidies, if applicable. In the 2006 financial statements, €5.9 million of ESF-3 subsidy is recognised, €2.4 million of WBSO subsidy and €1.8 million concerning other subsidies.

52. Other operating income

	2006	2005
Licensing income and costs	(242)	(981)
Book profit on disposed property, plant and equipment	1,324	11,710
Impairments	(672)	—
Other	(112)	314
	298	**11,043**

53. Financial income

	2006	2005
Interest received from banks	1,661	3,011
Other interest income	1,467	1,405
	3,128	**4,416**

54. Financial expenses

	2006	2005
Interest paid on long-term liabilities	(1,160)	(2,072)
Interest paid to banks	(2,179)	—
Other interest expenses	(740)	(428)
Commitment fees	(1,158)	(1,017)
Exchange-rate differences	(4,365)	(1,162)
	(9,602)	**(4,679)**

55. Income tax expense

Recognised in the income statement *(in € × million)*

	2006	2005
Income tax payable for financial year	8.5	(22.6)
Corrections for previous years	1.1	0.0
	9.6	**(22.6)**
Deferred income tax		
Origination and reversal of temporary differences	(15.1)	1.9
Benefits of tax losses recognised	(1.6)	(18.8)
Reduction in tax rate	3.3	0.8
Income due to capitalised tax loss carry-forward	5.8	2.2
	(7.6)	(13.9)
Total income tax expense in the income statement	**2.0**	**(36.5)**
Allocation of income tax expenses		
Income tax on result of subsidiaries	(9.2)	(41.9)
Income tax on result of Stork N.V.	11.2	5.4
	2.0	**(36.5)**

Besides the Dutch tax laws, the activities of Stork are subject to various tax regimes in other countries, with different legal tax rates which are partly the reason for the difference between the weighted average tax rate and the legal corporation tax rate in The Netherlands of 29.6% (2005: 31.5%). Normally speaking, Stork would have a tax burden of 30.4% of the result before tax. The financial statements recognise an effective tax credit of 1.3% of results before tax. The difference can mainly be attributed to the capital gain realized on the sale of Stork WorkSphere B.V., which is excempted from tax and the fiscal liquidation loss of ICM Australia.

Reconciliation of effective tax rate

	2006	2006	2005	2005
Result before tax		147.8		129.8
Weighted average legal corporation tax rate	(30.4%)	(44.9)	(29.7%)	(38.5)
Result free of tax/non-deductible costs	18.8%	27.8	(1.1%)	(1.4)
Effect of tax losses utilised	1.2%	1.7	2.0%	2.6
Non-capitalised tax losses in 2006	(0.1%)	(0.2)	(1.5%)	(2.0)
Capitalised tax loss carry-forward	8.8%	13.1	1.6%	2.0
Change in corporation tax rate	2.3%	3.4	0.6%	0.8
Corrections for previous years	0.7%	1.1	0.0%	0.0
Effective tax rate	**1.3%**	**2.0**	**(28.1%)**	**(36.5)**

Deferred tax recognised directly in equity

	2006	2005
In relation to share and option plan	0.9	0.3
In relation to cash flow hedge reserve	(3.3)	(11.7)
	(2.4)	**(11.4)**

56. Property, plant and equipment

	Land and buildings	Machines and equipment	Other productive assets	Under construction	Not used in production process	Total
Historic costs	256,771	324,460	165,083	13,650	274	760,238
Depreciation and impairment losses	(114,087)	(226,902)	(138,432)	—	(157)	(479,578)
Carrying amount as at 31-12-2004	**142,684**	**97,558**	**26,651**	**13,650**	**117**	**280,660**
Investments through business combinations	—	364	—	—	—	364
Other investments	10,354	21,204	8,481	8,990	—	49,029
Disposals	(7,337)	(2,447)	(1,694)	(11)	—	(11,489)
Deconsolidation	—	—	—	—	—	—
Depreciation	(9,675)	(23,306)	(10,875)	—	(8)	(43,864)
Exchange-rate differences	1,642	3,044	932	126	—	5,744
Other movements	391	(1,198)	1,168	50	—	411
Completed property, plant and equipment	5,173	1,498	3,871	(10,542)	—	—
Carrying amount as at 31-12-2005	**143,232**	**96,717**	**28,534**	**12,263**	**109**	**280,855**
Historic costs	264,255	342,342	169,840	12,263	274	788,974
Depreciation and impairment losses	(121,023)	(245,625)	(141,306)	—	(165)	(508,119)
Carrying amount as at 31-12-2005	**143,232**	**96,717**	**28,534**	**12,263**	**109**	**280,855**
Carrying amount as at 01-01-2006	143,232	96,717	28,534	12,263	109	280,855
Investments through business combinations	7,444	6,810	1,066	139	—	15,459
Other investments	8,684	21,464	7,224	12,252	—	49,624
Disposals	(753)	(4,998)	(393)	—	—	(6,144)
Deconsolidation	(100)	(191)	(1,185)	—	—	(1,476)
Depreciation	(9,632)	(24,386)	(11,100)	—	(8)	(45,126)
Exchange-rate differences	(1,534)	(2,243)	(507)	(180)	—	(4,464)
Restated as assets held for sale	(12,722)	(11,589)	(2,688)	(2,464)	—	(29,463)
Other movements	146	(193)	113	(2)	—	64
Completed property, plant and equipment	1,020	2,974	4,640	(8,634)	—	—
Carrying amount as at 31-12-2006	**135,785**	**84,365**	**25,704**	**13,374**	**101**	**259,329**
Historic costs	249,889	292,611	142,396	13,374	274	698,544
Depreciation and impairment losses	(114,104)	(208,246)	(116,692)	—	(173)	(439,215)
Carrying amount as at 31-12-2006	**135,785**	**84,365**	**25,704**	**13,374**	**101**	**259,329**

A commercial building with a sale value of €1.4 million was sold in 2006, on which a book profit of approximately €1.3 million was achieved. This book profit is accounted for as other operating income.

The company owns 148 hectares of land. Assets not used in production consist primarily of other fixed assets rented to third parties.

No land and buildings were pledged as securities to specified lenders for bank loans at 31 December 2005 and 2006.

57. Intangible fixed assets

	Goodwill	Development costs	Other, resulting from acquisition	Other	Total
Historic costs	6,219	68,690	—	800	75,709
Amortisation and impairment losses	—	(554)	—	—	(554)
Carrying amount as at 31-12-2004	**6,219**	**68,136**	**—**	**800**	**75,155**
Additions through business combinations	1,128	—	—	—	1,128
Other additions, developed internally	—	12,715	—	—	12,715
Amortisation	—	(5,962)	—	—	(5,962)
Impairment loss	—	—	—	—	—
Exchange-rate differences	—	—	—	—	—
Carrying amount as at 31-12-2005	**7,347**	**74,889**	**—**	**800**	**83,036**
Historic costs	7,347	81,405	—	800	89,552
Amortisation and impairment losses	—	(6,516)	—	—	(6,516)
Carrying amount as at 31-12-2005	**7,347**	**74,889**	**—**	**800**	**83,036**
Additions through business combinations	51,436	3,202	26,029	—	80,667
Other additions, developed internally	—	26,245	—	(70)	26,175
Amortisation	—	(13,010)	(1,724)	(203)	(14,937)
Impairment loss	(150)	(522)	—	—	(672)
Restated as assets held for sale	(1,506)	(20)	—	—	(1,526)
Exchange-rate differences	(4,908)	(9)	—	—	(4,917)
Carrying amount as at 31-12-2006	**52,219**	**90,775**	**24,305**	**527**	**167,826**
Historic costs	52,219	110,301	26,029	730	189,279
Amortisation and impairment losses	—	(19,526)	(1,724)	(203)	(21,453)
Carrying amount as at 31-12-2006	**52,219**	**90,775**	**24,305**	**527**	**167,826**

The additions through business combinations of other intangible fixed assets resulting from acquisitions concerns the trademark and customer portfolio acquired from Townsend engineering as well as the accompanying technological expertise.

Amortisation

The amortisation is shown under the following items in the income statement:

	2006	2005
Cost of sales	(10,425)	(4,901)
Sales costs	(1,724)	—
General administrative expenses	(748)	(131)
Research & Development expenses	(2,040)	(930)
	(14,937)	**(5,962)**

Assessment for impairments of cash generating units containing goodwill.

The following units contain significant goodwill items:

	2006	2005
Aerospace	11,558	5,323
Food Systems	16,138	—
Technical Services	24,523	2,024
Discontinued activities	1,506	—
	53,725	**7,347**

The recoverable amount of cash flow generating units that contain goodwill is equal to the operating value, or the fair value less disposal costs. In measuring the carrying amount, the cash value of the estimated future cash flows are measured using a discount rate that is equal to the 8.26% WACC used for 2007. The WACC is the same for all activities within Stork.

The assessment for impairments within Aerospace relates to the SP Aerospace unit, acquired in 2004, and Air Inc, acquired in 2006.

For the assessment of SP Aerospace, the future cash flows for one specific production programme are projected over the coming 15 years. This period, as well as the income, costs and risks used, are the same as those included in the Business Case. For the delivery of the products, the future incomes are based on the realised sales and prospects. Future incomes from the maintenance are based on experience with other comparable projects and tenders made, and mainly relate to spare parts supplies that will start on a regular basis from 2020 and therefore no growth rate is applied for this. The outcome of the realisable value is higher than the carrying amount of the goodwill component to such an extent that it is not reasonable to expect that this will become lower than the carrying amount as a result of significant changes in the assumptions.

The assessment of Air Inc shows that no impairment is necessary. Based on a growth rate of 3% and a cash flow projection over the coming 5 years, the calculated realisable value is higher than the current carrying amount. Calculation of the cash flow projection mainly uses historical data as well as available market information.

The goodwill for Food Systems relates to the acquisition of Townsend. The assessment does not lead to impairment. The cash flow projection for the first 5 years is based on historical figures, market expectation and the business plan for QX equipment. For the period after 5 years, a growth rate of 2% is used.

The goodwill for Technical Services mainly relates to the entities acquired by Industry Services in 2006. The impairment tests for all acquired activities have been performed and do not lead to any impairment. Cash flow projections for the coming 5 years have been performed for all activities based on historical figures and market values. A growth rate of 2% is assumed for the cash flows after the first 5 years. A substantial part of the goodwill for Industry Services was realised with the acquisition of the Akzo Technical Services and the acquisition of iicorr.

58. Associates

Significant associates included are: Friday Eurotech Holding (Amsterdam, 50%); Jamjoom Wescon Co. Ltd. (Jeddah, 50%); Materials Testing Technology B.V. (Rotterdam, 50%); S.A.B.C.A. (Brussel, 43,6%); SPM B.V. (Hengelo, 36%); APP Beheer B.V. (Klundert, 50%) and several associated participating interests that are not materially significant.

	Associates	Loans	Total
Carrying amount as at 01-01-2006	17,066	192	17,258
Share of profit of associates	2,903	—	2,903
Exchange rate difference	(137)	—	(137)
Dividends received	(2,740)	—	(2,740)
Disposals	(1,247)	—	(1,247)
Movements in loans	—	(75)	(75)
Other movements	—	—	—
Carrying amount as at 31-12-2006	**15,845**	**117**	**15,962**

The table below shows the summarised financial data of the significant associates, based on the latest available information. The figures for 2005 are based on figures at the end of December. The 2006 figures are based on November 2006, with the exception of S.A.B.C.A., which publishes its results half-yearly.

(in € × million)

2006	**Assets**	**Liabilities**	**Turnover**	**Profits/Loss (−)**
Friday Eurotech Holding	not yet known	not yet known	29.0	0.9
Jamjoom Wescon Co. Ltd.	5.7	0.8	6.4	1.8
Materials Testing Technology B.V.	4.4	2.6	10.1	2.2
S.A.B.C.A.	214.8	171.2	68.5	1.9
SPM B.V.	20.1	10.3	18.7	0.4
APP Beheer B.V.	7.1	4.4	3.4	0.4
2005	**Assets**	**Liabilities**	**Turnover**	**Profits/Loss (−)**
Friday Eurotech Holding	5.7	3.1	24.3	0.5
Jamjoom Wescon Co. Ltd.	5.6	0.8	5.9	1.2
Materials Testing Technology B.V.	4.1	1.9	10.3	1.9
S.A.B.C.A.	213.8	170.6	111.8	3.7
SPM B.V.	18.3	9.0	23.4	0.4
APP Beheer B.V.	8.1	5.8	3.3	0.3

59. Financial instruments

Financial instruments are recognised at fair value.

60. Inventories

	2006	**2005**
Raw materials and consumables	47,358	60,767
Semi-finished products	98,061	82,543
Trading inventories and finished products	63,422	69,733
	208,841	**213,043**
Restated as assets held for sale	39,036	—
	247,877	**213,043**

61. Work in progress

	2006	**2005**
Due from customers, recognised under current assets	110,639	159,524
Due from customers, recognised under current liabilities	(202,271)	(214,121)
	(91,632)	**(54,597)**
Restated as assets and liabilities held for sale	(810)	—
	(92,442)	**(54,597)**
Direct costs using percentage of completion	541,776	711,317
Result using percentage of completion	(462,652)	(601,850)
Progress billing	(114,917)	(134,210)
	(35,793)	**(24,743)**
Provisions for foreseeable losses	(55,839)	(29,854)
	(91,632)	**(54,597)**
Restated as assets held for sale	(810)	—
	(92,442)	**(54,597)**

The part of the balance shown under current assets as at 31 December 2005 and 2006 as due from customers includes nothing to be concluded after a period of > 1 year.

The provision for loss orders regarding major Aerospace programmes is calculated at actual exchange rates. If this causes a loss and cash flow hedge accounting is applied, an equivalent part of the cash flow hedge reserve will be released to compensate for this loss.

62. Trade and other receivables

	2006	2005
Debtors (medium term)	5,026	3,915
Debtors (current)	316,468	314,259
Prepaid costs	25,630	14,912
Other receivables	8,897	21,822
	356,021	**354,908**
Restated as assets held for sale	38,619	—
	394,640	**354,908**

Trade receivables are presented after deduction of impairment losses and provisions made. The contribution to the provision for doubtful debtors is shown in the income statement under general administrative charges. The losses connected with the bankruptcy of customers during 2005 and 2006 were limited.

Receivables from foreign entities are recognized in the local currencies and are related to production in the same foreign currencies. For euro entities that have receivables in foreign currencies, it applies that these are 100% hedged in accordance with Stork guidelines. For further information on currency management, please refer to section 81.

Debtors (medium term)	2006	2005
Trade receivables	5,174	4,472
Discounted trade bills	(148)	(557)
	5,026	**3,915**

Debtors (current)	2006	2005
Trade receivables	277,193	285,053
Receivables from associates	39,275	29,206
	316,468	**314,259**

63. Cash and cash equivalents

	2006	2005
Cash, banks	90,764	90,624
Deposits	2,411	121,795
	93,175	**212,419**
Bank overdraft	(114,440)	(1,447)
	(114,440)	**(1,447)**
	(21,265)	**210,972**

64. Equity

Summary of movements in equity of the legal entities forming part of group equity.

				Statutory reserve		Other reserve				
	Ordinary share capital	Share premium	Translation reserve	Reserve for development costs	Cash flow hedge reserve	Reserve for own shares	Retained earnings	Total	Minority interest	Total equity
Balance as at 1 January 2006	165,098	56,463	(2,638)	68,136	73,800	(10,176)	172,699	523,382	2,209	525,591
Total result			9,747		(45,280)		93,286	57,753	210	57,963
Purchase of own shares						(15,113)		(15,113)	—	(15,113)
Share options exercised by employees						7,974		7,974	—	7,974
Capitalised development costs				6,753			(6,753)	—	—	—
Dividend							(28,747)	(28,747)	—	(28,747)
Other movements							(1,179)	(1,179)	61	(1,118)
Balance as at 31 December 2005	**165,098**	**56,463**	**7,109**	**74,889**	**28,520**	**(17,315)**	**229,306**	**544,070**	**2,480**	**546,550**
Balance as at 1 January 2006	**165,098**	**56,463**	**7,109**	**74,889**	**28,520**	**(17,315)**	**229,306**	**544,070**	**2,480**	**546,550**
Total result			(6,520)		15,400		149,654	158,534	221	158,755
Reduction of nominal value	(132,078)						4,249	(127,829)	—	(127,829)
Purchase of own shares						(76,643)		(76,643)	—	(76,643)
Share options exercised by employees						4,879		4,879	—	4,879
Capitalised development costs				15,905			(15,905)	—	—	—
Dividend							(35,148)	(35,148)	—	(35,148)
Other movements							(1,658)	(1,658)	(312)	(1,970)
Balance as at 31 December 2006	**33,020**	**56,463**	**589**	**90,794**	**43,920**	**(89,079)**	**330,498**	**466,205**	**2,389**	**468,594**

65. Share capital and share premium

The authorised share capital consists of:

50,000,000 ordinary shares of nominal value €1	50,000
25,000,000 A preference shares of nominal value €1	25,000
75,000,000 B preference shares of nominal value €1	75,000
	150,000

Ordinary shares

Position as at 1 January 2006: 33,019,744 ordinary shares	165,098
Reduction of nominal value from €5 to €1	(132,078)
Issued share capital as at 31 December 2006	**33,020**

The number of ordinary shares paid up at 31 December 2005 was 31,881,781. The 2006 opening balance was adjusted by 243 shares. For the granting of options and shares in 2006, 145,030 shares were purchased to cover the 2006 option/share plan. In order to return excess cash to shareholders through a reduction of the issued capital of Stork, 1,769,246 shares were repurchased. Due to the exercising of option rights, 249,405 shares were delivered to option holders during the year. In addition, 19,365 shares were transfered in the context of the 2006 option/share plan. This brought the number of paid up shares at year-end 2006 to 30,236,518.

Preference shares B

Position as at 1 January 2006:

New share issue: B preference shares 30,233,170	30,233
Not fully paid up	(22,675)
Balance as at 31 December 2006	**7,558**

On 19 December 2006, the Stork Foundation decided to exercise its granted option rights to take up B preference shares in Stork.

The Foundation, as holder of these shares received a dividend, which is based on the Euribor one-month rate plus 2.75%, currently resulting in 6.25%. The dividend is exclusively paid on a proportional basis with effect from the moment of contribution on the amount paid by the Foundation, which is €7.6 million.

As stated in the accounting principles, the preference shares are presented under borrowed capital.

The Enterprise Section of the Court of Appeal in Amsterdam, in a ruling given on 17 January 2007, has ordered that the issued cumulative preference shares B in Stork must be withdrawn. This procedure to obey this order has been meanwhile started, and the cumulative preference shares B are presented in the financial statements as a current liability.

Number of issued shares

Ordinary shares of nominal value €1	30,236,518	50.0%
A preference shares of nominal value €1	—	
B preference shares of nominal value €1	30,233,170	50.0%
	60,469,688	**100.0%**

Share premium

Balance as at 1 January 2006	56,463
Balance as at 31 December 2006	**56,463**

66. Statutory reserve

Reserve for development costs

A legal reserve for development costs is formed in the Stork N.V. company accounts. This is shown in drawing up the consolidated equity to maintain the reconciliation with the analysis of equity in the Stork N.V. separate company accounts.

Translation reserve

The translation reserve comprises all differences in foreign currency arising as a result of the translation of the financial statements of subsidiaries outside the euro region. Revaluations of this translation risk are booked to equity. The accumulation of the cumulative figure was started on 1 January 2004.

Cash flow hedge reserve

Stork applies cash flow hedge accounting for a large proportion of the currency and raw material future contracts concluded with banks. The currency future contracts are primarily to euro/US dollar future contracts relating to the Aerospace group. The cash flow hedge reserve comprises the effective part of the changes in value of the financial instruments for which cash flow hedge accounting is applied. In addition, the cash flow hedge reserve is reduced by a correction made for hedged Aerospace programmes that would become wholly or partly loss-making on the basis of calculations at the current exchange rate. The cash flow hedge reserve is also reduced by the inclusion of a deferred tax position.

67. Other reserve

Reserve for own shares

The reserve for own shares comprises the cost price of the shares in Stork N.V. held by Stork. At 31 December 2006 Stork held 2,783,256 (2005: 1,137,750) shares in Stork N.V.

68. Dividend

The Board of Management made the following dividend proposal for ordinary shares after the balance sheet date.

The dividend proposal is not shown in the balance sheet, and has no income tax consequences.

The proposed dividend for 2006 is €1.10 per share (2005: €1.10 per ordinary share).

The dividend for 2006 intended for the B preference shares is of restricted scope and is taken to the balance sheet and income statement for 2006 on the basis of IAS 32 and IAS 39.

