

Naarden, 26 July 2006

## Press release

---

### ***Stork: second quarter 2006 predominantly good, extra measures at Aerospace Industries***

- **EBIT Q2: € 36 mln (Q2 2005: € 46 mln), excl. costs of Public-to-Private investigation & divestment of WorkSphere**
- **Book profit WorkSphere € 65 mln**
- **Net results second quarter € 82 mln, eps € 2.55 (Q2 2005: € 33 mln, eps: € 1.02)**
- **Turnover up by 18%: € 533 mln (Q2 2005: € 453 mln)**
- **Orders up by 4%: € 520 mln (Q2 2005: € 498 mln)**
- **Implementation of strategy shows good progress**
- **Share buyback programme starts**

CEO Sjoerd Vollebregt: *“Performance in the second quarter was predominantly good and during the first half year we have made progress with the rollout of the next phase in our strategy: WorkSphere has been sold for a good price and the process for the divestment of Prints has been started. Various acquisitions and divestments have been finalised.*

*The various activities performed well and Technical Services in particular showed a clear growth in turnover and results. We will be taking extra measures at Aerospace Industries to accommodate the effect of the delays in the A380 and NH90 programmes. We expect that this and the measures for accelerating profitability improvement announced previously will be finalised by the end of 2007. The effect is mainly short-term; the outlook for the long term remains good.*

*The quarter was further marked by a highly intensive and thorough investigation into whether we might best carry out our strategy as a private company instead of a listed company. Lastly we intend to return a total of some € 200 million to our shareholders this year through the reduction of capital already taken place and the planned share buyback.”*

## Key figures

| <i>(in € x mln)</i>        | Q2<br>2006  | Q2<br>2005 | Δ     | Δ*    | 30-06<br>2006 | 30-06<br>2005 | Δ     | Δ*    |
|----------------------------|-------------|------------|-------|-------|---------------|---------------|-------|-------|
| <b>Net turnover</b>        | <b>533</b>  | 453        | 18%   | 11%   | <b>1012</b>   | 867           | 17%   | 12%   |
| <b>EBIT ex. specials**</b> | <b>36</b>   | 46         | (22)% | (29)% | <b>65</b>     | 75            | (13)% | (18)% |
| <b>EBIT</b>                | <b>89</b>   | 46         | 95%   | 87%   | <b>114</b>    | 75            | 52%   | 47%   |
| <b>Net results</b>         | <b>82</b>   | 33         | 150%  | 143%  | <b>100</b>    | 54            | 85%   | 80%   |
| <b>Orders</b>              | <b>520</b>  | 498        | 4%    | 0%    | <b>1028</b>   | 940           | 9%    | 7%    |
| <b>Order book</b>          | <b>1003</b> | 966        | 4%    | 12%   | <b>1003</b>   | 966           | 4%    | 12%   |

\* Adjusted for acquisitions and divestments. Percentages based on non-rounded figures.

\*\* Specials: sale of Stork WorkSphere and costs of PtP investigation.

## Operational developments

All activities performed well in the second quarter, with the exception of **Aerospace Industries**. **Prints** showed an improvement in EBIT as a result of the initiated restructuring programmes.

The results of **Food Systems** were again good, partly as a result of strong demand for the innovative products and good control of operational costs. The integration of the Townsend acquisition is progressing well.

**Technical Services** saw the market improve and this was reflected in turnover and results. Industry Specialists performed particularly well, mainly owing to orders from the energy industry.

At **Aerospace**, the results of Aerospace Services were very robust. Aerospace Industries showed a further increase in the order book for the long term, but was at the same time subject to the short-term negative effects of the necessary adjustments in the deliveries for the Airbus A380 and the NH90 military transport helicopter. Extra measures are being taken.

## Strategic developments

The first half of the year saw good progress in the rollout of the next phase of the strategy as announced on 1 February. WorkSphere has successfully been sold and the process for the sale of Prints has been started. Following the acquisition of Townsend in the first quarter, the second quarter saw the finalisation and/or announcement of various small and medium-sized acquisitions.

## Return of capital to shareholders

The reduction of capital in May already returned € 128 mln to shareholders. On top of this, the first phase of the share buyback programme will be started. This is expected to amount to approximately € 70 mln, bringing the total amount to be returned to the shareholders this year to approximately € 200 mln. A separate press release will be issued on the details of the buyback programme.