69. Earnings per share

70. Basic earnings per share

The calculation of the basic earnings per share at 31 December 2006 is based on a profit attributable to shareholders of €149.7 million (2005: €93.3 million) and a weighted average number during 2006 of ordinary shares issued of 31,413,675 (2005: 31,958,012), calculated as follows:

	2006	2005
Weighted average number of ordinary shares (in no. of shares)		
Ordinary shares issued at 1 January	31,881,781	31,831,781
Effect of purchase of own shares	(468,106)	126,231
Weighted average number of ordinary shares	**31,413,675**	**31,958,012**

71. Diluted earnings per share

The calculation of the diluted earnings per share at 31 December 2006 is based on earnings attributable to shareholders of €149.7 million (2005: €93.3 million) and a weightedaverage number during 2006 of ordinary shares issued of 31,947,872 (2005: 32,577,952), calculated as follows:

	2006	2005
Earnings attributable to holders of ordinary shares (diluted)		
Earnings attributable to holders of ordinary shares	149,654	93,286
Effect after taxes leading to dilution	—	—
Earnings attributable to holders of ordinary shares (diluted)	**149,654**	**93,286**

	2006	2005
Weighted average number of ordinary shares (diluted) (in no. of shares)		
Weighted average number of ordinary shares	31,413,675	31,958,012
Effect of share options on issue	534,197	619,940
Weighted average number of ordinary shares (diluted)	**31,947,872**	**32,577,952**

72. Earnings per share of continuing and discontinued operations

The earnings per share of continuing and discontinued operations for 2006 is calculated using the same figures as those used to calculate the earnings per share, except that the calculation of the earnings for the financial year is based on the earnings relating to continuing operations of €67.2 million (2005: €81.9 million) and the earnings relating to discontinued operations of €82.5 million (2005: €11.4 million).

73. Minority interest

This accounts for the share of third parties in the shareholders' equity of consolidated subsidiaries.

74. Deferred tax position

	2006 movements recognised via				
	Preceding financial year	Shareholders' equity	Income statement	Assets 2006	Liabilities 2006
Property, plant and equipment	(12,043)	—	(5,009)	—	(17,052)
Intangible fixed assets	(316)	—	(1,450)	—	(1,766)
Inventories	1,775	—	(1,547)	228	—
Receivables	(12,268)	—	(487)	—	(12,755)
Debts	3,725	—	(2,279)	1,446	—
Share based payments	847	916	—	1,763	—
Provisions:					
—employee benefits	(4,153)	—	1,384	—	(2,769)
—restructuring	3,384	—	(2,146)	1,238	—
—guarantees	2,773	—	(184)	2,589	—
—others	5,726	—	306	6,032	—
Fiscal value of tax losses carried-forward	3,351	—	3,765	7,116	—
Cash flow hedge reserve	(11,705)	(3,328)	—	—	(15,033)
Deferred tax assets (+)/liabilities (−)	**(18,904)**	**(2,412)**	**(7,647)**	**20,412**	**(49,375)**
Balance of tax assets and liabilities				(16,301)	16,301
Net tax assets (+)/liabilities (−)	**(18,904)**	**(2,412)**	**(7,647)**	**4,111**	**(33,074)**

This deferred tax position is shown in the consolidated balance sheet for each unit that is individually liable for taxation (independent legal entity or fiscal unit). This leads to the following analysis:

	2006	2005
Deferred tax position		
Receivables	4,111	7,342
Liabilities	(33,074)	(26,246)
Net tax assets (+)/liabilities (−)	**(28,963)**	**(18,904)**

	2006	2005
Reconciliation with movements in the deferred tax position		
1 January	(18,904)	8,530
In equity:		
charged to equity	(2,412)	(11,418)
In income statement:		
charged to income statement	(19,534)	(19,013)
reduction in deferred tax liabilities as a result of disposals	2,000	—
increase in deferred tax assets as a result of acquisition	1,200	—
exchange rate results	(429)	65
income due to use of tax loss carry-forward	5,816	2,162
effect of change in tax rate	3,300	770
Balance as at 31 December	**(28,963)**	**(18,904)**

	2006	2005
Off-balance sheet deferred tax positions		
Temporary differences eligible for carry-forward	1,419	854
Asset as a result of tax deductible losses:		
Duration unlimited	54,203	104,344
Duration > 10 years	1,350	4,040
Duration 5 > 10 years	29,832	156
Duration 1 > 4 years	438	687
Duration < 1 year	—	—
	85,823	**109,227**

75. Long-term debts

	Repayment 2007	Balance at 31-12-06	Balance at 31-12-05
Long-term loans			
—4.96% Loans provided by the Nederlands Instituut voor Vliegtuigontwikkeling en Ruimtevaart (interest rate is an average)	1,075	25,802	25,828
—Other loans	—	5,285	3,636
	1,075	**31,087**	**29,464**
Repayments due in 2007 (or 2006)		(1,075)	(538)
		30,012	**28,926**
Of which with a remaining term of more than 5 years		—	—

The loans provided by the Nederlands Instituut voor Vliegtuigontwikkeling en Ruimtevaart have no fixed term.

76. Trade and other payables

	2006	2005
Trade creditors	157,781	166,016
Amounts due to associates	473	125
Other taxes and social insurance contributions	17,857	14,953
Pensions	12,176	17,293
Prepayments received	9,663	12,323
Other debts	186,556	184,849
	384,506	**395,559**
Restated as liabilities held for sale	38,174	—
	422,680	**395,559**

77. Provisions

	Balance at 31-12-05	Addition charged to income statement	Release amount credited to income statement	Deduction for the intended purpose	Unwind of discount	Restated as held for sale	Balance at 31-12-06
Reorganisation provision	19,937	14,112	3,138	(9,861)	—	(2,702)	18,348
Environmental provision	8,317	198	414	(610)	—	(6,306)	1,185
Guarantees	22,094	8,412	—	(5,268)	21	(3,139)	22,120
Liabilities relating to employees	6,986	67	382	12,554*	273	(2,113)	17,385
Claims and disputes	27,406	2,389	4,001	(10,075)	—	(2,008)	13,711
Capital Assets	1,116	—	—	(1,116)	—	—	—
	85,856	**25,178**	**7,935**	**(14,376)**	**294**	**(16,268)**	**72,749**
Of which short-term	40,443						34,946
Provisions with a remaining term longer than 5 years	8,042						19,071

* The deduction includes the addition for the acquisition of other acquired companies to an amount of €16.1 million, as stated in note 43.

Reorganisation provision
The estimated costs are based on a plan that has been agreed by the management and employee representatives. Disbursements are expected to take place mainly during the next two years.

Environmental provision
The estimated costs are related to environmentally beneficial measures and reducing noise nuisance as well as other factors, and are based on research reports. A detailed plan with a specification of the costs is available in relation to the provision. The provision is expected to be used within 1 to 3 years.

Guarantees
The provision for guarantees is related to guarantees issued contractually on products and services supplied. The purpose of the provision is to cover possible costs arising if products and services supplied do not meet the agreed quality requirements under normal conditions of use. The provision is based on estimates made on the basis of historic guarantee data relating to comparable In general the liabilities are expected to arise in the next two years, with the exception of a number of major aircraft programmes.

Liabilities relating to employees
The provision for liabilities relating to employees relates to agreed compensation schemes as well as other factors, some of which have a longer term.

Claims and disputes
The claims and disputes provision consists of sums for which it may be assumed that a judgement for compensation will be issued by an independent party. The provisions shown are based on best estimates, made on the basis of the available information, and will largely expire within a maximum period of 4 years.

78. Employee benefits *(in € × million)*

The liability as at 31 December 2006 is given below.

	The Netherlands 2006	The Netherlands 2005	Other countries 2006	Other countries 2005	Total 2006	Total 2005
Defined Benefit obligation	(2,029.8)	(2,195.1)	(32.7)	(31.9)	(2,062.5)	(2,227.0)
Plan assets	2,071.8	2,017.3	24.6	23.3	2,096.4	2,040.6
Net liabilities	**42.0**	**(177.8)**	**(8.1)**	**(8.6)**	**33.9**	**(186.4)**
Unrecognised transitional value	—	—	—	—	—	—
Unrecognised actuarial gains and losses	(101.2)	96.5	(0.6)	(0.4)	(101.8)	96.1
Unvested past service costs	74.5	96.7	—	—	74.5	96.7
The effect of limiting the asset*	(20.4)	(21.3)	—	—	(20.4)	(21.3)
Subtotal—balance liability	**(5.1)**	**(5.9)**	**(8.7)**	**(9.0)**	**(13.8)**	**(14.9)**
Other liabilities relating to pensions	(1.6)	(1.3)	(0.3)	(0.3)	(1.9)	(1.6)
Pension liabilities	**(6.7)**	**(7.2)**	**(9.0)**	**(9.3)**	**(15.7)**	**(16.5)**

* A net pension asset will be recognised for the first time when there are economic benefits available.

A summary of the changes in Defined Benefit obligation and plan assets for 2005 and 2006 is given below.

Defined Benefit obligation

	The Netherlands 2006	The Netherlands 2005	Other countries 2006	Other countries 2005	Total 2006	Total 2005
Balance as at start of financial year	2,195.1	1,830.4	31.9	28.8	2,227.0	1,859.2
Service costs	39.1	28.5	1.2	0.5	40.3	29.0
Interest costs	84.9	80.7	1.5	1.5	86.4	82.2
Plan participants contributions	29.9	22.0	0.1	0.1	30.0	22.1
Actuarial gains and losses	(179.0)	205.3	0.4	1.0	(178.6)	206.3
Benefits paid	(81.3)	(80.8)	(1.9)	(1.5)	(83.2)	(82.3)
Vested past service costs	—	12.3	—	—	—	12.3
Unvested past service costs	—	96.7	—	—	—	96.7
Significant curtailment*	(58.9)	—	—	—	(58.9)	—
Changes in exchange rates	—	—	(0.5)	1.5	(0.5)	1.5
Balance as at financial year-end	**2,029.8**	**2,195.1**	**32.7**	**31.9**	**2,062.5**	**2,227.0**

* The amount mentioned in the ''significant curtailment'' line relates to the divestment of Stork WorkSphere.

Plan assets

	The Netherlands 2006	The Netherlands 2005	Other countries 2006	Other countries 2005	Total 2006	Total 2005
Balance as at start of financial year	2,017.3	1,677.5	23.3	18.6	2,040.6	1,696.1
Expected returns on plan assets	122.1	110.7	1.5	1.3	123.6	112.0
Employer's contribution	30.8	44.9	1.1	1.5	31.9	46.4
Plan participants contributions	29.9	22.0	0.1	0.2	30.0	22.2
Actuarial gains and losses	(4.6)	243.0	0.6	2.4	(4.0)	245.4
Benefits paid	(81.3)	(80.8)	(1.9)	(1.5)	(83.2)	(82.3)
Significant curtailment*	(42.4)	—	—	—	(42.4)	—
Changes in exchange rates	—	—	(0.1)	0.8	(0.1)	0.8
Balance as at financial year-end	**2,071.8**	**2,017.3**	**24.6**	**23.3**	**2,096.4**	**2,040.6**

* The amount mentioned in the ''significant curtailment'' line relates to the divestment of Stork WorkSphere.

The net period pension costs of the above mentioned pension plans for 2006 and 2005 are as follows:

	The Netherlands		Other countries		Total	
	2006	2005	2006	2005	2006	2005
Service costs	39.1	28.5	1.2	0.5	40.3	29.0
Interest costs	84.9	80.7	1.5	1.5	86.4	82.2
Expected return on plan assets	(122.1)	(110.6)	(1.5)	(1.3)	(123.6)	(111.9)
Amortised actuarial gains and losses	—	0.5	—	—	—	0.5
Amortised past service costs	5.9	12.3	—	—	5.9	12.3
Significant curtailment*	1.8	—	—	—	1.8	—
The effect of limiting the asset**	20.4	21.3	—	—	20.4	21.3
Pension expense	**30.0**	**32.7**	**1.2**	**0.7**	**31.2**	**33.4**

* The amount mentioned in the ''significant curtailment'' line relates to the divestment of Stork WorkSphere.

** A net pension asset will be recognised for the first time when there are economic benefits available.

As a result of the ''Wet VPL'' (Early Retirement, Pre-pension and Career-break Savings Act), it has been decided to convert the existing early retirement and pension plans into a new pension plan with effect from 1 January 2006. To achieve an equivalent situation in relation to the projected pension, a conditional award of supplementary pension entitlements for past service will be made, among other measures. The awarding of pension entitlements is conditional to the continuation of employment with Stork until retirement date or 15 years calculated from 1 January 2006. Within IAS 19, this is considered as conditional past service costs. To the extent that this component can be compensated under the new fiscal principles, it is regarded as ''unvested' and will be included annually in the pension costs in the coming years starting from 2006 during the vesting period (approximately 13.5 years). To the extent that the difference in increase of the obligations between the present and new plans is not unvested, this is included in the pension costs for 2006 as vested past service cost.

The other pension plans are mainly based on a Defined Contribution plan. The costs of this plan were €20.6 million in 2006 (2005: €15.5 million).

These costs also include costs in relation to the early retirement scheme for the industry (called 55+ plan). In fact this involves a Defined Benefit plan. This is processed as a Defined Contribution plan, because the administration of the industry pension fund is not structured to provide the requested information. There is no obligation to compensate any shortcomings in the fund, nor is there any entitlement to any surpluses. The pension contribution expected to be paid by Stork for 2007 amounts to €56 million (2006: €52 million).

The weighted average assumptions on which the calculation of the pension obligations is based are as follows:

	The Netherlands		Other countries		Total	
	2006	2005	2006	2005	2006	2005
Pension obligation as at 31 December:						
Discount rate used	4.6	4.1	5.3	5.0	4.6	4.1
Expected return on plan assets	5.9	6.3	6.7	6.4	5.9	6.3
Future salary increases	3.0	3.0	3.3	3.2	3.0	3.0
Future pension increases	2.0	2.0	2.4	2.2	2.0	2.0

The assumptions for the expected return on plan assets have been reached on the basis of assessment of the historic returns of the various categories in which the investments are made. The historic returns on these asset categories are weighted on the basis of the expected long-term allocation of the plan assets.

The plan assets consist primarily of fixed-interest securities, listed shares and related instruments, as well as property. The allocation of the investments per asset category for the pension plans in The Netherlands at 31 December 2006 and 2005 is as follows:

	Percentage allocation of investment as at 31-12 2006	2005
Shares and related instruments	39	38
Fixed-interest securities	42	43
Property	14	14
Other	5	5
Total	**100**	**100**

Historical summary

	2006	2005
Cash value of the obligations related to Defined Benefit plans	(2,062.5)	(2,227.0)
Fair value of the plan assets	2,096.4	2,040.6
Net obligations	33.9	(186.4)
Experience adjustments incurred on obligations of the plan	(27.1)	116.3
Experience adjustments incurred on plan assets	(4.0)	245.4

79. Treasury activities

The treasury activities of Stork are coordinated from the head office in Naarden. The policy is focused on creating and maintaining the optimal financial prerequisites for the development of the operational activities of Stork N.V.

Corporate Treasury analyses and assesses the risks associated with the plans of operating companies in relation to financing and currency risks. Contracts with financial institutions (money market, currency market, commodities, guarantees, export insurances, letters of credit etc.) are entered into only if there is an underlying asset on the consolidated balance sheet or through contracts with suppliers and customers.

80. Cash management

Stork centralises its liquidity management in The Netherlands, Belgium and the USA. The bank accounts of operating companies have for this purpose been placed with a limited number of banks in cash pool arrangements. Stork maintains direct credit facilities (cash, guarantees, forex) of more than €2 million at 12 financial institutions. In 2006 Stork was active on a daily basis in the money market to conclude daily cash contracts, deposits and cash loans. The maximum credit facility per operating company is determined centrally.

81. Currency management

General
In the management of currency risks Stork aims to limit the effect on the group result of exchange-rate fluctuations. However in the long term structural changes, especially in the value of the US dollar relative to the euro, and changes in the difference between the US and European interest rates, will influence the consolidated result. Stork uses two policies to manage the currency risks: the Aerospace currency policy and the Stork N.V. currency policy for the other Stork activities.

Aerospace currency management
The Aerospace currency policy expresses how Stork addresses the currency risks of the major Aerospace programmes. The currency risks are material because of the size of the transactions and the long terms of the contracts. The currency risks relate mainly to the exposure to the US dollar. Of the forward exchange contracts entered into by Stork for commercial purposes, 90% relate to the Aerospace currency policy.

Of the total expected cash flow of contracts entered into for the period 2007-2031, amounting to €948 million, 64% was hedged at the end of 2006. At the end of 2006, Stork hedged 100% of the expected cash flows up to the end of 2009. In January 2007, the expected cash flows for 2010 were also 100% hedged. The currency risks are managed and hedged on a portfolio basis. The external hedging of currency risk in 2006 made virtually exclusive use of forward exchange contracts. For this purpose Stork has substantial credit facilities with seven banks for forex transactions with terms from 5 to 15 years.

Cash flow hedge accounting is applied for the revaluation of the financial instruments. For this purpose, each month effectiveness is calculated. In 2006, an ineffectiveness of €0.5 million is recognised.

Stork N.V. currency management for other activities
The Stork N.V. currency policy for other activities includes the procedures, regulations and authorisations relating to other currency risks. All results of this policy are recognised directly in the income statement. Currency risks at the start of contracts under which the sales volume will generate a certain cash flow are centrally hedged. Operating companies have no open foreign currency positions in relation to these contracts. Through a coherent infrastructure and strict procedures Stork strives to minimise the effect of exchange-rate fluctuations. Currency exposures during the proposal phase are mainly hedged by exchange rate clauses. Proposals with a high chance of success can be hedged with currency options. Use was made in 2006 of exchange-rate risk insurances, currency options, and forward exchange contracts for external hedging of currency risks.

Hedging
The financial instruments entered into with banks are entered into directly by Stork. As at 31 December 2006, a total of €758 million in contracts (2005: €766 million) were centrally hedged for operating companies in relation to export contracts and €210 million (2005: €141 million) in relation to import contracts. As at year-end 2006, Stork had a derivatives portfolio that consisted mainly of forward exchange contracts. The average term of the derivatives portfolio is 1 year and 9 months (in 2005: 2 years and 3 months). Currency risks relating to future revenues for which no commercial contracts have been concluded are in principle not hedged. The currency risk on the net investment in foreign activities is where possible and relevant minimised by financing in local currencies. Residual amounts are not hedged. The interest-bearing intercompany funding of the American activities was 100% hedged as at the end of 2006.

Sensitivity analysis
A decrease of 10% in the spot rate of the American dollar and related currencies in relation to the euro would have had a negative effect on Stork's 2006 result before taxes by an expected approximate 2% (2005: 3%). This calculation takes account of the forward exchange contracts concluded with banks.

82. Multicurrency revolving credit facility

Starting from 27 April 2004 Stork has access for a period of 5 years to a credit facility of €300 million. This has been made available by a syndicate of five Dutch banks. At the end of 2006, €110 million was taken up from this facility. The facility includes covenants concerning the debt, debt/ebitda and ebitda/interest ratios. These covenants have been complied with.

83. Interest management

Interest management for cash flows arising out of movements in various balance sheet components was limited in 2006 to daily cash management. No positions in interest rate derivatives were entered into in 2006.

84. Credit risks

Stork follows an active policy to minimise credit risks. The ways in which this is achieved include the recruitment and training of professional credit managers, the use of sales information systems, strict internal guidelines, the consultation of external sources, requesting security for payment and concluding creditrisk insurances. There is no concentration of credit risks for significant amounts at debtors. Stork does not purchase credit derivatives.

85. Commodities

Stork entered into future contracts for commodities for the first time in 2005. These contracts were fully settled in 2006. The policy in this area is to prevent large fluctuations in the prices of specific raw materials over a one-year period. Stork will make limited use of these instruments. No new contracts were entered into during 2006.

86. Financial instruments *(in € × million)*

Fair value

	Carrying amount	31-12-2006 Fair value	Carrying amount	31-12-2005 Fair value
Trade and other receivables	356	356	356	356
Cash and cash equivalents	93	93	212	212
Forward exchange contracts				
Aerospace Industries	555	555	604	604
Other	158	158	67	67
Commodity contracts	—	—	10	10
Trade and other payables	(385)	(385)	(396)	(396)
Bank overdrafts	(114)	(114)	(1)	(1)
	663	**663**	**852**	**852**

The interest rate used in calculating the fair value of derivatives as at 31 December 2006 was based on market rates. These are shown below.

	2006	2005
Derivatives		
Euro interest rate	3.6%–4.3%	2.3%–3.8%
US dollar interest rate	5.1%–5.3%	4.3%–4.6%

87. Contingent liabilities

Guarantees issued At 31 December 2006 guarantees issued to third parties totalled €132.1 million (2005: €153 million). Rabobank has issued a down payment guarantee for the Boxer project, for which a credit facility has been made available. This guarantee may rise to a maximum amount of €92 million in 2013. Contingencies Stork and its consolidated companies are involved in a number of legal actions. Based on currently available information and legal opinion, Stork believes that the outcomes of these legal actions will either have no significant adverse effect on the financial position of the company, or that any possible adverse effects are adequately reflected in provisions.

88. Associated parties

Relationships between related parties exist between Stork and its subsidiaries, associates and joint ventures (see paragraph 58 of these notes), the Stork Pension Fund and the directors and higher management of the company.

The most important task of the Stork Pension Fund is to administer the pension plan for the employees of Stork and former employees drawing pension benefits.

The result of the AJS and Stork GLT joint ventures is at the disposal of both Stork and the other participants in the joint venture. To support the activities of the joint venture, the participants increase their investments in the joint venture if necessary.

89. Assets on order

Investment commitments relating to assets on order are €7.3 million (2005: €3.1 million).

90. Non-current commitments

Commitments relating to rental and operational leasing contracts are €61.6 million (2005: €69.2 million).

	2006	2005
Shorter than 1 year	€11.5 million	€16.6 million
Between 1 and 5 years	€28.1 million	€37.2 million
Longer than 5 years	€22.0 million	€15.4 million

Financial leasing commitments are €3.3 million (in 2005: €1.4 million)

91. Legal and constructive obligations

Stork participates in a number of joint ventures in which it has accepted individual liability for the obligations entered into by the joint venture.

This relates to the following joint ventures:

- Artec. A joint venture of Stork PWV with KMW (D for the development and production of an armoured utility vehicle.
- The NH90 helicopter. A joint venture of Stork Fokker AESP with, among others, Eurocopter and Augusta in the NH90 helicopter.
- Stork Groningen Long Term. A joint venture of Stork Industry Services together with Jacobs Engineering, Siemens, Yokogawa and Siemens Demag Delaval for the renovation of the Groningen Gas Fields.
- AJS. A joint venture of Stork Industry Services with Amec and Jacobs Engineering, to carry out the renovation of a number of offshore projects in the North Sea.

92. Estimates and judgements by management

The Board of Management has discussed with the Audit Committee the development and selection of, and gaining information about, the critical principles for financial reporting and estimates, as well as the application of these principles and estimates. Primary sources of uncertainties in estimates Section 24 of these notes contains information about the assumptions and the corresponding risk factors relating to impairment of goodwill and intangible fixed assets resulting from acquisitions. Section 7 of these notes gives an analysis of the financial instruments, as well as of the risks relating to changes in currency values. Achievability of development costs The most important part of development costs consists of nonrecurring costs for aircraft programmes within Aerospace. The achievement of the carrying amount of this item is assessed periodically on the basis of expected cash flows based on market estimates of quantities sold. These estimates are made with an appropriate degree of prudence. The carrying amount of development costs is included in note 57. Assumptions concerning pensions Note 78 contains information concerning the valuation of pension obligations. Stork assumes expected longer-term returns on invested assets as applied by the Dutch central bank (DNB), taking into account the asset mix of the Stork Pension Fund. It should be noted that this percentage is lower than the average returns achieved over the past three years. If the expected returns were to decline, this would have a negative effect on the unrecognised actuarial results of Stork. The pension charge for 2008 would also be influenced in that case. A decline in the long-term market interest rate and with it the applied discount rate would mean an increase in the obligations and as a result also in the actuarial results which have not yet been recognised. Both these factors lead to a risk that the actuarial results not yet recognised would exceed the specified bandwidth in 2007. In that case the part exceeding the bandwidth would be included in the pension charge as of 2008.

Company income statement of Stork N.V. *(in € × 1,000)*

	2006	2005
Income from subsidiaries after taxes	121,415	110,945
Other results after tax	28,239	(17,659)
Net result	**149,654**	**93,286**

Company balance sheet of Stork N.V. *(in € × 1,000)*

		2006		2005	
	Non-current assets				
95	Property, plant and equipment	4,698		5,344	
96	Goodwill	9,292		—	
97	Financial fixed assets	829,763		727,526	
			843,753		**732,870**
	Current assets				
	Financial instruments	59,833		15,276	
	Current tax asset	1,436		1,413	
98	Trade and other receivables	18,659		22,977	
			79,928		**39,666**
	Assets		**923,681**		**772,536**
99	**Equity**				
100	Share capital	33,020		165,098	
101	Share premium reserve	56,463		56,463	
102	Statutory reserve	135,303		110,518	
103	Other reserve	241,419		211,991	
	Equity		466,205		**544,070**
109	Provisions		49,083		**50,565**
	Current liabilities				
110	Trade and other payables	408,393		177,901	
			408,393		**177,901**
	Liabilities		**923,681**		**772,536**

Notes to the separate financial statements

93. General

The separate financial statements are part of the 2006 financial statements of Stork N.V.. For the separate income statement of Stork N.V., use is made of the exemption pursuant to Section 2:402 of Book 2 of the Netherlands Civil Code.

94. Principles for valuation and determination of the result

For setting the principles for the recognition and measurement of assets and liabilities and determination of the result for its separate financial statements, Stork N.V. makes use of the option provided in Section 2:362 (8) of the Netherlands Civil Code. This means that the principles for the recognition and measurement of assets and liabilities and determination of the result for the separate financial statements of Stork N.V. are the same as those for the consolidated financial statements. In this context, investments in companies in which significant control is exercised are measured according to the net asset value method. The consolidated financial statements are prepared according to the stan-dards set by the International Accounting Standards Board (IASB) and accepted by the European Union and with Title 9 Book 2 of the Netherlands Civil Code. For a description of these accounting principles, please refer to the accounting principles with the consolidated financial statements.

The share in the result of enterprises, in which the company has holdings, comprises the share of Stork N.V. in the result of these participating interests. Results on transactions, in which transfer of assets and liabilities has occurred between Stork N.V. and its participating interests, and mutually between participating interests with each other, are not recognised insofar as these can be considered as not realised.

95. Property, plant and equipment

	Land and buildings	Other productive assets	Totals
Historic cost	4,714	4,904	9,618
Depreciation and impairment losses	(286)	(3,988)	(4,274)
Carrying amount as at 31-12-2005	**4,428**	**916**	**5,344**
Carrying amount as at 01-01-2006	4,428	916	5,344
Other investments	—	26	26
Disposals	—	—	—
Depreciation	(204)	(468)	(672)
Carrying amount as at 31-12-2006	**4,224**	**474**	**4,698**
Historic cost	4,714	4,929	9,643
Depreciation and impairment losses	(490)	(4,455)	(4,945)
Carrying amount as at 31-12-2006	**4,224**	**474**	**4,698**

96. Goodwill

Approximately €9.3 million in goodwill was recognised in 2006. This goodwill relates to the acquisition of StorkReal, Koster and iicorr, of which Stork N.V. is the legal shareholder.

97. Financial fixed assets

	Interest in group companies	Associates	Loans to group companies	Total
Carrying amount as at 01-01-2006	20,694	3,226	703,606	727,526
Result of subsidiaries	121,235	180	—	121,415
Dividends received	(155,512)	(426)	—	(155,938)
Exchange-rate differences	(5,822)	—	(698)	(6,520)
Movements in loans	—	—	—	—
Other movements	558,396	1,115	(416,231)	143,280
Carrying amount as at 31-12-2006	**538,991**	**4,095**	**286,677**	**829,763**

Stork N.V. is at the head of the group and has capital interests in the group companies presented on page 165.

98. Trade and other receivables

	2006	2005
Debtors (current)	477	68
Debtors subsidiaries	3,819	1,274
Receivables from associates	48	2
Prepayments	—	—
Other receivables	14,315	21,633
	18,659	**22,977**

99. Equity

The equity in the Stork N.V. separate financial statements are reconciled with the equity in the consolidated financial statements. For details of the movements in equity, reference is made to page 141.

100. Share capital

The authorised share capital comprises:

50,000,000 ordinary shares of €1	50,000
25,000,000 preference shares A of €1	25,000
75,000,000 preference shares B of €1	75,000
	150,000
Ordinary shares	
Balance as at 1 January 2006:	
ordinary shares 33,019,744	165,098
Reduction of nominal value from €5 to €1	(132,078)
New share issue charged to share premium reserve	—
Balance as at 31 December 2006	**33,020**
Preference shares B	
Balance as at 1 January 2006:	—
New share issue:	
preference shares B 30,233,170	30,233
Not paid-up	(22,675)
Balance as at 31 December 2006	**7,558**

101. Share premium reserve

Balance as at 1 January 2006	56,463
Balance as at 31 December 2006	**56,463**

The share premium is exempted from tax in The Netherlands and therefore freely available for payment to shareholders.

102. Statutory reserve

Balance as at 1 January 2006	110,518
—Movement in capitalised development costs	15,905
—Movement in cash flow hedge reserve	15,400
—Exchange rate difference in valuation of participating interests	(6,520)
Balance as at 31 December 2006	**135,303**

A statutory reserve is formed for participating interests. It is released as the carrying amount of the development costs is reduced.

103. Other reserve

Balance as at 1 January 2006	211,991
—Result for 2006	149,654
—Reduction of nominal value	4,249
—Cash dividend 2005	(35,148)
—Reduction of capital	(70,000)
—Purchase of own shares	(6,643)
—Share and option plans	4,879
—Movement in capitalised development costs	(15,905)
—Other movements	(1,658)
Balance as at 31 December 2006	**241,419**

A proposal will be made to the Annual General Meeting to pay a dividend of €1.10 per share over the result after tax for 2006. The remainder will be added to other reserves.

104. Option rights

The option rights granted before 2004 give entitlement to one ordinary share in Stork N.V. of €1 nominal value, have a term of 5 years and can be exercised directly. Option rights that are not exercised within 5 years will lapse. Option rights also lapse if the holder for any reason ceases to be employed by

Stork N.V. or one of its majority interests, except as a result of retirement, early retirement or death. Option rights granted as of 2004 are conditional. For the 2004 and 2005 option series, it applies that the number of options that can be exercised is set according to the performance of Stork compared to Mid-cap securities, expressed in Total Shareholders Return (price gain/loss and dividend paid for the period concerned) over the coming 3 years.

If Stork is in the bottom six in this ranking, no options will be exercisable. For each place higher than the sixth place from the bottom, the number of option rights increases by 4%. If Stork reaches a position in the top three of this ranking, 100% of the options will always be exercisable. The 2006 option series is 50% dependent on this ranking and 50% dependent on the achieved WACC (weighted average cost of capital). The assessment date for the 2006 option series is 14 March 2009.

The exercise price was set at the closing price of the Stork share on 14 March 2006. In relation to the €4.00 capital reduction, the number of options to be exercised and the exercise price have been adjusted in accordance with the Euronext rules for the adjustment of listed options in such situations. From 14 March 2009, the option holder has the right to a period of 4 years to exercise the number of options that are unconditional on that date. Share options granted to members of the Board of Management and directors are as shown in the table below.

In 2006, 145,030 shares in Stork N.V. were purchased at an average price of €45.96 to cover the granted share options. The policy of the company is to cover granted share options to the extent that the share price exceeds the exercise price. In 2006, 19,365 (2005: 29,256) shares were repurchased to provide for the option holders of the options granted. The fair value of these shares at the time of granting (€0.9 million) is accounted for under salaries in the 2005 income statement, with addition of the same amount to the other reserves. Their holders may not transfer these shares for a period of 5 years. In addition, in 2006, 249,405 (2005: 397,000) purchased shares in Stork N.V. were transferred as a result of exercised options.

At the end of 2006, the company held 2,783,256 (2005: 1,137,750) shares in Stork N.V.

105. Policy for granting of share options

The Board of Management decides on the granting of share options to directors. The Supervisory Board decides on the granting of options to the Board of Management.

106. Total option rights and shares

As a result of the lowering of the intrinsic value per share of Stork from €5 to €1 in May 2006, the weighted average exercise price of issued options in addition to the number of granted options was changed for the option series commencing from 2001.

Term	Number granted	Weighted average exercise price	Position from 2005	Granted 2006	Exercised 2006	Lapsed 2006	Position 2006 year-end
2001/2006	488,736	15.90	53,028	—	49,748	3,280	—
2002/2007	442,268	12.26	161,819	—	51,609	5,467	104,743
2003/2008	347,965	5.01	326,644	—	168,314	3,280	155,050
2004/2011 (conditional)	327,464	13.03	327,465	—	—	14,214	313,251
2005/2012 (conditional)	368,466	27.03	368,466	—	—	30,068	338,398
2006/2013 (conditional)		42.62	—	390,880	—	16,947	373,933
2006/2013 (unconditional)		42.62	—	51,935	—	—	51,935
	1,974,899		**1,237,422**	442,815	269,671	73,256	1,337,310
Shares granted under option plan							
2002	—	—	10,300	—	—		10,300
2003	—	—	67,341	—	—	—	67,341
2004	—	—	36,442	—	—	—	36,442
2005	—	—	29,596	—	—	—	29,596
2006	—	—	—	19,365	—	—	19,365
			143,679	19,365	—	—	163,044

107. Option rights and shares held by members of the Board of Management

The list below shows the numbers of existing and exercisable options, listed by year of issue and exercise price.

Term	Number granted	Exercise price	Position at 31-12-2005	Granted 2006	Exercised 2006	Lapsed 2006	Position 2006
Sj.S. Vollebregt							
2002/2007	51,935	5.90	51,935	—	—	—	51,935
2003/2008	51,935	4.82	51,935	—	—	—	51,935
2004/2011 (conditional)	51,935	12.91	51,935	—	—	—	51,935
2005/2012 (conditional)	51,935	27.03	51,935	—	—	—	51,935
2006/2013 (conditional)		42.62	—	51,935	—	—	51,935
2006/2013 (unconditional)		42.62	—	51,935	—	—	51,935
			207,740	103,870	—	—	311,610
Shares			41,176	5,150	—	—	46,326
J.C.M. Schönfeld							
2002/2007	38,268	13.11	38,268	—	—	—	38,268
2003/2008	25,968	4.82	25,968	—	—	—	25,968
2004/2011 (conditional)	25,968	12.91	25,968	—	—	—	25,968
2005/2012 (conditional)	25,968	27.03	25,968	—	—	—	25,968
2006/2013 (conditional)		42.62	—	25,968	—	—	25,968
			116,172	25,968	—	—	142,140
Shares			9,846	1,450	—	—	11,296
H.E.H. Bouland							
2003/2008	25,968	4.82	25,968	—	—	—	25,968
2004/2011 (conditional)	25,968	12.91	25,968	—	—	—	25,968
2005/2012 (conditional)	25,968	27.03	25,968	—	—	—	25,968
2006/2013 (conditional)		42.62	—	25,968	—	—	25,968
			77,904	25,968	—	—	103,872
Shares			11,158	1,450	—	—	12,608
Total options			401,816	155,806	—	—	557,622
Total shares held by members of the Board of Management			62,180	8,050	—	—	70,230

108. Fair value of share options and assumptions

	2006	2005
Fair value on valuation date	9.32	4.91
Share price at time of granting	46.60	29.55
Exercise price	46.60	29.55
Expected volatility	24.2%	23.0%
Term of the option	4.5	4.5
Expected dividend	2.4%	3.0%
Risk-free interest rate	3.5%	3.0%

The conditions under which the options are granted, as described in paragraph 104 of these notes, do not take into account the actual value determination on the date of granting of the services provided.

109. Provisions

	Balance 01-01-06	Addition charged to the income statement	Release credited to the income statement	Deduction for the intended purpose	Unwind of discount	Balance 31-12-06
Deferred tax liabilities	24,526	—	—	7,479	—	32,005
Reorganisation liabilities	4,408	1,400	1,450	(1,542)	—	2,816
Claims and disputes	14,465	860	3,552	(4,182)	58	7,649
Pension liabilities	7,166	368	921	—	—	6,613
	50,565	**2,628**	**5,923**	**1,755**	**58**	**49,083**
Of which short-term	10,582					10,953
Of which with a remaining term longer than 5 years	1,710					1,167

110. Trade and other payables

	2006	2005
Due to customers	16,881	7,432
Bank overdraft	357,697	131,010
Trade creditors	3,703	1,329
Group company creditors	861	413
Other taxes and social security contributions	4,196	3,955
Prepayments received	4,022	2,700
Preference shares	7,558	—
Other liabilities	13,475	31,062
	408,393	**177,901**

111. Financial instruments

For an explanation concerning financial instruments, please refer to sections 79 to 86 of the notes to the consolidated financial statements.

112. Employee costs and benefits

For the employee costs, please refer to section 46 of the notes in which the remuneration of the Board of Management is set out.

The employees of Stork N.V. have the same Defined Benefit pension plan as described in the consolidated financial statements. In view of the fact that the attribution of the liabilities and investments of the Stork Pension Fund Foundation to such a small population relative to the total number of participants in the Stork Pension Fund Foundation would lead to a high degree of inaccuracy, the contributions paid to the Stork Pension Fund Foundation are regarded as a pension cost.

113. Liabilities not shown on the balance sheet

Individual liability and guarantees

At 31 December 2006, guarantees issued to third parties totalled €79.3 million (2005: €110.3 million).

For the Dutch operating companies listed on page 165, notices of liability have been filed for liabilities resulting from legal actions.

Fiscal entity

Stork N.V. and its subsidiaries form a fiscal entity for corporation tax purposes. According to the standard conditions, each of the companies is liable for tax payable of all the companies included in the legal entity.

Naarden, 30 January 2007

Board of Management

Sj.S. Vollebregt (Chairman)
J.C.M. Schönfeld (Vice Chairman)
H.E.H. Bouland

Supervisory Board

P.J. Kalff (Chairman)
J. Aalberts
S.D. de Bree (to 10 March 2006)
C.J. van den Driest
C. den Hartog
A. van der Velden

On 26 January 2007 the Enterprise Chamber of the Amsterdam Court of Appeal appointed three additional Supervisory Board members:

D.G. Eustace
C.J.A. van Lede
W. Kok

The financial statements have not been signed by Supervisory Board members D.G. Eustace, C.J.A. van Lede and W. Kok. The reasons for this are as follows. Said Supervisory Board members were only designated recently, on 26 January 2007, by the Enterprise Chamber of the Amsterdam Court of Appeal. They have been designated to special tasks and power within the Supervisory Board and will focus on these. Additionally, in view of the brief time-span between their appointment and the date on which the financial statements were prepared, they have been unable to make an assessment of the financial statements of 2006, which concerns a financial year in which they were not in the office.

List of major consolidated operating companies

(Wholly owned, unless otherwise stated)

Aerospace

Stork Fokker AESP B.V., Papendrecht, Hoogeveen (NL)
Fokker Elmo B.V., Hoogerheide (NL)
Stork SP Aerospace, Geldrop (NL)
Fokker Elmo (Langfang) Electrical Systems Co Ltd. (CN)
Fokker Services B.V., Hoogerheide (NL)
Fokker Services Asia Pte.Ltd., Singapore (SG)
Fokker Services Inc., Atlanta (US)
Airinc, Fairhope (US)

Food Systems

Stork PMT B.V., Boxmeer (NL)
Stork Townsend Engineering, Oss (NL) en Des Moines (US)
Stork Gamco Inc., Gainesville (US)
Stork Titan B.V., Boxmeer (NL)
Stork PFP Systems Ltda., Piracicaba (BR)
Stork Food and Dairy Systems B.V., Amsterdam (NL)

Technical Services

Stork Industry Services B.V., De Meern (NL)
Stork Maintenance Management B.V., De Meern (NL)
Stork MEC N.V., Antwerpen (BE)
Stork Wescar N.V., Willemstad (AN)
Stork Sutherland Schultz, Cambridge (CA)
Stork iicorr Ltd., Aberdeen (GB)
Electrotechnisch bedrijf J.G. Koster B.V., Wehl (NL)
Stork MSW, Buenos Aires (AR)
Stork Turbo Blading B.V., Sneek (NL)
Stork Turbo Services B.V., Almere (NL)
Stork H&E Turbo Blading Inc., Ithaca (US)
Stork Gears & Services B.V., Rotterdam (NL)
Stork Trading B.V., Hengelo (NL)
Stork Thermeq B.V., Hengelo (NL)
Stork Materials Technology B.V., Amsterdam (NL)
Stork Cellramic Inc., Milwaukee (US)
Stork Technimet Inc., New Berlin (US)
Stork Materials Testing and Inspection Inc., Huntington Beach (US)
Stork Herron Testing Laboratories Inc., Cleveland (US)
Stork Southwestern Laboratories Inc., Houston (US)
Stork Intermes N.V., Antwerpen (BE)
Stork Twin City Testing Inc., St.Paul (US)
Stork Cooperheat UK Ltd., Skelmersdale (GB)
Stork Special Products B.V., Zwolle (NL)
2rent B.V., Rozenburg (NL)
Stork Sales & Rental Services B.V., Rozenburg (NL)
Interlas B.V., Rozenburg (NL)
HiTecs B.V., Nieuwegein (NL)

Overige en holdings

Stork A.G., Zug (CH)
Stork United Corp., Charlotte (US)

Prints

Stork Prints B.V., Boxmeer (NL)
Stork Digital Imaging B.V., Boxmeer (NL)
Stork Prints Austria A.G., Kufstein (AT)
Chemica A.G., Zug (CH)
Stork Prints America Inc., Charlotte (US)
Stork Prints Brasil Ltda, Piracicaba (BR)
Stork IBI Prints (Pvt) Ltd. Pakistan (88%), Karachi (PK)
Stovec Industries Ltd. (51%), Bombay (IN)
Stork Textile Systems Wuxi Co. Ltd, Wuxi (CN)
Stork Prints Japan K.K., Osaka (JP)
P.T. Stork Prints Indonesia (95%), Bekasi (ID)
Stork Veco B.V., Eerbeek (NL)

To: General Meeting of Shareholders

Auditors' report

Report on the financial statements

We have audited the accompanying financial statements of Stork N.V., Naarden as set out on pages F-26 to F-74. The financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2006, income statement, statement of recognised income and expense and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. The company financial statements comprise the company balance sheet as at 31 December 2006, the company income statement for the year then ended and the notes.

Management's responsibility

Management of the Company 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 Netherlands Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's 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. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 entity'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 companies internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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 Stork N.V. as at 31 December 2006 and of its result and its cash flow 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 Netherlands 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 Stork N.V. as at 31 December 2006 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amstelveen, 30 January 2007

KPMG ACCOUNTANTS N.V.

T. van der Heijden RA

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5. Financial Statements 2005 Stork N.V.