---

## Investigation into possible Public-to-Private transaction

On 14 February 2006 Stork announced in a press release that it would investigate whether its strategy might not best be carried out as a private company rather than a listed company ("Public-to-Private transaction"). The investigation into a possible Public-to-Private transaction was discussed at the AGM of 10 March. On 4 July 2006 Stork announced in a press release that the investigation had been concluded. Stork provided further explanation in a shareholder letter attached to this press release, which can be read on the Stork website. Following on from this shareholder letter and taking shareholders' response into account, Stork has decided to convene an Extraordinary General Meeting of Shareholders on September 5, 2006. At this meeting the process, the course and outcome of the investigation into a possible public-to-private transaction will be discussed with shareholders.

The total costs of the investigation amount to € 17 mln, of which € 5 mln were accounted for in the first quarter. The total amount can be broken down into costs for financial advice, strategic and vendor due diligence and the costs for legal and other advice.

## Financial position

On balance, the liquidity position reduced in the second quarter from € 123 mln to € 22 mln. The cash position declined as a result of the total of € 128 mln paid to the shareholders under the reduction of capital programme, and increased as a result of the proceeds of the WorkSphere divestment. In addition, due to a number of small acquisitions and a light increase in working capital, Stork's net debt position fell on balance from € 92 mln positive to € 8 mln negative.

## Outlook

The proceeds from the sale of WorkSphere mean that net results for 2006 will clearly exceed the record results of 2005. Reasons for the record profits in 2005 include the exceptionally high results of Aerospace Services in the first half year and a number of incidentals. So far, there have been no such incidentals in 2006. All units are performing well, though the results for Aerospace Industries are lagging behind. Later in the year it may be necessary to take extra measures to streamline activities within Aerospace Industries. If such measures are taken, it is expected they will require a provision to be set aside. Taking everything into account, the outlook is that Stork's EBIT result\*) for 2006 will be somewhat lower (possibly between 5% and 15% according to current views) than the EBIT result for the record year of 2005.

\*) excluding costs of Public to Private investigation & sale of WorkSphere.

## Overview by group

### Prints

| <i>(in € x mln)</i> | <b>Q2</b>   | Q2          | <b>30-06</b> | 30-06       |
|---------------------|-------------|-------------|--------------|-------------|
|                     | <u>2006</u> | <u>2005</u> | <u>2006</u>  | <u>2005</u> |
| <b>Net turnover</b> | <b>48.5</b> | 50.4        | <b>94.9</b>  | 99.5        |
| <b>EBIT</b>         | <b>4.6</b>  | 4.1         | <b>7.2</b>   | 8.3         |

The effects of the restructuring programmes at Prints have led to an accelerated reduction in operating costs and an improvement in EBIT. The prices of nickel (the most important raw material for the manufacture of printing screens) have risen enormously in the past months, but futures contracts concluded earlier have dampened the effect of this. The market for textile printing is not recovering yet. Graphics activities' share in net turnover and results is comparable to the previous quarter. The process for the divestment of Stork Prints has now been started as planned.

### Food Systems

| <i>(in € x mln)</i> | <b>Q2</b>   | Q2          | <b>30-06</b> | 30-06       |
|---------------------|-------------|-------------|--------------|-------------|
|                     | <u>2006</u> | <u>2005</u> | <u>2006</u>  | <u>2005</u> |
| <b>Net turnover</b> | <b>89.3</b> | 57.3        | <b>157.0</b> | 110.9       |
| <b>EBIT</b>         | <b>6.8</b>  | 6.4         | <b>13.9</b>  | 11.3        |

Food Systems' good results in the first quarter continued in the second quarter with high turnover and high EBIT. The integration of Townsend is progressing well. We are continuing to invest in marketing for the innovative co-extrusion activities.

Food Systems was recently awarded two prestigious prizes at VIV Europe, the international trade fair for meat production and processing. The new ACM-NT system, which facilitates producers to portion their white meat more rapidly, won a Golden Award. A Silver Award went to the "ValueDrum", an in line batch marinating system for chicken and other meat products.

Stork Food & Dairy Systems became part of the Stork Food Systems Strategic Unit on 30 June and the results have been included in the figures for Stork Food Systems. Food & Dairy Systems was successfully streamlined in the past year and many investments were made for the future. This has resulted in an appealing product portfolio. The past quarter saw extra investments in product development. The order book showed the first positive effects of this: an order was received from Hero for a third aseptic filling line to enhance production capacity for their successful Fruit2Day product range.