Consolidated income statement *(in € × 1,000)*

		2005	2004 Continuing activities	2004 Discontinued activities	2004
36	Net turnover	1,817,908	1,665,008	63,881	1,728,889
	Costs of sales	(1,297,219)	(1,170,780)	(58,135)	(1,228,915)
	Gross operating income	**520,689**	**494,228**	**5,746**	**499,974**
	Sales costs	(115,934)	(101,670)	(1,160)	(102,830)
46	General administrative expenses	(264,061)	(281,757)	(3,802)	(285,559)
	Research & development expenses	(23,076)	(20,206)	2	(20,204)
47	Other operating income	11,043	14,114	—	14,114
		(392,028)	**(389,519)**	**(4,960)**	**(394,479)**
	Operational result	**128,661**	**104,709**	**786**	**105,495**
48	Financial income	4,416	5,793	206	5,999
49	Financial expenses	(4,679)	(13,239)	(83)	(13,322)
	Share of profit of associates	1,577	349	—	349
	Result before tax	**129,975**	**97,612**	**909**	**98,521**
50	Income tax expense	(36,479)	(23,698)	(313)	(24,011)
	Result after tax	**93,496**	**73,914**	**596**	**74,510**
	Attributable to:				
	Shareholders (net result)	93,286	73,660	596	74,256
	Minority interest	210	254	—	254
	Weighted average number of issued shares (× 1,000)	31,958			32,081
	Weighted average number of issued shares after dilution (× 1,000)	32,578			32,579
67	Basic earnings per share	2.92	2.29	0.02	2.31
68	Diluted earnings per share	2.86	2.26	0.02	2.28

Consolidated statement of the recognised income and expense *(in € × 1,000)*

	2005		2004	
Equity at the end of the preceding period		**451,791**		**413,991**
Application of IAS 32/39		73,800		—
Corrected equity as at 1 January		**525,591**		**413,991**
Foreign exchange translation difference	9,747		(2,638)	
Effective part of changes in fair value	(45,280)		—	
Net result recognised directly in equity	**(35,533)**		**(2,638)**	
Result for the period	93,286		74,256	
Total recognised income and expense for the period		**57,753**		**71,618**
Purchase of shares in Stork N.V.		(15,113)		(18,312)
Dividends		(28,747)		(21,069)
Share and option plan		7,974		8,136
Other movements		(1,179)		—
Movements in minority interest		271		(2,573)
Equity at the end of period		**546,550**		**451,791**
Net result recognised directly to equity	**(35,533)**		**(2,638)**	
Result for the period	93,496		74,510	
Total result for the period		**57,963**		**71,872**
Total result attributable to:				
Shareholders		57,753		71,618
Minority interest		210		254
		57,963		**71,872**

Consolidated balance sheet *(in € × 1,000)*

			2005		2004
Non current assets					
51	Property, plant and equipment	280,855		280,660	
52	Goodwill	7,347		6,219	
52	Other intangible fixed assets	75,689		68,936	
53	Investment in associates	17,066		15,142	
53	Long-term receivables from associates	192		1,365	
71	Deferred tax assets	7,342		9,859	
			388,491		**382,181**
Current assets					
54	Financial instruments	15,276		—	
55	Inventories	213,043		194,469	
56	Due from customers	159,524		121,108	
57	Trade and other receivables	354,908		332,043	
58	Cash and cash equivalents	212,419		239,715	
			955,170		**887,335**
Assets			**1,343,661**		**1,269,516**
Equity					
60	Issued share capital	165,098		165,098	
60	Share premium	56,463		56,463	
64	Statutory reserves	74,889		68,136	
59	Other reserves	247,620		159,885	
59	Total equity attributable to equity holders of the parent	**544,070**		**449,582**	
70	Minority interest	2,480		2,209	
			546,550		**451,791**
Non current liabilities					
72	Long-term debts	28,926		23,572	
75	Employee benefits	16,489		31,847	
74	Provisions	45,413		42,714	
71	Deferred tax liability	26,246		1,329	
			117,074		**99,462**
Current liabilities					
56	Due to customers	214,121		173,527	
73	Trade and other payables	395,559		375,429	
	Current tax payable	27,929		23,755	
58	Bank overdrafts	1,447		562	
72	Current liabilities for long-term debt	538		103,619	
74	Provisions	40,443		41,371	
			680,037		**718,263**
	Liabilities		**1,343,661**		**1,269,516**

Consolidated cash flow statement *(in € × 1,000)*

		2005		2004
Operational result	128,661		105,495	
Adjustments for:				
Depreciation of property, plant and equipment	43,864		47,336	
Amortisation of intangible fixed assets	5,962		—	
Result from divestments of property, plant and equipment	(14,526)		(13,983)	
Changes in provisions	(13,588)		(7,112)	
Cash flow from ordinary operations before movements in working capital		**150,373**		**131,736**
Movements in inventories	(18,574)		15,775	
Movements in receivables	(62,672)		20,421	
Movements in debts	85,732		(30,449)	
		4,486		**5,747**
Cash flow from operational activities		**154,859**		**137,483**
Income tax paid	(16,316)		(7,505)	
Interest paid	(5,799)		(9,952)	
Finance expenses	(1,016)		(2,329)	
Financial instruments	5,971		—	
Cash flow from ordinary operations		**137,699**		**117,697**
Interest received	4,415		5,999	
Dividend received	1,207		948	
Divestments of property, plant and equipment	26,089		26,978	
Divestments of subsidiaries	—		20,693	
Investments in property, plant and equipment	(48,993)		(41,279)	
Investments in other intangible fixed assets	(4,451)		(2,413)	
Development costs	(5,663)		(7,722)	
Acquisition of subsidiaries	(1,438)		(3,741)	
Cash flow from investment activities		**(28,834)**		**(537)**
Dividends paid	(28,747)		(21,069)	
Repayments of long-term debts	(103,065)		(61,953)	
Receipts from long-term debts	557		6,157	
Exercise of option rights	6,212		—	
Purchase of own shares	(15,113)		(18,312)	
Cash flow from financing activities		**(140,156)**		**(95,177)**
Net cash flow		**(31,291)**		**21,983**
Exchange rate and translation differences on cash		3,110		(1,232)
Movements in liquidity		**(28,181)**		**20,751**
Cash position at 1 January		**239,153**		**218,402**
Cash position at 31 December		**210,972**		**239,153**
Bank overdrafts		**1,447**		**562**
		212,419		**239,715**

Contents notes to the financial statements

Notes to the consolidated financial statements *(in € × 1,000)*

1. Consolidation

In the consolidated financial statements, Stork N.V. and the entities in which it directly or indirectly holds more than half of the shares or has a predominant influence on the management are consolidated in full. Minority interests in the equity and result are stated separately.

Participations and joint ventures in which the holding is 50% or less are not consolidated if there is no controlling interest.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which a controlling interest was first held, until the date on which this ended.

Where necessary, adjustments have been made to the local financial statements of subsidiaries to bring the valuation principles in line with those of Stork.

Intragroup balances and any unrealised gains and losses on intragroup transactions or income and expenses are eliminated in the preparation of the consolidated financial statements. Unrealised profits from transactions with associates and jointly contolled entities are eliminated to the extend of the interest held by Stork in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no indication for impairment.

2. Significant accounting policies

3. General

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as accepted within the European Union, and the interpretations of these as defined by the International Accounting Standards Board (IASB). These are the first Stork consolidated financial statements prepared in accordance with IFRS and IFRS 1 has been applied.

The financial statements are presented in euro, rounded to the nearest thousand. The financial statements are prepared on cost basis, except for financial instruments which are stated at fair value. Assets held for sale are stated at the lower of carrying value or fair value minus the costs of sale.

4. Risks and uncertainties

In preparing the financial statements the management of the company have made estimates and assumptions which influence the amounts shown in the consolidated financial statements, as detailed in paragraph 89 of these notes. Changes in estimates and assumptions may influence the amounts to be reported in subsequent years. Actual outcomes may differ from these estimates.

5. Accounting policies

The accounting policies as detailed below are applied consistently for all presented periods in these consolidated financial statements, as well as in drawing up the IFRS opening balance on 1 January 2004 in relation to the transition to IFRS. An exception is the application of IAS 32/39, which is applied from 1 January 2005, as detailed in paragraph 90 of these notes.

The accounting policies are applied consistently by the group entities.

6. Foreign currencies

Transactions in foreign currencies
Transactions in foreign currencies are translated into euro at the exchange rates applying at the date of the transaction. Monetary assets and liabilities in foreign currency are translated into euro at the exchange rates applying on the balance sheet date. Foreign exchange differences arising on transaction are recognised in the income statement.

Translation of foreign operations
The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into euro at the exchange rates applying on the balance sheet date. The turnover and expenses from foreign operations are translated into euro at an exchange rate approximating the exchange rate on the transaction date. Income and costs from foreign activities

subject to hyper inflation are translated into euro at the exchange rate applying on the balance sheet. This situation did not arise in 2005.

Exchange-rate translation differences are recognised directly to the translation reserve.

Net investments in foreign operations
Exchange rate differences resulting from the translation of the net investment in foreign operations, and from related hedges are recognised to the translation reserve. On disposal these amounts are released into the income statement when the significant risks and rewards of ownership have been transfered to the buyer. For all foreign operations, differences arising before 1 January 2004, the date of transition to IFRS, are presented under retained earnings in equity. The most important exchange rates used in relation to the euro are:

	2005	2004
Income statement		
Average exchange rates during the year		
US dollar	1.25	1.25
Canadian dollar	1.51	1.62
Swiss franc	1.55	1.55

	2005	2004
Balance sheet		
Exchange rates at year-end		
US dollar	1.18	1.36
Canadian dollar	1.38	1.66
Swiss franc	1.56	1.55

7. Derivative financial instruments

Hedging
Stork uses derivative financial instruments to hedge currency risks arising from operational and financing activities. In accordance with treasury policy, Stork holds no derivatives for trading purposes and nor does it issue these. Derivative financial instruments are shown at fair value when they are intially recognised. The fair value of currency future contracts is the listed market price at the balance sheet date, which is the present value of the future contract. The profit or loss arising on remeasurement at fair value is recognised directly to the income statement as exchange rate difference, except where cash flow hedge accounting is applied.

Cash flow hedge accounting
Stork applies hedge accounting for currency risks arising from the major Aerospace programmes and to hedge fluctuations in the prices of raw materials. Financial instruments are used specifically to hedge the highly probable cash flows in US dollars expected from either the Aerospace programmes or the highly probable purchase of raw materials. The effective parts of gains or loss on these financial instruments are recognised in the cash flow hedge reserve in equity. At the moment when the turnover or the cost of sales of the hedged cash flow is realised, the related cumulative gain or loss on the financial instrument is transferred from cash flow hedge reserve to turnover (incoming US dollar cash flows) or the cost of sales (outgoing US dollar cash flows) or raw materials purchase. The ineffective part of the cash flow hedge is recognised immediately in the income statement. On balance, the turnover and the cost of sales of Stork are presented at the exchange rates hedged by the use of financial instruments.

When a financial instrument expires or is sold, the cumulative gain or loss remains in equity when the hedged transaction is still expected to occur. This gain or loss is recognised in accordance with the above principle when the transaction occurs. If the cash flow is no longer expected to occur, the cumulative unrealised gain or loss, which is deferred in equity, is immediately recognised in the income statement.

8. Income statement

The following policies are applied for the determination of the results.

9. Net turnover

This is the turnover from the sale of goods and services and construction contracts to third parties, less discounts and taxes charged on turnover. Turnover from the sale of goods are allocated to turnover after delivery and transfer of legal ownership, except where the production of the goods forms part of a construction contract.

10. Construction contracts

Where the results of project contracts can be estimated reliable, turnover and costs are determined in proportion to the stage of completion of the project. The stage of completion is assessed from the ratio of costs incurred to expected total costs.

Project costs, including tender costs, are charged to the income statement for the period in which these are incurred. If it may be assumed that the total contract costs will exceed the turnover, the expected loss is recognised directly to the income statement. If the outcome of projects cannot reliably be estimated, the turnover is considered to be equal to the costs incurred.

11. Cost of sales

This is the direct cost of producing the goods and services sold. It also includes movements in the provisions for losses.

12. Research and development expenses

Costs comprise research costs and non-capitalised development costs as well as depreciation of capitalised development costs, and are off-set with received subsidies, if applicable.

13. Finance costs

Interest income and expenses on bank accounts belonging to one and the same interest combination are off set. The net interest expense of the interest combination is allocated to interest income or interest expense. The costs incurred in relation to financing are shown separately. These include commitment fees, and are charged directly to the income statement.

14. Income tax

Income tax on the profit or loss for the financial year comprises the current and deferred tax. Income tax is recognised to the income statement, except where it relates to items which are recognised directly to equity, in which case the tax is recognised to equity as well.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deffered tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that effect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probablay not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

15. Earnings per share

The earning per ordinary share is calculated as the net profit payable to holders of ordinary shares divided by the weighted average number of shares as issued over the period concerned. The diluted earnings per ordinary share is calculated as profit divided by the weighted average number of shares as issued, including the number of ordinary shares that would be issued on exercise of granted stock options (only if such conversion or exercise would lead to dilution).

16. Balance sheet

17. Property, plant and equipment

Valuation is at cost less cumulative depreciation and impairments. Depreciation is linear and calculated at fixed percentages, based on the expected useful life of the asset and taking into account any residual value. The costs of assets produced in-house comprise material costs, direct labour costs, a first estimate where relevant of the dismantling and disposal costs of the asset and the restoration costs of the site on which the asset is located, and a reasonable proportion of the indirect production costs.

The estimated usefull life for each asset category is:

Buildings	25–30 years
Machines and equipment	5–15 years
Other productive assets	3–11 years
Assets not used in production	10–30 years

Residual values, if significant, are reassessed annually.

18. Intangible fixed assets

Goodwill
All business combinations are accounted for by applying the purchase method. Goodwill represents amounts arising on acquisition of subsidiaries, associates and joint ventures and represents the difference between the costs of acquisition and the fair value of the net identifiable assets acquired. Goodwill is stated at cost less any cumulative impairment losses. Goodwill is allocated to cash flow-generating units, and is no longer amortised from 1 January 2004. Instead, the applicability of any impairment is tested annually. For associates, the book value of goodwill is included in the book value of the investment in the associate. Negative goodwill arising on acquisition is recognised directly to the income statement.

Development costs
Costs incurred for research activities carried out with the aim of gaining new scientific or technical knowledge and understanding are charged to the income statement when they are incurred. Costs incurred for development activities, in which the research results are applied in a plan or design for the production of new or significantly improved products and processes, are capitalised if the product or process is technically and commercially feasable and Stork has sufficient resources to complete the development. The capitalised costs comprise material costs, direct labour costs and a reasonable proportion of the indirect costs. The other development costs are charged to the income statement when they are incurred, except where they are covered by credits committed by the Ministry of Economic Affairs. These credit commitments are allocated to long-term debt in the financial statements. The capitalised development costs are valued at cost less cumulative amortisation (see below) and impairment losses.

Start-up costs and costs incurred for training, relocation or reorganisation are charged directly to the income statement.

Other intangible fixed assets
The other intangible fixed assets acquired by Stork are valued at cost less cumulative amortisation and impairment losses.

Amortisation
Amortisation is charged on a linear basis to the income statement, based on the estimated useful life of the intangible assets, with the exception of goodwill, non-recurring costs and intangible assets with an indefinite life. The amortisation of the non-recurring costs of Aerospace programmes is based on the projected number of shipsets. Amortisation of other intangible assets starts as soon as the assets are ready for use and generate revenues.

The estimated useful life is as follows:

Patents and trademarks	10–20 years
Capitalised development costs	5–7 years

19. Financial fixed assets

Associates and joint ventures in which Stork exercises a significant influence on financial and operational policy, but does not have a controlling interest, are valued at net equity from the date on which Stork first held a significant influence until the date from which this is no longer the case. If the share of Stork in losses exceeds the interest of the participation in an associate, the net equity of the entity in the Stork balance sheet is reduced to zero and further losses are no longer taken into account except to the extent that Stork has incurred into a legally constructive obligation or has made payments on behalf of an associate. Receivables from associates are valued at costs less any provisions considered necessary.

20. Deferred tax assets

Deferred tax assets relate to tax losses eligible for carry-forward which will probably be realised within a reasonable period and to amounts receivable arising from temporary differences in valuation as determined for commercial and fiscal purposes.

21. Inventories

Inventories are valued at cost or net realisable value if lower. Net realisable value is the estimated sale price in the ordinary course of business, less the estimated costs of completion and selling cost, and after deduction of a provision for obsolete stock. Cost is based on the purchase price plus the costs of putting the inventories into the current state. Semi-finished goods are valued at the direct attributable costs to put the inventories into the current state.

22. Work in progress

Work in progress is valued at cost plus profit, less a provision for foreseeable losses, and less progress billing in proportion to the progress of the project. Cost includes all expenditure related directly to specific projects plus an allocation of the fixed and variable indirect costs in relation to the contract activities of Stork based on the normal operating capacity.

Contracts for which the balance of costs incurred and profit recognised exceeds the progress billing are presented as due from customers. Contracts for which the balance of costs incurred and profit recognised is less than the progress billing are presented as due to customers.

23. Trade and other receivables

Non-discounted receivables with a term longer than one year are valued at present value. The discount rate applied at 31 December 2005 was 5% (2004: 5%). The costs of discounted trade bills is deducted from this item, to the extent that there is a recourse risk. Provision for doubtful debtors is made as considered necessary.

Debtors with a term of less than one year are valued at costs, less any provisions considered necessary for doubtful debtors.

24. Cash and cash equivalents

Cash and cash equivalents comprise cash, bank balances and other deposits which are available on call. Current account credits which are available for direct withdrawal and form an integrated part of the treasury activities of Stork are allocated to cash in the cash flow statement.

25. Impairments

A new assessment is made on each balance sheet date of whether there are any indications for impairments in the carrying amount of assets, excluding inventories and deferred tax assets. If any such indications exist, an estimate is made of the recoverable amount of the asset. For goodwill, assets with an indefinite economic life and intangible fixed assets that are not yet ready for use, the recoverable amount at the balance sheet date is estimated.

An impairment loss is recognised if the carrying amount of an asset or a cash-generating unit to which the asset belongs exceeds the recoverable amount.

Impairment losses are recognised to the income statement. Impairment losses recognised to cash-generating units are first deducted from the carrying amount of goodwill (if applicable) attributable to cash-generating units (or groups of units), and subsequently deducted pro rata from the carrying amount of the other assets of the unit (or group of units).

An assessment was made on 1 January 2004, the transition date to IFRS, of whether there were any indications for impairments of goodwill and intangible fixed assets with an indefinite economic life, even if there were no indications for any impairment.

If a reduction in the fair value of a financial asset available for sale is allocated directly to equity and there is an objective indication that the asset is impaired, the cumulative loss that had been recognised directly to equity is recognised to the income statement, even though the financial asset concerned has not been derecognised. The cumulative loss recognised to the income statement is the difference between cost and the current fair value, less any impairment loss on that financial asset that is already recognised to the income statement.

An impairment loss relating to a receivable stated at the amortised cost is reversed if the increase, after deduction of this charge, of the recoverable amount can objectively be related to an event that took place after the impairment loss was recognised. Impairment losses are not reversed in relation to goodwill. For other assets, impairment losses are reversed if the estimates on which the recoverable amount is determined have changed. Impairment losses are only reversed to the extent that the carrying amount of the asset does not exceed the carrying amount after deduction of depreciation or amortisation in a situation in which no impairment loss would have been recognised.

26. Share capital

Repurchase of share capital
On repurchase of share capital that is allocated to equity, the amount paid, including the directly attributable costs, is recognised as a movement in equity. Repurchased shares are classified as treasury shares in Stork N.V. and presented as a deduction from total equity.

Dividend
Dividends are recognised to liabilities in the period in which they are declared.

27. Interest-bearing debts

Interest-bearing debts are recognised initially at fair value, less attributable transaction costs.

Subsequent to initial recognition, interest-bearing debts are valued at amortised costs, whereby a difference between the cost and the redemption value being recognised in the income statement on the basis of the effective interest method over the term of the debts.

28. Provisions

Provisions included under this heading are made for present legal or constructive obligation as a result of a past event where it is probable that an outflow of economic benefits will follow. Short-term provisions are shown at face value. Long-term provisions are shown at present value.

29. Pensions

Stork has several pension plans in accordance with local rules and conditions. Based on IAS 19, several of these plans are classified as Defined Benefit plans. In general, these plans are funded by payments to insurance companies or to funds administered by third parties. For the majority of its employees, Stork has pension plans in which the liabilities to employees are based primarily on the number of years of service and the amount of the salary.

The liabilities for these pension plans are covered systematically by insurance contracts or by the inclusion of liabilities in the balance sheet. Investments are made primarily in fixed-interest securities, listed shares and related instruments, and real estate.

The most important plan in this regard is administered by Stichting Pensioenfonds Stork (Stork Pension Fund Foundation). The pension liabilities of Dutch Stork operating companies (so-called average salary schemes) are managed by Stichting Pensioenfonds Stork. The coverage ratio is determined annually, based on actuarial calculations and guidelines issued by De Neder-landsche Bank. Taking into account the outcome of this determination, the pension contributions are determined and if possible the conditional indexation is effected. Of the contributions as determined annually, 59% are payable by the company and 41% by the employee. At end-December 2005 the coverage ratio was 122% (2004: 112%).

Liabilities relating to Defined Contribution pension plans are charged to the income statement when the contributions are payable.

The net liabilities of Stork arising out of Defined Benefit obligations are calculated separately for each plan by estimating the pension benefits built up by employees in exchange for their services in the financial year and earlier periods. These pension benefits are discounted to determine their present value, from which the fair value of the plan assets is deducted. The liability is calculated by means of the projected unit credit method. The discount rate is the yield on the balance sheet date of AA credit-rated bonds that have maturity dates approximating that of the Stork Defined Benefit obligation.

If the pension benefits of a plan are improved, the part of the improved pension benefits relating to the past service by employees is recognised on a linear basis to the income statement over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognise immediately in the income statement.

All actuarial gains and losses at 1 January 2004, the transition date to IFRS, were recognised. Actuarial gains and losses in the calculation of the obligation of Stork in respect of a pension plan arising after 1 January 2004, to the extent that any cumulative unrecognised actuarial gains or losses exceed 10% of the greater of the present value of the Defined Benefit obligations or the fair value of the plan assets, are recognised in the income statement over the expected average remaining period of service of the employees participating in that plan. Otherwise the actuarial gain or loss is not recognised.

If the calculation results in a benefit, the recognised asset is limited to the net total of actuarial losses and past service costs and the present value of any future refunds from the plan or lower future pension contributions.

The calculation is performed by qualified actuaries.

Stork also reimburses specific healthcare and life-insurance costs for some of the employees receiving pension benefits in the USA. During the working period of these employees, Stork forms provisions for the payment of these benefits on reaching pensionable age.

30. Remuneration of employees

The share option plan allows employees to acquire Stork shares. The fair value of the options granted is recognised as an employee expense, with a corresponding increase in equity. The fair value is determined at grant date, and is spread over the period until the time at which the employees gain unconditional rights to the options. The fair value of the options is determined by means of the Black-Scholes formula, taking into account the conditions under which the options were granted. The amount recognised as an expense is adjusted for the actual number of share options that become unconditional, with the exception of share options which do not become unconditional as a result of the fact that the share price has not reached a specified threshold.

The fair value of the amount payable to the employee is recognised as an expense, with a corresponding entry in the form of a liability. The fair value is initially determined at the grant date, and spread over the period until the time at which the employees gain unconditional rights to payment. The value of the liability is reassessed at each balance sheet date and at settlement date.

31. Other assets and liabilities

Other assets and liabilities are stated at cost.

32. Cash flow statement

The cash flow statement is drawn up by the indirect method, in which the movements in cash are determined on the basis of the operational result as presented in the consolidated income statement. Transactions which have not yet led to cash flow are not taken into account in the cash flow statement.

Asset/liability transactions are presented as acquisitions and divestments. Resulting cash flows as presented in the consolidated cash flow statement do not correspond to the movements stated in the consolidated balance sheet.

33. Segmentation

The income statement and a number of entries in the balance sheet are shown per group. In addition, the net turnover and assets are reported on a geographical basis.

The prices for transactions between segments are determined on an objective, arm's length basis.

The following assets and liabilities are disclosed per group: assets, investments in intangible fixed assets and property, plant and equipment, depreciation, amortisation, valuation of associates and liabilities. Liabilities does not include bank debts, loans and debts to subsidiaries other than trading transactions and (deferred) tax assets and liabilities.

34. Discontinued operational activities

A discontinued operational activity is a component of the Stork activities representing a separate major line of business or a geographical area, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation takes place on divestment or, if earlier, when the operational activity meets the criteria for classification as held for sale. A disposed group can also meet these criteria.

35. Segmented information per group *(in € × million)*

	Prints 2005	Prints 2004	Food Systems 2005	Food Systems 2004	Aerospace 2005	Aerospace 2004	Technical Services 2005	Technical Services 2004	Holdings and other activities 2005	Holdings and other activities 2004
Net turnover:										
—net turnover to third parties	200.0	207.0	171.0	149.6	551.3	500.3	824.0	694.8	—	—
—transactions with other segments	0.1	0.2	0.1	—	—	—	12.7	2.4	—	—
Total net turnover	200.1	207.2	171.1	149.6	551.3	500.3	836.7	697.2	—	—
Costs of sales	(138.3)	(121.6)	(107.3)	(93.7)	(396.0)	(354.5)	(629.6)	(514.9)	8.5	19.0
Gross operating result	**61.8**	**85.6**	**63.8**	**55.9**	**155.3**	**145.8**	**207.1**	**182.3**	**8.5**	**19.0**
Sales costs	(29.1)	(31.1)	(18.6)	(16.2)	(23.1)	(14.3)	(35.4)	(31.6)	—	—
General administrative expenses	(17.5)	(25.2)	(17.2)	(17.3)	(63.6)	(84.5)	(129.3)	(113.0)	(28.3)	(27.6)
Research & development expenses	(6.6)	(10.2)	(7.2)	(8.5)	(4.9)	(0.6)	(0.6)	0.3	—	—
Other operating income	1.5	2.5	(0.8)	(0.8)	(0.3)	(0.2)	—	0.7	10.7	—
Operational result	**10.1**	**21.6**	**20.0**	**13.1**	**63.4**	**46.2**	**41.8**	**38.7**	**(9.1)**	**(8.6)**
Financial income										
Financial expenses										
Share of profit associates					0.4	(1.1)	1.2	1.2	—	0.2
Result before tax										
Income tax expense										
Result after tax										
Minority interest										
Net result										
Assets	162.0	179.4	124.8	88.4	621.9	595.8	423.0	382.5	—	—
Investments in intangible fixed assets and property, plant and equipment	7.2	4.1	6.9	3.5	19.3	23.1	23.6	19.5	2.0	1.9
Depreciation	6.1	7.5	3.1	3.5	13.3	13.7	17.7	16.6	2.4	3.7
Amortisation	0.2	—	0.9	0.6	4.6	—	0.2	—	—	—
Valuation of associates	—	—	—	—	6.7	6.5	6.9	6.4	3.7	3.7
Liabilities	80.5	72.7	63.8	43.2	309.8	264.9	243.1	208.9	31.4	170.7

(in € × million)

	Capital Assets 2005	Capital Assets 2004	Discontinued activities 2005	Discontinued activities 2004	Eliminations 2005	Eliminations 2004	Consolidations 2005	Consolidations 2004
Net turnover:								
—net turnover to third parties	71.6	113.3	—	63.9	—	—	1,817.9	1,728.9
—transactions with other segments	0.1	1.1	—	0.4	(13.0)	(4.1)	—	—
Total net turnover	71.7	114.4	—	64.3	(13.0)	(4.1)	1,817.9	1,728.9
Costs of sales	(47.5)	(108.8)	—	(58.5)	13.0	4.1	(1,297.2)	(1,228.9)
Gross operating result	**24.2**	**5.6**	**—**	**5.8**	**—**	**—**	**520.7**	**500.0**
Sales costs	(9.7)	(8.3)	—	(1.2)			(115.9)	(102.7)
General administrative expenses	(8.2)	(14.2)	—	(3.8)			(264.1)	(285.6)
Research & development expenses	(3.8)	(1.2)	—	—			(23.1)	(20.2)
Other operating income	—	11.9	—	—			11.1	14.1
Operational result	**2.5**	**(6.2)**	**—**	**0.8**			**128.7**	**105.6**
Financial income							4.4	6.0
Financial expenses							(4.7)	(13.3)
Share of profit of associates							1.6	0.3
Result before tax							**130.0**	**98.6**
Income tax expense							(36.5)	(24.0)
Result after tax							**93.5**	**74.6**
Minority interest							(0.2)	(0.3)
Net result							**93.3**	**74.3**
Assets	50.3	66.9	—	—	(38.3)	(43.5)	1,343.7	1,269.5
Investments in intangible fixed assets and property, plant and equipment	2.3	3.9	—	—	—	—	61.3	56.0
Depreciation	1.3	1.4	—	0.9	—	—	43.9	47.3
Amortisation	—	—	—	—	—	—	5.9	0.6
Valuation of associates	—	—	—	—	—	—	17.3	16.6
Liabilities	36.3	58.0	—	—	(25.5)	(29.3)	739.4	789.1

36. Net turnover

The net turnover of Stork can be specified as follows:

	2005	2004
Turnover from sale of goods to third parties	196,458	260,452
Turnover from sale of services to third parties	1,052,718	985,144
Turnover from construction contracts	568,732	483,293
	1,817,908	**1,728,889**

37. Geographical segments

	Net turnover 2005	Net turnover 2004	Assets 2005	Assets 2004	Investments in intangible fixed assets and property, plant and equipment 2005	Investments in intangible fixed assets and property, plant and equipment 2004
Netherlands	1,399,511	1,329,273	1,043,829	1,006,556	43,259	46,640
Other European countries	134,588	145,937	109,159	120,707	3,060	4,259
North America	201,136	186,411	122,634	90,792	9,153	3,696
South America	32,908	22,825	27,556	21,081	1,849	841
Asia	43,719	39,902	36,842	27,026	3,747	480
Australia	6,046	4,541	3,641	3,354	201	115
Total	**1,817,908**	**1,728,889**	**1,343,661**	**1,269,516**	**61,269**	**56,031**

38. Discontinued operational activities

Stork sold the entire Industrial Components division in 2004; this relates to a separate operational segment. The division was sold for €20 million in cash, at which no result was realized. In addition Stork Aludra, in the Technical Services division, was sold in 2004.

39. Acquisition of subsidiaries

Stork performed no acquisitions by means of share transactions in 2005. However Stork acquired assets for €1.4 million in 2005 related to its laboratory activities in the USA. This involved a goodwill payment of approximately €1.0 million.

40. Salaries and social insurance contributions

Analysis of total salaries and social insurance contributions:

	2005	2004
Salaries	498,372	490,135
Social insurance contributions	77,032	74,530
Pension premiums	38,735	38,215
	614,139	**602,880**
Of which in the Netherlands	481,340	482,231

41. Personnel

The average number of employees is divided among the groups as follows:

	2005	2004
Prints	1,446	1,486
Food Systems	808	788
Aerospace	3,271	3,034
Industrial Components	—	236
Technical Services	6,568	6,495
Holdings and other activities	113	123
Capital Assets	401	627
	12,607	**12,789**

42. Remuneration of Board of Management *(in € × 1,000)*

	2005	2004
Sj.S. Vollebregt		
Salary	475	475
Profit sharing and bonus payments*	214	214
Post employment benefits**	128	126
	817	**815**
Costs in relation to stock option scheme	416	178
	1,233	**993**
J.C.M. Schönfeld		
Salary	375	375
Profit sharing and bonus payments*	118	118
Additional charge of post employment benefits of last year**	37	—
Post employment benefits**	120	64
	650	**557**
Costs in relation to stock option scheme	105	58
	755	**615**
H.E.H. Bouland		
Salary	375	375
Profit sharing and bonus payments*	118	118
Additional charge of post employment benefits of last year**	29	—
Post employment benefits**	127	80
	649	**573**
Costs in relation to stock option scheme	105	58
	754	**631**
Former members of the Board of Management		
Post employment benefits**	—	(170)
	—	**(170)**
Total		
Salaries	1,225	1,225
Profit sharing and bonus payments*	450	450
Additional charge of post employment benefits of last year**	66	—
Post employment benefits**	375	100
	2,116	**1,775**
Costs in relation to stock option scheme	626	294
	2,742	**2,069**

* Based on previous year
** Pensions etc.

No loans, advances or guarantees have been granted to the members of the Board of Management.

43. Stork shares held by members of the Board of Management

Ordinary shares in Stork N.V. held at 31 December 2005 were as follows:

	2005	2004
Sj.S. Vollebregt	41,176	30,884
J.C.M. Schönfeld	9,846	8,196
H.E.H. Bouland	11,158	9,508
Total	**62,180**	**48,588**

44. Remuneration of Supervisory Board

The fixed individual remunerations paid to the members of the Supervisory Board are as follows.

	2005	2004
J. Aalberts	27	27
J.P. Bahlmann	5	27
S.D. de Bree	47	47
C. den Hartog	27	27
P.J. Kalff	38	38
A. van der Velden	27	27
Total	**171**	**193**

No loans, advances or guarantees have been granted to the members of the Supervisory Board.

45. Stork shares held by members of the Supervisory Board

At 31 December 2005 no Supervisory Board member held ordinary shares in Stork N.V.

46. General administrative expenses

General administrative expenses consist primarily of (indirect) personnel expenses, depreciation and administrative expenses. In addition, the contribution to the provision for doubtful debtors is included in this item.

47. Other operating income

	2005	2004
Licensing income and costs	(981)	(746)
Book profit on disposed property, plant and equipment	11,710	14,860
Other	314	—
	11,043	**14,114**

48. Financial income

	2005	2004
Interest received	3,011	4,227
Other interest income	1,405	1,772
	4,416	**5,999**

49. Financial expenses

	2005	2004
Interest paid long-term liabilities	(2,072)	(9,451)
Other interest expenses	(428)	(501)
Commitment fees	(1,017)	(2,329)
Exchange-rate differences	(1,162)	(1,041)
	(4,679)	**(13,322)**

50. Income tax expense

Recognised in the income statement *(in € × million)*

	2005	2004
Income tax payable		
Financial year	(22.6)	(5.4)
Corrections previous years	0.0	0.0
	(22.6)	**(5.4)**
Deferred income tax		
Origination and reversal of temporary differences	1.9	(3.9)
Benefits of tax losses recognised	(18.8)	(16.1)
Reduction in tax rate	0.8	(0.5)
Income due to capitalised tax loss carry-forward	2.2	1.9
	(13.9)	(18.6)
Total income tax expense in the income statement	**(36.5)**	**(24.0)**
Allocation of income tax expenses		
Income tax on result of subsidiaries	(41.9)	(29.5)
Income tax on result of Stork N.V.	5.4	5.5
	(36.5)	**(24.0)**

Next to the Dutch tax laws, the activities of Stork are subject to various tax regimes in other countries, with different legal tax rates which are partly the reason for the difference between the weighted average tax rate and the legal corporation tax rate in the Netherlands of 31.5%.

Reconciliation of effective tax rate

	2005	2005	2004	2004
Result before tax		129.8		98.3
Weighted average legal corporation tax rate	(29.7%)	(38.5)	(32.1%)	(31.6)
Result free of tax/non-deductible costs	(1.1%)	(1.4)	0.1%	0.1
Effect of tax losses utilised	2.0%	2.6	6.6%	6.5
Non-capitalised tax losses in 2005	(1.5%)	(2.0)	(0.5%)	(0.5)
Capitalised tax loss carry-forward	1.6%	2.0	1.5%	1.5
Change in corparation tax rate	0.6%	0.8	0.0%	0.0
Effective tax rate	**(28.1%)**	**(36.5)**	**(24.4%)**	**(24.0)**

Deferred tax recognised directly in equity

	2005	2004
Tax effect of IFRS adjustments from 1 January	0.0	12.9
In relation to share and option plan	0.2	0.6
In relation to cash flow hedge reserve	11.7	0.0
	11.9	**13.5**

51. Property, plant and equipment

	Land and buildings	Machines and equipment	Other productive assets	Property, plant and equipment under construction	Assets not used in production	Total
Costs	282,209	328,601	185,178	4,632	392	801,012
Cumulative depreciation	(118,524)	(230,936)	(147,609)	—	(214)	(497,283)
Book value 31-12-2003	**163,685**	**97,665**	**37,569**	**4,632**	**178**	**303,729**
Investments through business combinations	—	—	—	—	—	—
Other investments	3,031	21,693	9,404	13,077	—	47,205
Disposals	(10,565)	(2,371)	(386)	(4)	(51)	(13,377)
Deconsolidation	(792)	(3,156)	(1,763)	(188)	—	(5,899)
Depreciation	(11,297)	(21,633)	(14,396)	—	(10)	(47,336)
Exchange-rate differences	(862)	(1,866)	(162)	(35)	—	(2,925)
Other movements	(1,143)	5,458	(5,056)	4	—	(737)
Completed property, plant and equipment	627	1,768	1,441	(3,836)	—	—
Book value 31-12-2004	**142,684**	**97,558**	**26,651**	**13,650**	**117**	**280,660**
Costs	256,771	324,460	165,083	13,650	274	760,238
Cumulative depreciation	(114,087)	(226,902)	(138,432)	—	(157)	(479,578)
Book value 31-12-2004	**142,684**	**97,558**	**26,651**	**13,650**	**117**	**280,660**
Book value 01-01-2005	142,684	97,558	26,651	13,650	117	280,660
Investments through business combinations	—	364	—	—	—	364
Other investments	10,354	21,204	8,481	8,990	—	49,029
Disposals	(7,337)	(2,447)	(1,694)	(11)	—	(11,489)
Deconsolidation	—	—	—	—	—	—
Depreciation	(9,675)	(23,306)	(10,875)	—	(8)	(43,864)
Exchange-rate differences	1,642	3,044	932	126		5,744
Other movements	391	(1,198)	1,168	50	—	411
Completed property, plant and equipment	5,173	1,498	3,871	(10,542)	—	—
Book value 31-12-2005	**143,232**	**96,717**	**28,534**	**12,263**	**109**	**280,855**
Costs	264,255	342,342	169,840	12,263	274	788,974
Cumulative depreciation	(121,023)	(245,625)	(141,306)	—	(165)	(508,119)
Book value 31-12-2005	**143,232**	**96,717**	**28,534**	**12,263**	**109**	**280,855**

A number of commercial premises with a sale value of €18.2 million were sold in 2005, on which a book profit of approximately €11.7 million was achieved. Our book profit is presented as operating income.

The company owns 144 hectares of land. Assets not used in production consists primarily of other fixed assets rented to third parties.

No land and buildings were pledged as securities to specified lenders for bank loans at 31 December 2004 and 2005.

52. Intangible fixed assets

	Goodwill	Costs of development	Other	Total
Costs	—	58,801	—	58,801
Cumulative depreciation	—	—	—	
Book value 31-12-2003	**—**	**58,801**	**—**	**58,801**
Additions through business combinations	6,219	—	—	6,219
Other additions, developed internally	—	9,889	800	10,689
Amortisation	—	(554)	—	(554)
Impairment loss	—	—	—	—
Exchange-rate differences	—	—	—	—
Book value 31-12-2004	**6,219**	**68,136**	**800**	**75,155**
Costs	6,219	68,690	800	75,709
Cumulative depreciation	—	(554)	—	(554)
Book value 31-12-2004	**6,219**	**68,136**	**800**	**75,155**
Additions through business combinations	1,128	—	—	1,128
Other additions, developed internally	—	12,715	—	12,715
Amortisation	—	(5,962)	—	(5,962)
Impairment loss	—	—	—	—
Exchange-rate differences	—	—	—	—
Book value 31-12-2005	**7,347**	**74,889**	**800**	**83,036**
Costs	7,347	81,405	800	89,552
Cumulative depreciation	—	(6,516)	—	(6,516)
Book value 31-12-2005	**7,347**	**74,889**	**800**	**83,036**

Amortisation

The amortisation is shown under the following items in the income statement:

	2005	2004
Costs of sales	(4,901)	—
General administrative expenses	(131)	—
Research & development expenses	(930)	(554)
	(5,962)	**(554)**

Assessment for impairments of cash generating units containing goodwill

The following units contain significant goodwill items:

	2005	2004
Aerospace	5,323	5,323
Technical Services	2,024	896
	7,347	**6,219**

The assessment for impairments within Aerospace relates to the SP Aerospace unit. The assessment is based on future generated cash flows and relates to the future incomes and costs of a single specific production programme. The useful life of the product has been determined at 30 years. The future cash flows are projected over the coming 25 years (2006 to 2030). The period after 2030 has therefore not been taken into account in the assessment. In practice the income realised with the products delivered is not parallel with the agreed milestones on the basis of which actual payments are made (prepayments). In view of the uncertainty about when the milestones will be reached, it is assumed that the income achieved corresponds to the net cash flow in the programme.

For new non-recurring costs it is assumed that these will be neutral in terms of both costs and cash flow, as these are determined separately for new orders. The future costs relate primarily to the current nonrecurring costs and the maintenance of the knowledge organisation. Both are based on experience. The expected positive cash flow for the coming 25 years has been discounted at 10%.

The income from maintenance relates to spare parts supplies and planned maintenance work which will start on a regular basis from 2020. In relation to product deliveries, the future incomes are based on the realised sales and prospects, and in relation to maintenance on experience with other comparable projects and tenders made. The outcome of the realisable value is higher than the carrying amount of the goodwill component to such an extent that it is not reasonably possible that this will become lower than the carrying amount as a result of significant changes in the assumptions.

53. Associates

Significant associates included are: Friday Eurotech Holding (Amsterdam, 50%); Jamjoom Wescon Co. Ltd. (Jeddah, 50%); Materials Testing Technology B.V. (Rotterdam, 50%); S.A.B.C.A. (Brussels, 43.6%); SPM (Hengelo, 36%); Stork Real (Eindhoven, 50%); APP Beheer B.V. (Klundert, 50%); together with a number of associates interests which are not significant.

	Associates	Loans	Total
Book value 01-01-2005	15,142	1,365	16,507
Results from associates	1,577	—	1,577
Impairments	—	—	—
Dividends received	(1,207)	—	(1,207)
Investments	—	—	—
Movements in loans	—	—	—
Other movements	1,554	(1,173)	381
Book value 31-12-2005	**17,066**	**192**	**17,258**

The table below shows the summarised financial data of the significant associates, based on the latest available information. The figures for 2004 are based on figures at end-December. The figures for 2005 are based on November 2005, with the exception of S.A.B.C.A., which publishes its results half-yearly.