**Aerospace**

| <i>(in € x mln)</i> | <b>Q2</b>          | <b>Q2</b>          | <b>30-06</b>       | <b>30-06</b>       |
|---------------------|--------------------|--------------------|--------------------|--------------------|
|                     | <b><u>2006</u></b> | <b><u>2005</u></b> | <b><u>2006</u></b> | <b><u>2005</u></b> |
| <b>Net turnover</b> | <b>127.9</b>       | 134.5              | <b>267.1</b>       | 265.6              |
| <b>EBIT</b>         | <b>10.0</b>        | 22.5               | <b>22.0</b>        | 36.0               |

Within the **Aerospace** group, **Aerospace Services** performed as expected. Results at **Aerospace Industries** were disappointing.

**Aerospace Industries** showed a further increase in the order book for the long term, but was at the same time subject to the short-term negative effects of the necessary adjustments in the deliveries for the Airbus A380 and the NH90 military transport helicopter. This is expected to continue to affect the results negatively by an estimated average amount of a few million EBIT per quarter until the end of 2007. This comes in addition to the previously announced measures to simplify the organisation and optimise the supply chain in order to accelerate profitability improvements. For this reason, extra measures have been taken to further streamline the organisation. This programme will be finalised by the end of 2007 and will result in a robust organisation that is ready for further growth.

In May, Aerospace Industries was selected by Lockheed Martin for the preproduction of the flaperons for the Joint Strike Fighter, representing an order value of US\$ 170 mln. Airbus also awarded a contract for the electric wiring of the A380 cockpit. If the Dutch parliament approves the Ministry of Defence's planned purchase of the Boxer armoured vehicle, principal contractor Stork (approx. 30%) and Dutch subcontractors (approx. 70%) stand to see turnovers to a value of € 500 mln in the period 2008 to 2016. After the end of the quarter, at Farnborough Airshow, important cooperation agreements were signed with Alenia for JSF maintenance and with Goodrich for the application of composites on landing gear.

**Aerospace Services** again had a good quarter. The Component and Material Services particularly contributed to this. However, as expected, the exceptionally good results of the second quarter of 2005 were not matched. Component maintenance and the associated logistics, regardless of aircraft type, is an important growth market for Aerospace Services. The market is increasingly looking for players who, besides just supplying and maintaining components, are also able to rapidly provide swap components in the form of "power-by-the-hour" contracts. Aerospace Services has been providing such concepts for Fokker aircraft for years and as of recently also for the Bombardier Dash-8 in Europe. Follow-on steps are being developed in other regions, including the United States. The acquisition of Airinc in the USA after the end of the second quarter should be seen in this context.

**Technical Services**

| <i>(in € x mln)</i> | <b>Q2</b>    | Q2          | <b>30-06</b> | 30-06       |
|---------------------|--------------|-------------|--------------|-------------|
|                     | <u>2006</u>  | <u>2005</u> | <u>2006</u>  | <u>2005</u> |
| <b>Net turnover</b> | <b>228.3</b> | 170.8       | <b>414.8</b> | 315.9       |
| <b>EBIT</b>         | <b>17.7</b>  | 11.2        | <b>26.2</b>  | 18.4        |

The market for **Technical Services** has picked up and the second quarter saw turnover and sales improve further.

Turnover at **Industry Services** is growing. The various long-term maintenance contracts are definitely contributing to this.

The acquisition of the technical services department of Akzo Nobel Botlek has been completed. The planned acquisition of the technical services department of Akzo Nobel Delfzijl was announced in July. The quarter further saw the acquisition of an 85% interest in iicorr, an international provider of management services in the field of the integrity of installations.

The developments in **Industry Specialists'** market are positive. The Power Services activity in particular developed very well as a result of developments on the energy market. Utilisation levels were good combined with a tight control of operational costs. As part of the further streamlining of Industry Specialists, the participation in Bronswerk Canada was reduced and Stork Bouwtechniek was sold at the start of the third quarter.

**Stork Workspere** was sold to Strukton in the second quarter and can be found in the figures under 'discontinued operations'.

**Other activities**

**Holdings and Other** was influenced by the costs for the Public-to-Private transaction (€ 12 mln in the second quarter). This brought the quarterly result of Holdings and Other to € 16 mln negative.

The incorporation of Food & Dairy Systems in Stork Food Systems has brought an end to the **Capital Assets** group, which was formed in 2000 and which at the time comprised companies that were scheduled for divestment by Stork.