2005	Assets	Liabilities	Turnover	Profit/ loss (−)
Friday Eurotech Holding	5.2	3.1	24.3	0.4
Jamjoom Wescon Co. Ltd.	5.6	0.8	5.9	1.2
Materials Testing Technology B.V.	3.6	1.9	9.9	1.4
S.A.B.C.A.	189.1	112.5	59.5	2.6
SPM B.V.	16.0	5.8	20.7	0.2
Stork Real B.V.	3.1	1.1	5.5	0.4
APP Beheer B.V.	7.34.9	3.30.3		

2004	Assets	Liabilities	Turnover	Profit/ loss (−)
Friday Eurotech Holding	5.2	3.1	23.5	(0.1)
Jamjoom Wescon Co. Ltd.	4.4	0.7	4.5	0.6
Materials Testing Technology B.V.	4.3	2.3	9.7	1.1
S.A.B.C.A.	189.0	113.0	121.8	3.3
SPM B.V.	13.2	3.6	24.4	0.9
Stork Real B.V.	2.8	0.9	4.4	0.3
APP Beheer B.V.	6.3	4.1	3.2	0.2

54. Financial instruments

Financial instruments are shown at fair value.

55. Inventories

	2005	2004
Raw materials and consumables	60,767	51,733
Semi-finished products	82,543	82,673
Trading inventories and finished products	69,733	60,063
	213,043	**194,469**

56. Work in progress

	2005	2004
Due from customers, shown under current assets	159,524	121,108
Due to customers, shown under current liabilities	(214,121)	(173,527)
	(54,597)	**(52,419)**
Direct costs percentage of completion of project	711,317	305,049
Result taken percentage of completion of project	(601,850)	(173,287)
Progress billing	(134,210)	(159,903)
	(24,743)	**(28,141)**
Provision for foreseeable losses	(29,854)	(24,278)
	(54,597)	**(52,419)**

The balance shown under current assets at 31 December 2005 as due from customers includes no part to be concluded after a period of > 1 year.

The provision for loss orders regarding major Aerospace programmes is calculated at actual exchange rates. If this causes a loss and cash flow hedge accounting is applied, an equivalent part of the cash flow hedge reserve will be released to compensate for this loss.

57. Trade and other receivables

	2005	2004
Debtors (medium-term)	3,915	2,289
Debtors (current)	314,259	290,230
Prepaid costs	14,912	12,745
Other receivables	21,822	26,779
	354,908	**332,043**

Trade receivables are presented after deduction of impairment losses and provisions made. The contribution to the provision for doubtful debtors is shown in the income statement under general administrative charges. Such losses in the financial year are included with a value of zero in relation to the probable bankruptcy of major customers.

Debtors (medium term)	2005	2004
Trade receivables	4,472	4,699
Discounted trade bills	(557)	(2,410)
	3,915	**2,289**

Debtors (current)	2005	2004
Trade receivables	285,053	260,771
Receivables from associates	29,206	29,459
	314,259	**290,230**

58. Cash and cash equivalents

	2005	2004
Cash, banks	90,624	95,801
Deposits	121,795	143,914
	212,419	**239,715**
Bank overdrafts	(1,447)	(562)
	(1,447)	**(562)**
	210,972	**239,153**

59. Equity

Summary of movements in equity of the legal entities forming part of group equity

	Share capital	Share premium	Translation reserve	Cash flow hedge reserve	Reserve for own shares	Statutory reserve	Retained earnings	Total	Minority interest	Equity
Balance at 1 January 2004	165,098	56,463	—	—	—	58,801	128,847	409,209	4,782	413,991
Total result			(2,638)				74,256	71,618	(2,573)	69,045
Purchase own shares					(18,312)			(18,312)	—	(18,312)
Stock options exercised by employees					8,136			8,136	—	8,136
Capitalised development costs						9,335	(9,335)	—	—	—
Dividend							(21,069)	(21,069)	—	(21,069)
Balance at 31 December 2004	**165,098**	**56,463**	**(2,638)**	**—**	**(10,176)**	**68,136**	**172,699**	**449,582**	**2,209**	**451,791**
Movement in cash flow hedge reserve				73,800				73,800	—	73,800
Balance at 1 January 2005	**165,098**	**56,463**	**(2,638)**	**73,800**	**(10,176)**	**68,136**	**172,699**	**523,382**	**2,209**	**525,591**
Total result			9,747	(45,280)			93,286	57,753	210	57,963
Purchase own shares					(15,113)			(15,113)	—	(15,113)
Stock options exercised by employees					7,974			7,974	—	7,974
Capitalised development costs						6,753	(6,753)	—	—	—
Dividend							(28,747)	(28,747)	—	(28,747)
Other movements							(1,179)	(1,179)	61	(1,118)
Balance at 31 December 2005	**165,098**	**56,463**	**7,109**	**28,520**	**(17,315)**	**74,889**	**229,306**	**544,070**	**2,480**	**546,550**

60. Share capital and share premium

Ordinary shares

The authorised share capital consists of:

45,000,000 ordinary shares of nominal value €5	225,000
20,000,000 preference shares A of nominal value €5	100,000
65,000,000 preference shares B of nominal value €5	325,000
	650,000
Balance at 1 January 2005: ordinary shares 33,019,541	**165,098**
New share issue charged to share premium reserve	—
Balance at 31 December 2005: issued share capital	**165,098**
Share premium	
Balance at 1 January 2005	56,463
Balance at 31 December 2005	**56,463**

61. Translation reserve

The translation reserve comprises all differences in foreign currency arising as a result of the translation of the financial statements of subsidiaries outside the euro region. Revaluations of this translation risk are booked to equity. The accumulation of the cumulative figure was started on 1 January 2004.

62. Cash flow hedge reserve

Stork applies cash flow hedge accounting for a large proportion of the currency and raw material future contracts concluded with banks. The currency future contracts are primarily to euro / US dollar future contracts relating to the Aerospace group. The cash flow hedge reserve comprises the effective part of the changes in value of the financial instruments for which cash flow hedge accounting is applied. In addition, the cash flow hedge reserve is reduced by a correction made for hedged Aerospace programmes which would become wholly or partly loss-making on the basis of calculations at the current exchange rate. The cash flow hedge reserve is also reduced by the inclusion of a deferred tax position.

63. Reserve for own shares

The reserve for own shares comprises the cost price of the shares in Stork N.V. held by Stork. At 31 December 2005 Stork held 1,137,750 (2004: 1,187,750) shares in Stork N.V.

64. Statutory reserve

A legal reserve for development costs is formed in the Stork N.V. company accounts. This is shown in drawing up the consolidated equity to maintain the reconciliation with the analysis of equity in the Stork N.V. separate company accounts.

65. Dividend

The following dividend proposal was made by the Board of Management after the balance sheet date.

The dividend proposal is not shown in the balance sheet, and has no income tax consequences.

The proposed dividend for 2005 is €1.10 per share (2004: €0.90 per share).

66. Earnings per share

67. Basic earnings per share

The calculation of the basic earnings per share at 31 December 2005 is based on a profit attributable to shareholders of €93.3 million (2004: €74.3 million) and a weighted average number during 2005 of ordinary shares issued of 31,958,012 (2004: 32,080,619), calculated as follows:

Weighted average number of ordinary shares (no. of shares)	2005	2004
Ordinary shares issued at 1 January	31,831,781	33,019,541
Effect of purchase of own shares	126,231	(938,922)
Weighted average number of ordinary shares	**31,958,012**	**32,080,619**

68. Diluted earnings per share

The calculation of the diluted earnings per share at 31 December 2005 is based on earnings attributable to shareholders of €93.3 million (2004: €74.3 million) and a weighted average number during 2005 of ordinary shares issued of 32,577,952 (2004: 32,579,306), calculated as follows:

Earnings attributable to holders of ordinary shares (diluted)	2005	2004
Earnings attributable to holders of ordinary shares	93,286	74,256
Effect after tax of interest on convertible bonds	—	—
Earnings attributable to holders of ordinary shares (diluted)	**93,286**	**74,256**

Weighted average number of ordinary shares (diluted) (no. of shares)	2005	2004
Weighted average number of ordinary shares	31,958,012	32,080,619
Effect of conversion of convertible bonds	—	—
Effect of stock options on issue	619,940	498,687
Weighted average number of ordinary shares (diluted)	**32,577,952**	**32,579,306**

69. Earnings per share of continuing and discontinued operational activities

The earnings per share of continuing and discontinued operational activities for 2005 is calculated using the same figures as those used to calculate the earnings per share, except that the calculation of the earnings for the financial year is based on the earnings relating to continuing operational activities of €93.3 million (2004: €73.7 million) and the earnings relating to discontinued operational activities of €—(2004: 0.6 million).

70. Minority interest

This includes the share of third parties in the equity of consolidated operating companies.

71. Deferred tax position

	Assets 2005	Assets 2004	Liabilities 2005	Liabilities 2004	Difference (= balance)
Intangible fixed assets	—	—	316	2,871	2,555
Property, plant and equipment	—	—	12,043	8,307	(3,736)
Inventories	1,775	—	—	2,570	4,345
Work in progress	—	—	11,079	8,540	(2,539)
Receivables	—	612	1,189	—	(1,801)
Debts	3,725	2,043	—	—	1,682
Share option plan	847	560	—	—	287
Provisions:					
—pensions	—	—	4,153	7,908	3,755
—reorganisation	3,384	5,659	—	—	(2,275)
—guarantees	2,773	2,764	—	—	9
—others	5,726	5,838	—	—	(112)
Fiscal value of tax losses carried-forward	3,351	21,250	—	—	(17,899)
Cash flow hedge reserve	—	—	11,705	—	(11,705)
Deferred tax assets (+)/liabilities (−)	**21,581**	**38,726**	**40,485**	**30,196**	**(27,434)**
Balance of tax assets and liabilities	(14,239)	(28,867)	(14,239)	(28,867)	
Net deferred tax assets (+)/liabilities (−)	**7,342**	**9,859**	**26,246**	**1,329**	**(27,434)**

This deferred tax position is shown in the consolidated balance sheet for each unit which is individually liable for taxation (independent legal entity or fiscal unit). This leads to the following analysis:

Deferred tax position	2005	2004
Deferred tax assets	7,342	9,859
Deferred tax liability	(26,246)	(1,329)
Net deferred tax assets (+)/liabilities (−)	**(18,904)**	**8,530**

Reconciliation with movements in the deferred tax position	2005	2004
1 January	8,530	28,280
In equity:		
charged to equity	11,953	560
In income statement:		
charged to income statement	(42,384)	(20,539)
charged to equity:		
reduction in deferred tax liabilities due to assets / liabilities transaction	—	(1,156)
increase in deferred tax liabilities due to assets / liabilities transaction	—	—
exchange rate results	65	(15)
income due to use of tax loss carry-forward	2,162	1,900
effect of change in tax rate	770	(500)
Balance at 31 December	**(18,904)**	**8,530**

Deferred tax claim not shown in the balance sheet	2005	2004
Temporary differences eligible for carry-forward	854	864
Fiscal losses	109,227	110,000
On balance	**110,081**	**110,864**

72. Long-term debts

	Repayment due in 2006	Balance at 31-12-2005	Balance at 31-12-2004
Long-term loans			
—4.375% subordinated convertible bond loan, issued 1998	—	—	102,101
—4.96% loans provided by the Nederlands Instituut voor Vliegtuigontwikkeling en Ruimtevaart (interest rate is an average)	—	25,828	23,519
—Other loans	538	3,636	1,571
	538	**29,464**	**127,191**
Repayments due in 2006 (or 2005)		(538)	(103,619)
		28,926	**23,572**
Of which with a remaining term of more than 5 years		—	—

The loans provided by the Nederlands Instituut voor Vliegtuigontwikkeling en Ruimtevaart have no fixed term.

73. Trade and other payables

	2005	2004
Trade creditors	166,016	145,446
Amounts due to associates	125	891
Taxation and social insurance contributions	14,953	13,580
Pensions	17,293	4,598
Prepayments received	12,323	15,705
Other debts	184,849	195,209
	395,559	**375,429**

74. Provisions

	Balance 31-12-2004	Addition charged to income statement	Released amount credited to income statement	Deduction for the intended purpose	Unwind of discount	Balance 31-12-2005
Reorganisation provision	22,343	10,910	1,580	(11,736)	—	19,937
Environmental provision	9,994	500	1,455	(722)	—	8,317
Guarantees	23,175	7,851	5,689	(3,513)	270	22,094
Liabilities relating to employees	5,869	1,139	152	—	130	6,986
Claims and disputes	18,141	16,812	6,590	(957)	—	27,406
Capital Assets	4,563	—	3,447	—	—	1,116
	84,085	**37,212**	**18,913**	**(16,928)**	**400**	**85,856**
Of which short-term	41,371					40,443
Provisions with a remaining term longer than 5 years	7,988					8,042

Reorganisation provision
The estimated costs are based on a plan that has been agreed by the management and employee representatives. Disbursements are expected to take place mainly during the next two years.

Environmental provision
The estimated costs are related to measures for cleaning and reducing noise nuisance as well as other factors, and are based on research reports. A detailed plan with a specification of the costs is available in relation to the provision. The provision is expected to be used within 1 to 3 years.

Guarantees
The provision for guarantees is related to guarantees issued contractually on products and services supplied. The purpose of the provision is to cover possible costs arising if products and services supplied do not meet the agreed quality requirements under normal conditions of use. The provision is based on estimates made on the basis of historic guarantee data relating to comparable products and services. In general the liabilities are expected to arise in the next two years, with the exception of a number of major aircraft programmes.

Liabilities relating to employees
The provision for liabilities relating to employees relates to agreed compensation schemes as well as other factors, some of which have a longer term.

Claims and disputes
The claims and disputes provision consists of sums for which it may be assumed that a judgment for compensation will be issued by an independent party. The provisions shown are based on best estimates, made on the basis of the available information, and will largely expire within a maximum period of 4 years.

Capital Assets
A provision has been formed for the outcome of the Capital Assets, in relation to liabilities which are expected to arise in the coming year.

75. Employee benefits *(in € × million)*

The liability as per 31 December 2005 is given below.

	Netherlands		Other countries		Total	
	2005	2004	2005	2004	2005	2004
Defined Benefit obligation	(2,195.1)	(1,830.4)	(31.9)	(28.8)	(2,227.0)	(1,859.2)
Plan assets	2,017.3	1,677.5	23.3	18.6	2,040.6	1,696.1
Net liabilities	**(177.8)**	**(152.9)**	**(8.6)**	**(10.2)**	**(186.4)**	**(163.1)**
Unrecognised transitional value	—	—	—	—	—	—
Unrecognised actuarial gains and losses	75.2	134.8	(0.4)	0.3	74.8	135.1
Unvested past service costs	96.7	—	—	—	96.7	—
Subtotal balance liability	**(5.9)**	**(18.1)**	**(9.0)**	**(9.9)**	**(14.9)**	**(28.0)**
Other liabilities relating to pensions	(1.3)	(2.3)	(0.3)	(1.5)	(1.6)	(3.8)
Pension liabilities	**(7.2)**	**(20.4)**	**(9.3)**	**(11.4)**	**(16.5)**	**(31.8)**

A summary of the changes in Defined Benefit obligation and plan assets in 2005 and 2004 is given below.

Defined Benefit obligation

	Netherlands		Other countries		Total	
	2005	2004	2005	2004	2005	2004
Position at beginning of financial year	1,830.4	1,495.2	28.8	28.4	1,859.2	1,523.6
Service costs	28.5	22.4	0.5	0.5	29.0	22.9
Interest costs	80.7	76.0	1.5	1.4	82.2	77.4
Plan participants contributions	22.0	20.4	0.1	—	22.1	20.4
Actuarial gains and losses	205.3	290.1	1.0	0.6	206.3	290.7
Benefits paid	(80.8)	(73.7)	(1.5)	(1.7)	(82.3)	(75.4)
Vested past service costs	12.3	—	—	—	12.3	—
Unvested past service costs	96.7	—	—	—	96.7	—
Changes in exchange rates	—	—	1.5	(0.4)	1.5	(0.4)
Position at the end of financial year	**2,195.1**	**1,830.4**	**31.9**	**28.8**	**2,227.0**	**1,859.2**

Plan assets

	Netherlands 2005	Netherlands 2004	Other countries 2005	Other countries 2004	Total 2005	Total 2004
Position at beginning of year	1,677.5	1,509.1	18.6	17.0	1,696.1	1,526.1
Expected returns on plan assets	110.7	97.7	1.3	1.2	112.0	98.9
Employer's contribution	44.9	29.4	1.5	0.9	46.4	30.3
Plan participants contributions	22.0	20.4	0.2	—	22.2	20.4
Actuarial gains and losses	243.0	94.6	2.4	1.3	245.4	95.9
Benefits paid	(80.8)	(73.7)	(1.5)	(1.7)	(82.3)	(75.4)
Changes in exchange rates	—	—	0.8	(0.1)	0.8	(0.1)
Position at the end of financial year	**2,017.3**	**1,677.5**	**23.3**	**18.6**	**2,040.6**	**1,696.1**

The net period pension costs of the above mentioned pension plans for 2005 and 2004 are as follows:

	Netherlands 2005	Netherlands 2004	Other countries 2005	Other countries 2004	Total 2005	Total 2004
Service costs	28.5	22.4	0.5	0.5	29.0	22.9
Interest costs	80.7	76.0	1.5	1.4	82.2	77.4
Expected return on plan assets	(110.6)	(97.7)	(1.3)	(1.2)	(111.9)	(98.9)
Amortisation of actuarial gains and losses*	21.8	29.0	—	(0.1)	21.8	28.9
Amortisation of past service costs	12.3	—	—	—	12.3	—
Pension expense	**32.7**	**29.7**	**0.7**	**0.6**	**33.4**	**30.3**

* To the extent that a net pension asset arises due to the recognition of actuarial losses and unvested past service costs, these are impaired and recognised as amortised actuarial gains and losses.

As a result of the 'Wet VPL' (Early Retirement, Prepension and Life-cycle Savings Act), it has been decided to convert the existing early retirement and pension plans into a new pension plan with effect from 1 January 2006. To achieve an equivalent situation in relation to the projected pension, a conditional award of supplementary pension entitlements for past service will be made, among other measures. The entitlements awarded are conditional on the continuation of service with Stork until pensionable age or for a further 15 years starting on 1 January 2006. This is regarded under IAS 19 as conditional past service costs. To the extent that this component can be compensated under the new fiscal principles, it is regarded as 'unvested' and will be included annually in the pension costs in the coming years starting from 2006 during the vesting period (approximately 13.5 years). To the extent that the difference in increase of the liabilities between the present and new plans is not unvested, this is included in the pension costs for 2005 as vested past service cost.

The other pension plans are mainly based on a Defined Contribution plan. The costs of this plan were €13.5 million in 2005 (2004: €15.9 million).

These costs also include costs in relation to the early retirement scheme for the industry. In fact this involves a Defined Benefit plan. This is processed as a Defined Contribution plan, because the administration of the industry pension fund is not structured to provide the requested information. There is no obligation to compensate any shortcomings in the fund, nor is there any entitlement to any surpluses.

The weighted average assumptions on which the calculation of the pension liabilities is based are as follows:

	Netherlands 2005	Netherlands 2004	Other countries 2005	Other countries 2004	Total 2005	Total 2004
Pension liabilities at 31 December						
Discount rate used	4.1	4.5	5.0	5.4	4.1	4.5
Expected return on plan assets	6.3	6.5	6.4	6.5	6.3	6.5
Future salary increases	3.0	3.0	3.2	3.5	3.0	3.0
Future pension increases	2.0	2.0	2.2	2.3	2.0	2.0

The assumptions for the expected return on plan assets have been reached on the basis of assessment of the historic returns of the various categories in which the investments are made. The historic returns on these asset categories are weighted on the basis of the expected long-term allocation of the plan assets.

The plan assets consist primarily of fixed-interest securities, listed shares and related instruments, as well as real estate. The allocation of the investments per asset category for the pension plans in the Netherlands at 31 December 2005 and 2004 is as follows:

	Percentage allocation of investments at 31-12 2005	2004
Shares and related instruments	38	38
Fixed-interest securities	43	42
Real estate	14	12
Other	5	8
Total	**100**	**100**

76. Treasury activities

The treasury activities of Stork are coordinated from the head office in Naarden. The policy is focused on creating and maintaining the optimal financial prerequisites for the development of the operational activities of Stork N.V.

The central expertise is coordinated by Corporate Treasury, which analyses and assesses the risks associated with the plans of operating companies in relation to financing and currency risks. Contracts with financial institutions (money market, currency market, commodities, guarantees, export insurances, letters of credit etc.) are entered into only if there is an underlying asset on the consolidated balance sheet or through contracts with suppliers and customers.

77. Cash management

Stork centralises its liquidity management in the Netherlands, Belgium and the USA. The bank accounts of operating companies have for this purpose been placed with a limited number of banks in cash pool arrangements. Stork maintains direct credit facilities (cash, guarantees, forex) of more than €2 million at 12 financial institutions. In 2005 Stork was active on a daily basis in the money market to conclude daily cash contracts, deposits and cash loans. The maximum credit facility per operating company is determined centrally.

78. Currency management

General
In the management of currency risks Stork aims to limit the effect on the group result of exchange-rate fluctuations. However in the long term structural changes, especially in the value of the US dollar relative to the euro, and changes in the difference between the US and European interest rates, will influence the consolidated result. Stork uses two policies to manage the currency risks: the Aerospace currency policy and the Stork N.V. currency policy for the other Stork activities.

Aerospace currency management
The Aerospace currency policy expresses how Stork addresses the currency risks of the major Aerospace programmes. The currency risks are material because of the size of the transactions and the long terms of the contracts. The currency risks relate mainly to the exposure to the US dollar. Of the currency future contracts entered into by Stork, 93% relate to the Aerospace currency policy.

Of the total expected cash flow of contracts entered into in the period 2006–2031, amounting to €1,030 million, 70% was hedged at the end of 2005. At the end of 2005 Stork hedged 100% of the expected cash flows up to the end of 2009. The currency risks are managed and hedged on a portfolio basis. Only foreign exchange contracts were used in 2005 for the external hedging of currency risks. For this purpose Stork has substantial credit facilities with seven banks for forex transactions with terms from 5 to 15 years.

Cashflow hedge accounting is applied for the revaluation of the financial hedging instruments.

Stork N.V. currency management

The Stork N.V. currency policy includes the procedures, regulations and authorisations relating to other currency risks. All results of this policy are recognised directly in the income statement. Currency risks at the start of contracts under which the sales volume will generate a certain cash flow are centrally hedged. Operating companies have no open foreign currency positions in relation to these contracts. Through a coherent infrastructure and strict procedures Stork strives to minimise the effect of exchange-rate fluctuations. Use was made in 2005 of exchange-rate risk insurances and currency future contracts for external hedging of currency risks.

Hedging

The financial instruments entered into with banks are entered into directly by Stork. At 31 December 2005 a total of €766 million in currency contracts (2004: €709 million) was centrally hedged for operating companies in relation to export contracts and €141 million (2004: €104 million) in relation to import contracts. At end-2005 Stork held a derivatives portfolio consisting entirely of currency future contracts. The average term of the derivatives portfolio is 2 years and 3 months (in 2004: 2 years and 4 months). Currency risks relating to future revenues for which no commercial contracts have been concluded are in principle not hedged. The currency risk on the net investment in foreign activities is where possible and relevant minimised by financing in local currencies. Residual amounts are not hedged.

Exposure analysis

A decline of 10% in the spot price of the US dollar and related currencies relative to the euro would have had an expected negative effect of approximately 3% on the result before tax of Stork for 2005. This calculation takes into account the currency future contracts entered into with banks.

79. Multicurrency revolving credit facility

Starting from 27 April 2004 Stork has access for a period of 5 years to a credit facility of €300 million. This has been made available by a syndicate of five Dutch banks. No use was made of this facility in 2005. The facility includes clauses relating to the debt, debt/ebitda and ebitda/interest ratios. These clauses have been complied with.

80. Interest management

Interest management for cash flows arising out of movements in various balance sheet components was limited in 2005 to daily cash management. No positions in interest derivatives were taken in 2005.

81. Credit risks

Stork follows an active policy to minimise credit risks. The ways in which this is achieved include the recruitment and training of professional credit managers, the use of sales information systems, strict internal guidelines, the consultation of external sources, requesting security for payment and concluding credit-risk insurances. There is no concentration of credit risks for material amounts at debtors. Stork does not purchase credit derivatives.

82. Commodities

Stork entered into future contracts for commodities for the first time in 2005. The policy in this area is to prevent large fluctuations in the prices of specific raw materials over a one-year period. Stork will make only limited use of these instruments.

83. Financial instruments *(in € × million)*

Fair value

	Book value	31-12-2005 Fair value	Book value	31-12-2005 Fair value
Trade and other receivables	356	356	332	332
Cash and cash equivalents	212	212	239	239
Currency future contracts				
Aerospace Industries	604	604	584	692
Other	67	67	64	73
Commodity future contracts	10	10	—	—
Trade and other payables	(396)	(396)	(375)	(375)
Bank overdrafts	(1)	(1)	(1)	(1)
	852	**852**	**843**	**960**
Profit/loss (—) not included		—		117

84. Contingent liabilities

Guarantees issued
At 31 December 2005 guarantees issued to third parties totalled €153 million (2004: €120 million).

Legal actions
Stork and its consolidated companies are involved in a number of legal actions. Based on currently available information and legal opinion, Stork believes that the outcomes of these legal actions will either have no significant adverse effect on the financial position of the company, or that any possible adverse effects are adequately reflected in provisions.

85. Related parties

Relationships between related parties exist between Stork and its subsidiaries, associates and joint ventures (see paragraph 53 of these notes), the Stork Pension Fund and their directors and higher management. The most important task of the Stork Pension Fund is to administer the pension plan for the employees of Stork and former employees drawing pension benefits. The result of the AJS and Stork GLT joint ventures is at the disposal of both Stork and the other participants in the joint venture. To support the activities of the joint venture, the participants increase their investments in the joint venture if necessary.

86. Assets on order

Investment commitments relating to assets on order are €3.1 million (2004: €8.6 million).

87. Long-term commitments

Commitments relating to rental and operational leasing contracts are €69.2 million (2004: €86.7 million).

	2005	2004
Shorter than 1 year	€16.6 million	€18.2 million
Between 1 and 5 years	€37.2 million	€52.9 million
Longer than 5 years	€15.4 million	€15.6 million

Financial leasing commitments are €1.4 million (in 2004: €1.1 million).

88. Legal liabilities

Stork participates in a number of partnerships in which it has accepted individual liability for the obligations entered into by the partnership.

This relates to the following partnerships:

- Artec. A partnership of Stork PWV with KMW (D) for the development and production of an armoured utility vehicle

- The NH90 helicopter. A partnership of Stork Fokker AESP with Eurocopter, Agusta and other parties for the NH90 helicopter
- Stork Groningen Long Term. A project of Stork Industry Services together with Jacobs Engineering, Siemens, Yokogawa and Siemens Demag Delaval for the renovation of the Groningen gasfield
- AJS. A participation of Stork Industry Services with Amec and Jacobs Engineering, to carry out the renovation of a number of offshore projects in the North Sea

89. Estimates and judgements by management

The Board of Management has discussed with the Audit Committee the development and selection of, and gaining information about, the critical principles for financial reporting and estimates, as well as the application of these principles and estimates.

Primary sources of uncertainties in estimates
Paragraph 25 of these notes contains information about the assumptions and the corresponding risk factors relating to impairment of goodwill and other assets. Paragraph 7 of these notes gives an analysis of the financial instruments, as well as of the risks relating to changes in currency values.

Achievability of development costs
The most important part of development costs consists of non-recurring costs for aircraft programmes within Aerospace. The achievement of the book value of this item is assessed periodically on the basis of expected cash flows based on market estimates of quantities sold. These estimates are made with an appropriate degree of prudence.

Assumptions in relation to pensions
Stork assumes expected longer-term returns on invested assets as applied by the Nederlandsche Bank, taking into account the asset mix of the Stork Pension Fund. It should be noted that this percentage is lower than the average returns achieved over the past three years. If the expected returns were to decline, this would have a negative effect on the actuarial results of Stork which have not yet been shown. The pension charge for 2007 would also be influenced in that case. A decline in the long-term market interest rate and with it the applied interest rate would mean an increase in the liabilities and as a result also in the actuarial results which have not yet been shown. Both these factors lead to a risk that the actuarial results which have not yet been shown would fall outside the specified bandwidth. In that case the part falling outside the bandwidth would be included in the pension charge from 2007.

90. Transition to IFRS

As stated in paragraph 3 of these notes, these are the first consolidated financial statements to be drawn up in accordance with IFRS.

The principles for financial reporting as detailed in paragraph 3 of these notes have been applied in drawing up the financial statements for 2005, the comparative information for 2004 as presented in these financial statements, and the IFRS opening balance at 1 January 2004 (the Stork transition date).

In drawing up the IFRS opening balance, Stork has adjusted amounts reported in the financial statements for the preceding year, which were drawn up in accordance with the formerly applied reporting standards (Dutch GAAP). An explanation of the influence on the financial position and results of Stork of the transition from Dutch GAAP to IFRS is given in the following tables and the notes to them.

Transition consolidated balance sheet 1 January 2004 IFRS *(in € × million)*

	IFRS 1 January 2004		Dutch GAAP 31 December 2003		Difference
Assets					
Non-current assets					
Property, plant and equipment	303.7		332.1		(28.4)
Goodwill	—		—		—
Other intangible fixed assets	58.7		—		58.7
Investments in associates	15.3		15.3		—
Long-term receivables from associates	1.4		1.4		—
Deferred tax assets	29.6		16.7		12.9
		408.7		**365.5**	**43.2**
Current assets					
Inventories	213.3		200.7		12.6
Due from customers	134.3		23.0		111.3
Trade and other receivables	351.3		352.9		(1.6)
Cash and cash equivalents	218.4		218.4		—
		917.3		**795.0**	**122.3**
		1,326.0		**1,160.5**	**165.5**
Liabilities					
Equity					
Total equity attributable to equity holders of the parent	409.1		433.5		(24.4)
Minority interests	4.8		4.8		—
		413.9		**438.3**	
Non-current liabilities					
Long-term debts	154.0		154.0		—
Employee benefits	32.1		19.7		12.4
Provisions	44.5		50.5		(6.0)
Deferred tax liability	1.3		1.3		—
		231.9		**225.5**	**6.4**
Current liabilities					
Due to customers	186.3		—		186.3
Trade and other payables	374.5		376.4		(1.9)
Current tax payable	47.1		48.0		(0.9)
Current liabilities for long-term debt	25.9		25.9		—
Bank overdraft	—		—		—
Provisions	46.4		46.4		—
		680.2		**496.7**	**183.5**
		1,326.0		**1,160.5**	**165.5**

Relationship of equity to opening balance	
Equity at 31 December 2003 according to Dutch GAAP	433.5
Adjustment to valuation of inventories	1.5
Adjustment to valuation of work in progress/non-recurring costs	(4.5)
Capitalisation of development costs	4.4
Correction of sale and leaseback transaction	(28.4)
Adjustment of provision for Defined Benefit pension plans (IAS 19)	(11.8)
Other	1.5
Tax effect on above movements	12.9
Equity according to IFRS at 1 January 2004	**409.1**

Transition consolidated balance sheet 31 January 2004 IFRS *(in € × million)*

	IFRS 31 December 2004		Dutch GAAP 31 December 2004		Difference
Assets					
Non-current assets					
Property, plant and equipment	280.7		308.2		(27.5)
Goodwill	6.2		7.2		(1.0)
Other intangible fixed assets	68.8		0.8		68.0
Investments in associates	15.1		15.1		—
Long-term receivables from associates	1.4		1.4		—
Deferred tax assets	9.9		4.8		5.1
		382.1		**337.5**	**44.6**
Current assets					
Inventories	194.5		194.3		0.2
Due from customers	121.1		28.5		92.6
Trade and other receivables	332.0		329.2		2.8
Cash and cash equivalents	239.8		239.2		0.6
		887.4		**791.2**	**96.2**
		1,269.5		**1,128.7**	**140.8**
Liabilities					
Equity					
Total equity attributable to equity holders of the parent	449.7		476.9		(27.2)
Minority interests	2.2		2.2		—
		451.9		**479.1**	
Non-current liabilities					
Long-term debts	23.6		23.6		—
Employee benefits	31.8		24.3		7.5
Provisions	46.8		43.7		3.1
Deferred tax liabilities	1.3		9.2		(7.9)
		103.5		**100.8**	**2.7**
Current liabilities					
Due to customers	173.5		—		173.5
Trade and other payables	361.4		361.6		(0.2)
Current tax payable	37.7		37.3		0.4
Current liabilities for long-term debt	103.6		103.6		—
Bank overdraft	0.6		—		0.6
Provisions	37.3		46.3		(9.0)
		714.1		**548.8**	**165.3**
		1,269.5		**1,128.7**	**140.8**
Movements in equity					
Position at 31 December preceding financial year		409.1		433.5	
Net result for current financial year		74.3		77.7	
Exchange-rate differences		(2.5)		(2.5)	
Share and option plan		8.2		7.6	
Purchase of own shares		(18.3)		(18.3)	
Dividend over preceding financial year		(21.1)		(21.1)	
Balance at 31 December of current financial year		**449.7**		**476.9**	

Transition consolidated balance sheet 1 January 2005 IFRS *(in € × million)*

	IFRS 31 December 2004		IFRS 1 January 2005		Difference
Assets					
Non-current assets					
Property, plant and equipment	280.7		280.7		—
Goodwill	6.2		6.2		—
Other intangible fixed assets	68.8		68.8		—
Investments in associates	15.1		15.1		—
Long-term receivables from associates	1.4		1.4		—
Deferred tax assets	9.9		9.9		—
		382.1		**382.1**	**—**
Current assets					
Financial instruments	—		116.5		116.5
Inventories	194.5		194.5		—
Due from customers	121.1		90.6		(30.5)
Trade and other receivables	332.0		323.2		(8.8)
Cash and cash equivalents	239.8		239.8		—
		887.4		**964.6**	**77.2**
		1,269.5		**1,346.7**	
Liabilities					
Equity					
Total equity attributable to equity holders of the parent	449.7		523.5		73.8
Minority interests	2.2		2.2		—
		451.9		**525.7**	
Non-current liabilities					
Long-term debts	23.6		23.6		—
Employee benefits	31.8		31.8		—
Provisions	46.8		46.8		—
Deferred tax liabilities	1.3		34.1		32.8
		103.5		**136.3**	**32.8**
Current liabilities					
Due to customers	173.5		173.5		—
Trade and other payables	361.4		332.0		(29.4)
Current tax payable	37.7		37.7		—
Current liabilities for long-term debt	103.6		103.6		—
Bank overdraft	0.6		0.6		—
Provisions	37.3		37.3		—
		714.1		**684.7**	**(29.4)**
		1,269.5		**1,346.7**	**77.2**
Movements in equity					
Position at 31 December preceding financial year				449.7	
First time adoption IAS 39				73.8	
Balance at 1 January of current financial year				**523.5**	

Transition consolidated income statement IFRS *(in € × million)*

		IFRS 2004		Dutch GAAP 2004	Difference
Net turnover	1,728.9		1,823.5		(94.6)
Cost of sales	1,228.9		1,327.1		(98.2)
Gross operating income		**500.0**		**496.4**	**3.6**
Sales costs		(102.7)		(108.1)	5.4
General administrative expenses		(285.6)		(294.1)	8.5
Research & development expenses		(20.2)		—	(20.2)
Other operating income		14.1		14.1	—
Operational result		**105.6**		**108.3**	**(2.7)**
Net financial income		6.0		6.0	—
Net financial expenses		(13.3)		(13.3)	—
Share of profit of associates		0.3		0.3	—
Result before tax		**98.6**		**101.3**	**(2.7)**
Income tax expense		(24.0)		(23.3)	(0.7)
Result after tax		**74.6**		**78.0**	**(3.4)**
Attributable to:					
Shareholders (net result)		74.3		77.7	(3.4)
Minority interests		0.3		0.3	—
Weighted average number of issued shares (× 1,000)		**32,081**		**32,081**	
Basic earnings per share		**2.31**		**2.42**	**(0.11)**
Diluted earnings per share		**2.28**		**2.38**	**(0.10)**

Implementation of the International Financial Reporting Standards (IFRS)

91. Introduction

From financial year 2005 onwards, Stork applies IFRS as a basis for its reporting. The annual account 2005 comprises comparative figures for the financial year 2004 that have been reconciled with the IFRS standards which have now become applicable.

The overviews on the preceding pages show the differences between the valuation of assets and liabilities at 1 January 2004 and 31 December 2004. The adjusted figures as a result of the first implementation of IFRS from 1 January 2004 are presented as adjusted equity. The reconciliation of equity in the opening balance sheet from Dutch GAAP to IFRS is shown on page 108. The impact on the 2004 income statement is also indicated. The adjustment as a result of the first implementation of IAS 32/39 is presented from 1 January 2005 as adjusted equity. The reconciliation of the opening balance 2005 is shown on page 110.

92. Effect of IFRS on the balance sheet

Intangible Fixed Assets

Research and Development
The current accounting rules under Dutch GAAP have been evaluated. In accordance with the relevant requirements of IAS 38, certain development costs are capitalised.

Non-recurring costs
Intangible fixed assets generated internally (mainly start-up costs of Aerospace programmes) amounting to €54 million are, in accordance with IAS 38, reclassified from work in progress to intangible

fixed assets from 1 January 2004. These non-recurring costs are charged to the result in accordance with the expected economic life of the aircraft programmes concerned.

Goodwill (business combinations)
Since 2001 the goodwill paid on acquisitions is capitalised and systematically amortised over the economic life (with a maximum of 20 years). Under IFRS 3, goodwill is no longer amortised. An assessment is made annually whether, and if so to what extent, impairments are applicable. Any impairments are charged to the profit and loss account. The (capitalised) goodwill is at present very limited, partly because goodwill was charged directly to equity until financial year 2001. Stork makes use of the option under IFRS of not retrospectively capitalising goodwill that was charged directly to equity in the past.

Tangible fixed assets
In the past, the result of a sale and leaseback transaction was accounted for. In connection with the introduction of IFRS and based on IAS 27, it was decided to reverse this result. This led to a reduction of €28 million in fixed assets and equity from 1 January 2004.

Financial leases
Apart from the above remarks about the sale and leaseback transaction, IAS 17 has no effect on the IFRS balance sheet. There are no operational leases under Dutch GAAP which must be classified as financial leases under IFRS.

Pension liabilities
Stork has several pension plans in accordance with local rules and conditions. Based on IAS 19, several of these plans are classified as Defined Benefit plans. In general these plans are funded by means of payments to insurance companies or to funds administered by third parties. The payments are based on periodical actuarial calculations. The most important of these plans is administered by the Stork Pension fund. The result of this calculation under IAS 19 does not have any effect on the result in 2004, because the change of the net position remains within the bandwidth to be applied under IAS 19 (the so-called 'corridor'). In total, the other (partly foreign) Defined Benefit plans lead to a liability which is €12 million higher under IFRS than under Dutch GAAP. As a result, provisions have been adjusted by this amount. In addition, there are industry pension plans and Defined Contribution plans. The industry pension plans are considered as Defined Contribution plans.

Inventories and work in progress
The valuation of inventories (raw materials, auxiliary materials and trade inventories) and work in progress (including the non-recurring costs referred to above) has been reconciled with the requirements of IAS 2—(Inventories) and IAS 11—(Work in Progress), respectively. Any loss provisions for work in progress have been adjusted.

IFRS has a significant effect on the presentation of work in progress in the balance sheet. IAS 11 requires that the gross amount due from customers be presented as a separate asset, and that the gross amount due to customers be presented as a separate liability. Under Dutch GAAP, only the net value of work in progress is presented. This change in presentation does not affect equity or results. There have also been reclassifications between inventories, work in progress and provisions.

Provisions
Provisions for major maintenance have been released on the application of IAS 37.

Convertible bond loan
IAS 32 requires the equity component of a convertible bond loan to be presented separately. A 4.375% subordinated convertible bond loan was issued in 1998 with a maximum term of 7 years. This loan was redeemed in March 2005. Due to the large difference between the conversion price and the stock exchange price at the time of issue of the bond loan, the equity component is very limited. The equity component is therefore not been presented separately.

Deferred tax assets
As a result of the adjustments described above, the deferred tax position has been adjusted accordingly.

93. Other standards

Awarding of employee options
IFRS-2 requires that this standard be applied to options that were awarded conditionally after 7 November 2002 which had not become unconditional by 1 January 2005. The awarded option series 2004–2011 and 2005–2012 are conditional. The costs of this employee option series (the actual value is estimated at the time the options were awarded) are allocated to the next 3 financial years as personnel expenses and have a very limited effect on the net result.

Financial instruments

Stork's policy is to hedge currency risks. These risks relate primarily to US dollar risks in the Aerospace activities. Cash flow hedge accounting is applied to most of the foreign exchange forward contracts (mainly as a consequence of the long-term nature of the aerospace programmes). IAS 32 and IAS 39 require currency future contracts to be valued at fair value, which has a considerable effect on equity.

In accordance with the requirements of IFRS 1, IAS 32 and IAS 39 have not been applied for the 2004 comparative figures. These standards have been applied to the opening balance for 2005. The effect on equity at 1 January 2005 is €73.8 million. This is the result of the valuation of the currency future contracts at fair value instead of at face value.

94. Effect of IFRS on the income statement

Accounting rules do not affect cash flows. However IFRS affects the net result in a number of ways. It also changes the presentation of various items in the profit and loss account. For example under Dutch GAAP certain items were included in the profit and loss account as a deduction from the costs of sales. These items will be accounted for as income under IFRS. This has no effect on the net result or equity.

The application of IFRS leads to a different allocation of indirect and overhead costs to inventories and (development) projects. Under IFRS, compared with Dutch GAAP, different items are included in the valuation of inventories, work in progress and capitalised development costs. Although this will not affect the net result in the long term, it does have a temporary effect on the short and/or long term (although this is balanced out in the long term). This will apply primarily to Aerospace programmes in the start-up phase. In addition, a further application of the percentage of completion method under IAS 11 will affect the time at which turnover and results are taken.

In compliance with IAS 38, development costs will be capitalised and amortised over the economic lifetime. This can affect the profit and loss account both positively (capitalisation of development costs) and negatively (amortisation costs). The short-term effect on the profit and loss account is expected to be limited.

The application of different accounting principles will of course have no effect on the results reported by the company in the longer term.

Income statement of Stork N.V. *(in € × 1,000)*

	2005	2004
Income from subsidiaries after taxes	110,945	91,830
Other results of Stork N.V. after taxes	(17,659)	(17,574)
Net result	**93,286**	**74,256**

Balance sheet of Stork N.V *(in € × 1,000)*

	2005		2004	
Non-current assets				
100 Property, plant and equipment	5,344		1,293	
101 Financial fixed assets	727,526		708,103	
		732,870		**709,396**
Current assets				
Financial instruments	15,276		—	
102 Trade and other receivables	24,390		11,470	
		39,666		**11,470**
Assets		**772,536**		**720,866**
103 **Equity**				
104 Share capital	165,098		165,098	
106 Share premium reserve	56,463		56,463	
107 Statutory reserves	74,889		68,136	
108 Other reserves	247,620		159,885	
Equity		544,070		**449,582**
114 Provisions		50,565		**13,035**
115 Long-term liabilities		—		—
Current liabilities				
116 Trade and other payables	177,901		156,148	
115 Current liabilities for long-term debt	—		102,101	
		177,901		258,249
Liabilities		**772,536**		**720,866**

Notes to the separate financial statements

95. General

The separate financial statements are part of the 2005 financial statements of Stork N.V. With reference to the separate profit and loss account of Stork N.V., use has been made of the exemption pursuant to Section 402 of Book 2 of the Netherlands Civil Code.

96. Principles for valuation and determination of the result

For setting the principles for the recognition and measurement of assets and liabilities and determination of the result for its separate financial statements, Stork N.V. makes use of the option provided in Section 2:362 (8) of the Netherlands Civil Code. This means that the principles for the recognition and measurement of assets and liabilities and determination of the result (hereinafter referred to as principles for recognition and measurement) of the separate financial statements of Stork N.V. are the same as those applied for the consolidated EU-IFRS financial statements. Participating interests over which significant influence is exercised are stated on the basis of the equity method. These consolidated EU-IFRS financial statements are prepared according to the standards laid down by the International Accounting Standards Board and adopted by the European Union. Please see pages 76 to 83 for a description of these principles.

The share in the results of participating interests consists of the share of Stork N.V. in the result of these participating interests. Results on transactions where the transfer of assets and liabilities between Stork N.V. and its participating interests and mutually between participating interests themselves are not incorporated insofar as they can be deemed to be unrealised.

97. Change in accounting policies

As a result of the application of the accounting principles used in the consolidated financial statements to the separate financial statements, Stork N.V. has implemented a change in accounting policies. This change in accounting policies is the result of using the option in Section 2:362 (8) of the Netherlands Civil Code. By making use of this option reconciliation is maintained between the consolidated and the separate shareholders' equity.

The separate financial statements were previously prepared in compliance with the principles for recognition and measurement of assets and liabilities and determination of the result referred to in Part 9, Book 2 of the Netherlands Civil Code (BW2). The change in accounting policies, which is treated retrospectively, has had an effect on the shareholders' equity and the result. The impact on the shareholders' equity as at 1 January 2004 and 31 December 2004 is €24 million. The impact on the result for 2004 is €3.4 million.

The comparative figures have been adjusted on the basis of the changed valuation principles. An exception is the application of IAS 32/39, which is followed with effect from 1 January 2005.

The reconciliation summaries for the separate balance sheet and profit and loss account, in which the effects of the change in accounting policies are stated for each item of the financial statements, are included under sections 98 and 99. Furthermore, for the classification of financial instruments for the calculation of the company shareholders' equity, the principle of economic must be used because this principle is used in the consolidated EU-IFRS financial statements. Previously, the classification of components of the shareholders' equity was based on the legal format of the financial instrument. The change in presentation related to this is stated in the shareholders' equity and also presented separately in the reconciliation summary.

98. Effects of change in accounting policies on the income statement *(in € × million)*

	IFRS	Dutch GAAP	Difference
Results of subsidiaries after tax	91.8	95.1	(3.3)
Other results after tax	(17.5)	(17.4)	(0.1)
Net result	**74.3**	**77.7**	**(3.4)**

The effect on the net result is caused virtually entirely by movements in the result of subsidiaries of Stork N.V. For a reconciliation of the difference in the net result, reference is made to the consolidated financial statements 2004 IFRS on page 111.

99. Effects of change in accounting policies on the balance sheet *(in € × million)*

	IFRS 1 January 2004	Dutch GAAP 31 December 2003	Difference	IFRS 1 January 2005	Dutch GAAP 31 December 2004	Difference
Assets						
Non-current assets						
Tangible fixed assets	0.4	0.4	—	1.3	1.3	—
Financial fixed assets	684.4	715.6	(31.2)	708.5	741.1	(32.6)
Deferred tax assets	26.3	13.4	12.9	5.8	1.0	4.8
	711.1	**729.4**	**(18.3)**	**715.6**	**743.4**	**(27.8)**
Current assets						
Financial instruments	—	—	—	116.5	—	116.5
Due from customers	—	—	—	(30.5)	—	(30.5)
Trade and other receivables	7.3	7.3	—	4.8	4.8	—
	7.3	**7.3**	**—**	**90.8**	**4.8**	**86.0**
	718.4	**736.7**	**(18.3)**	**806.4**	**748.2**	**58.2**
Liabilities						
Equity	**409.1**	**433.5**	**(24.4)**	**523.5**	**476.9**	**46.6**
Provisions	**21.4**	**15.3**	**6.1**	**45.8**	**14.1**	**31.7**
Long-term liabilities	**102.1**	**102.1**	**—**	**—**	**—**	**—**
Current liabilities						
Current liabilities	185.8	185.8	—	135.0	155.1	(20.1)
Trade and other payables	—	—	—	102.1	102.1	—
	185.8	**185.8**	**—**	**237.1**	**257.2**	**(20.1)**
	718.4	**736.7**	**(18.3)**	**806.4**	**748.2**	**58.2**

Reconciliation of the equity in the opening balance

Equity in accordance with Dutch GAAP at 31 December	433.5	476.9
IFRS adjustments to financial fixed assets	(31.2)	(30.7)
Adjustment to the provision for Defined Benefit pension plans (IAS 19)	(6.1)	(6.1)
Tax effect of above movements	12.9	12.9
Adjustment of 2004 result in accordance with IFRS	—	(3.3)
First time adoption IAS 32/39	—	73.8
Equity in accordance with IFRS at 1 January	**409.1**	**523.5**

The IFRS balance sheet at 1 January 2005 includes the effect of the application of IAS 32/39. The comparative figures (1 January 2004) have not been adjusted because use is made of the exemption under IFRS 1.

100. Property, plant and equipment

	Land and buildings	Other productive assets	Total
Historic costs	—	4,727	4,727
Cumulative depreciation	—	(3,434)	(3,434)
Book value 31-12-2004	**—**	**1,293**	**1,293**
Book value 01-01-2005	—	1,293	1,293
Other investments	4,428	177	4,605
Disposals	—	(92)	(92)
Depreciation	—	(462)	(462)
Book value 31-12-2005	**4,428**	**916**	**5,344**
Historic costs	4,714	4,904	9,618
Cumulative depreciation	(286)	(3,988)	(4,274)
Book value 31-12-2005	**4,428**	**916**	**5,344**

101. Other financial fixed assets

	Interest in group companies	Associates	Loans to group companies	Total
Book value 01-01-2005	118,119	3,224	586,760	708,103
Result of subsidiaries	110,922	23	—	110,945
Dividends received	(282,064)	(21)	—	(282,085)
Exchange-rate differences	7,996	—	1,751	9,747
Movements in loans	—	—	115,095	115,095
Other movements	65,721	—	—	65,721
Book value 31-12-2005	**20,694**	**3,226**	**703,606**	**727,526**

Stork N.V. is at the head of the group and has capital interests in the group companies presented on page 128.

102. Trade and other receivables

	2005	2004
Debtors (current)	68	100
Debtors subsidiaries	1,274	941
Receivables from associates	2	—
Prepayments	—	—
Other receivables	23,046	10,429
	24,390	**11,470**

103. Equity

The equity in the Stork N.V. company financial statements are reconciled with the equity in the consolidated financial statements. For details of the movements in equity, reference is made to page 94.

104. Capital paid up and called

	2005	2004
Authorised share capital	650,000	650,000
Of which unissued	484,902	484,902
	165,098	**165,098**

105. Ordinary shares

The authorised share capital consists of:

45,000,000 ordinary shares of nominal value €5	225,000
20,000,000 preference shares A of nominal value €5	100,000
65,000,000 preference shares B of nominal value €5	325,000
	650,000

Position at 1 January 2005: ordinary shares 33,019,541	165,098
New share issue charged to share premium reserve	—
Balance at 31 December 2005: issued share capital	**165,098**

106. Share premium

Position at 1 January 2005	56,463
Balance at 31 December 2005	**56,463**

The share premium is exempted from tax in the Netherlands and therefore freely available for payment to shareholders.

107. Statutory reserves

Balance at 1 January 2005	68,136
— Movement in capitalised development costs	6,753
Balance at 31 December 2005	**74,889**

A statutory reserve is formed for developmentcosts. This is adjusted in accordance with the movement in the book value of the capitalised development costs.

108. Other reserves

Position at 1 January 2005	233,685
— Result for 2005	93,286
— Translation difference of group companies	9,747
— Cash dividend 2004	(28,747)
— Puchase own shares	(15,113)
— Share and option plan	7,974
— Movement in cash flow hedge reserve	(45,280)
— Movement in capitalised development costs	(6,753)
— Other movements	(1,179)
Balance at 31 December 2005	**247,620**

A proposal will be made to the Annual General Meeting to pay a dividend of €1.10 per share over the result after tax for 2005. The remainder will be added to other reserves.

109. Option rights

The option rights granted before 2004 give entitlement to one ordinary share in Stork N.V. of €5 nominal value, have a term of 5 years and can be exercised directly. Option rights which are not exercised within 5 years will lapse. Option rights also lapse if the holder for any reason ceases to be employed by Stork N.V. or one of its majority interests, except as a result of retirement, early retirement or death. Option rights granted as of 2004 are conditional. The number of options that can be exercised has been made dependent on the performance of Stork relative to the other companies in the ‘Midkap’ share index, expressed in terms of Total Shareholders Return (increase/decline in share price and dividend payments over the period concerned) over the next 3 years. If Stork is in the bottom six in this ranking, no options will be exercisable. For each place higher than the sixth place from the bottom, the number of option rights increases by 4%. If Stork reaches a position in the top three of this ranking, 100% of the options will always be exercisable. The assessment date for the 2005 option series is 8 March 2008.

The exercise price has been determined as the price of Stork shares at the close of trading on 8 March 2005: €29.55. From 8 March 2008, the option holder has the right for a period of 4 years to exercise the number of options which on that date are unconditional. Stock options granted to members of the Board of Management and directors are as shown in the table below. In 2005, 376,596 shares in Stork N.V. were purchased at an average price of €40.13 to cover the granted stock options. The policy of the company is to cover granted stock options to the extent that the share price exceeds the exercise price. A total of 29,596 (2004: 36,442) purchased shares in Stork N.V. were transferred at no cost in 2005 to the holders of the granted stock options. The fair value of these shares at the time of transfer (€0.9 million) is included in salaries in the income statement, while the same amount has been added to other reserves. These shares may not be transferred by their holders for a period of 5 years. In addition, 397,000 (2004: 385,000) purchased shares in Stork N.V. were transferred as a result of exercised options.

At end-2005 the company held 1,137,750 own shares (2004: 1,187,750).

110. Policy for granting of stock options

The Board of Management decides on the granting of stock options to directors. The Supervisory Board decides on the granting of options to the Board of Management.

111. Total option rights and shares

Term	Number granted	Weighted average exercise price	Position from 2004	Granted in 2005	Exercised in 2005	Lapsed in 2005	Position at 31-12-2005
2000/2005	412,000	16.50	19,000	—	19,000	—	—
2001/2006	447,000	17.38	230,000	—	181,500	—	48,500
2002/2007	404,500	13.40	340,500	—	192,500	—	148,000
2003/2008	318,250	5.48	298,750	—	—	—	298,750
2004/2011 (conditional)	299,500	14.25	299,500	—	—	—	299,500
2005/2012 (conditional)		29.55	—	337,000	—	—	337,000
	1,881,250		**1,187,750**	337,000	393,000	—	1,131,750
Shares granted under option plan							
2002	—	—	10,300	—	—	—	10,300
2003	—	—	67,341	—	—	—	67,341
2004	—	—	36,442	—	—	—	36,442
2005	—	—	—	29,596	—	—	29,596
			114,083	29,596	—	—	143,679

112. Option rights and shares held by members of the Board of Management

The list below shows the numbers of existing and exercisable options, listed by year of issue and exercise price.

Term	Number granted	Exercise price	Position at 31-12-2004	Granted in 2005	Exercised in 2005	Lapsed in 2005	Position 2005
Sj.S. Vollebregt							
2002/2007	47,500	6.45	47,500	—	—	—	47,500
2003/2008	47,500	5.27	47,500	—	—	—	47,500
2004/2011 (conditional)	47,500	14.12	47,500	—	—	—	47,500
2005/2012 (conditional)		29.55	—	47,500	—	—	47,500
			142,500	47,500	—	—	190,000
Shares			30,884	10,292	—	—	41.176
J.C.M. Schönfeld							
2001/2006	35,000	13.61	35,000	—	35,000	—	—
2002/2007	35,000	14.33	35,000	—	—	—	35,000
2003/2008	23,750	5.27	23,750	—	—	—	23,750
2004/2011 (conditional)	23,750	14.12	23,750	—	—	—	23,750
2005/2012 (conditional)		29.55	—	23,750	—	—	23,750
			117,500	23,750	35,000	—	106,250
Shares			8,196	1,650	—	—	9,846
H.E.H. Bouland							
2002/2007	35,000	14.33	35,000	—	35,000	—	—
2003/2008	23,750	5.27	23,750	—	—	—	23,750
2004/2011 (conditional)	23,750	14.12	23,750	—	—	—	23,750
2005/2012 (conditional)		29.55	—	23,750	—	—	23,750
			82,500	23,750	35,000	—	71,250
Shares			9,508	1,650	—	—	11,158
Total options			342,500	95,000	70,000	—	367,500
Total shares held by members of the Board of Management			48,588	13,592	—	—	62,180

113. Fair value of stock options and assumptions

	2005	2004
Fair value on valuation date	4.91	2.97
Share price at time of granting	29.55	14.12
Exercise price	29.55	14.12
Expected volatility	23%	35%
Term of the option	4.5	4.0
Expected dividend	3%	5%
Risk-free interest rate	3%	3%

The conditions under which the options are granted, as described in paragraph 108 of these notes, do not take into account the actual value determination on the date of granting of the services provided.

114. Provisions

	Balance 01-01-2005	Addition charged to income statement	Released amount credited to income statement	Deduction for the intended purpose	Unwind of discount	Balance 31-12-2005
Deferred tax liabilities	—	24,526	—	—	—	24,526
Reorganisation liabilities	1,700	3,670	—	(962)	—	4,408
Claims and disputes	3,787	12,937	2,113	(146)	—	14,465
Pension liabilities	7,548	—	351	(31)	—	7,166
	13,035	**41,133**	**2,464**	**(1,139)**	**—**	**50,565**
Of which short-term	4,455					10,582
Of which with a remaining term longer than 5 years	7,548					1,710

115. Long-term debts

	Repayment due in 2006	Balance at 31-12-2005	Balance at 31-12-2004
4.375% subordinated convertible bond loan, issued 1998	—	—	102,101
	—	**—**	**102,101**
Repayments due in 2006 (or 2005)		—	(102,101)
		—	—

116. Trade and other payables

	2005	2004
Due to customers	7,432	
Debts to banks	131,010	99,089
Trade creditors	1,329	1,267
Group company creditors	413	595
Other taxes and social insurance contributions	3,955	2,317
Prepayments	2,700	1,630
Other debts	31,062	51,250
	177,901	**156,148**

117. Financial instruments

For an explanation of financial instruments, reference is made to paragraphs 76 to 83 of the notes to the consolidated financial statements.

118. Personnel costs and remuneration

For personnel costs, reference is made to paragraph 42 of these notes detailing the remuneration of the Board of Management.

The employees of Stork N.V. have the same Defined Benefit pension plan as described in the consolidated financial statements. In view of the fact that the attribution of the liabilities and investments of the Stork Pension Fund to such a small population relative to the total number of participants in the Stork Pension Fund would lead to a high degree of inaccuracy, the contributions paid to the Stork Pension Fund are regarded as a pension cost.

119. Liabilities not shown in the balance sheet

Individual liability and guarantees

At 31 December 2005 guarantees issued to third parties totalled €110.3 million (2004: €89.3 million).

Memorandums of Guarantee have been lodged in respect of debts arising out of legally permitted actions by the Dutch operating companies listed on page 127.

Fiscal entity

Stork N.V. and its subsidiaries form a fiscal entity for corporation tax purposes. According to the standard conditions, each of the companies is liable for tax payable by all the companies included in the legal entity.

Naarden, 31 January 2006

Board of Management

Sj.S. Vollebregt (chairman)
J.C.M. Schönfeld (vice chairman)
H.E.H. Bouland

Supervisory Board:

S.D. de Bree (chairman)
P.J. Kalff (vice chairman)
J. Aalberts
Prof. J.P. Bahlmann (until 5 March 2005)
C. den Hartog
A. van der Velden

List of major consolidated operating companies

(wholly owned, unless otherwise stated)

Prints

Stork Prints B.V., Boxmeer (NL)
Stork Digital Imaging B.V., Boxmeer (NL)
Stork Prints Austria A.G., Kufstein (A)
Chemica A.G., Zug (CH)
Stork Prints America Inc., Charlotte (USA)
Stork Prints Iberia S.A., Massanet de la Selva (E)
Stork Prints Brasil Ltda, Piracicaba (BR)
P.T. Stork Prints Indonesia (95%), Bekasi (RI)
Stork IBI Prints (Pvt) Ltd. Pakistan (88%), Karachi (PK)
Stovec Industries Ltd. (51%), Bombay (IND)
Stork Prints Japan K.K., Osaka (J)
Stork Facilities Germany GmbH, Kiefersfelden (D)
Stork Veco B.V., Eerbeek (NL)

Food Systems

Stork PMT B.V., Boxmeer (NL)
Stork Gamco Inc., Gainesville (USA)
Stork Titan B.V., Boxmeer (NL)
Stork PFP Systems Ltda., Piracicaba (BR)

Aerospace

Stork Fokker AESP B.V., Papendrecht and Hoogeveen (NL)
Fokker Elmo B.V., Hoogerheide (NL)
Stork SP Aerospace B.V., Geldrop (NL)
Fokker Elmo (Langfang) Electrical Systems Co Ltd. (CN)
Fokker Services B.V., Hoogerheide (NL)
Fokker Services Asia Pte.Ltd., Singapore (SGP)
Fokker Services Inc., Atlanta (USA)

Technical Services

Stork Industry Services B.V., De Meern (NL)
Stork Maintenance Management B.V., De Meern (NL)
Stork MEC N.V., Antwerp (B)
Stork Wescar N.V., Willemstad (CU)
Sutherland Schultz, Cambridge (CDN)
Stork MSW, Buenos Aires (RA)
Stork WorkSphere B.V., De Meern (NL)
Stork Turbo Blading B.V., Sneek (NL)
Stork Turbo Services B.V., Almere (NL)
Stork H&E Turbo Blading Inc., Ithaca (USA)
Stork Gears & Services B.V., Rotterdam (NL)
Stork Trading B.V., Hengelo (NL)
Stork Thermeq B.V., Hengelo (NL)
Stork Materials Technology B.V., Amsterdam (NL)
Stork Cellramic Inc., Milwaukee (USA)
Stork Technimet Inc., New Berlin (USA)
Stork Materials Testing and Inspection Inc., Huntington Beach (USA)
Stork Herron Testing Laboratories Inc., Cleveland (USA)
Stork Southwestern Laboratories Inc., Houston (USA)
Stork Intermes N.V., Antwerp (B)
Stork Twin City Testing Inc., St. Paul (USA)
Stork Cooperheat UK Ltd., Skelmersdale (GB)
Stork Special Products B.V., Zwolle (NL)
Stork Bronswerk B.V., Amersfoort (NL)
Stork Materieel B.V., Rozenburg (NL)
Stork Sales & Rental Services B.V., Rozenburg (NL)
Reisiger Verhuur B.V., Groningen (NL)
Interlas B.V., Rozenburg (NL)
HiTecs B.V., Nieuwegein (NL)

Others and holdings

Conrad-Stork Beheer B.V., Amersfoort (NL)
Stork A.G., Zug (CH)
Stork United Corp., Charlotte (USA)

Capital Assets

Stork Food and Dairy Systems B.V., Amsterdam (NL)

Use has been made of the exemption provided by Section 2:403, Part IX, Book of the Netherlands Civil Code with respect to the Dutch operating companies, with the exception of Stork SP Aerospace B.V.

Auditors' report

Introduction

We have audited the financial statements of Stork N.V., Naarden, for the year 31 December 2005 as set out on pages F-77 to F-127. These financial statements consist of the consolidated financial statements and the company financial statements. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

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

Opinion 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 the company as at 31 December 2005 and of the result and the cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and also comply with the financial reporting requirements included in Part 9 of Book 2 of the Netherlands Civil Code as far as applicable.

Furthermore we have established to the extent of our competence that the annual report is consistent with the consolidated financial statements.

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 the company as at 31 December 2005 and of the result for the year then ended in accordance with accounting principles generally accepted in the Netherlands and also comply with the financial reporting requirements included in Part 9 of Book 2 of the Netherlands Civil Code.

Furthermore we have established to the extent of our competence that the annual report is consistent with the company financial statements.

Amstelveen, 31 January 2006

KPMG ACCOUNTANTS N.V.

T. van der Heijden RA