**Press information:**

Stork N.V.

Dick Kors

Tel.: +31(0)35 - 695 75 75

**Key figures for Stork***(in € x million, unless otherwise stated)*

|   | 2nd quarter<br>2006 | 2nd quarter<br>2005 | 30-06<br>2006  | 30-06<br>2005 |
|---|---------------------|---------------------|----------------|---------------|
| Net turnover                                      | <b>533.0</b>        | 453.0               | <b>1,011.8</b> | 867.2         |
| Result before depreciation (EBITDA)               | <b>103.1</b>        | 58.1                | <b>140.9</b>   | 97.8          |
| Result after depreciation (EBIT)                  | <b>89.4</b>         | 45.8                | <b>113.6</b>   | 74.5          |
| Result after depreciation (EBIT) excl. specials * | <b>36.0</b>         | n.a                 | <b>65.2</b>    | n.a           |
| Result before taxes (EBT)                         | <b>88.7</b>         | 45.8                | <b>113.5</b>   | 74.7          |
| Net result  | <b>81.5</b>         | 32.5                | <b>99.8</b>    | 53.8          |
| <br>  |                     |                     |                |               |
| Total assets                                      | <b>1,372.6</b>      | 1,303.9             | <b>1,372.6</b> | 1,303.9       |
| Capital employed                                  | <b>494.2</b>        | 418.9               | <b>494.2</b>   | 418.9         |
| Equity attributable to equity holders             | <b>483.2</b>        | 529.0               | <b>483.2</b>   | 529.0         |
| Long-term debts                                   | <b>29.4</b>         | 26.8                | <b>29.4</b>    | 26.8          |
| Cash  | <b>21.7</b>         | 142.3               | <b>21.7</b>    | 142.3         |
| <br>  |                     |                     |                |               |
| Orders received                                   | <b>520.4</b>        | 498.4               | <b>1,027.9</b> | 940.1         |
| <br>  |                     |                     |                |               |
| Number of employees                               | <b>12,156</b>       | 12,596              | <b>12,156</b>  | 12,596        |

**Key figures in € (including specials)****Per share of € 1,-**

|   |               |        |               |        |
|---|---------------|--------|---------------|--------|
| Net result  | <b>2.55</b>   | 1.02   | <b>3.12</b>   | 1.68   |
| Diluted net result                                    | <b>2.51</b>   | 1.00   | <b>3.07</b>   | 1.65   |
| Cash flow   | <b>2.91</b>   | 1.35   | <b>3.82</b>   | 2.34   |
| Shareholders' funds                                   | <b>15.11</b>  | 16.47  | <b>15.11</b>  | 16.47  |
| <br>  |               |        |               |        |
| Number of shares paid up (x 1,000)                    | <b>31,985</b> | 32,126 | <b>31,985</b> | 32,126 |
| Average number of ordinary shares (x 1,000)           | <b>31,951</b> | 31,967 | <b>31,951</b> | 31,967 |
| Average number of ordinary shares (diluted) (x 1,000) | <b>32,517</b> | 32,539 | <b>32,517</b> | 32,539 |
| Number of shares issued (x 1,000)                     | <b>33,020</b> | 33,020 | <b>33,020</b> | 33,020 |

**Ratio's in %**

|                              |              |        |              |        |
|------------------------------|--------------|--------|--------------|--------|
| Net result / net turnover    | <b>15.3</b>  | 7.2    | <b>9.9</b>   | 6.2    |
| Net result / average equity  | <b>64.2</b>  | 27.5   | <b>39.3</b>  | 22.7   |
| Interest coverage ratio      | <b>351.6</b> | 116.7  | <b>158.4</b> | 45.1   |
| Gearing                      | <b>1.7</b>   | (21.2) | <b>1.7</b>   | (21.2) |
| Equity / balance sheet total | <b>35.2</b>  | 40.6   | <b>35.2</b>  | 40.6   |

\* Specials relates to expenses of the investigation Public-to-Private and the divestment of WorkSphere

**Consolidated profit and loss account 2nd quarter 2006***(in € x million)*

|   | 2nd quart.<br>2006<br>Cont.<br>operations | 2nd quart.<br>2006<br>Discont.<br>operations | 2nd quart.<br>2006 | 2nd quart.<br>2005<br>Cont.<br>operations | 2nd quart.<br>2005<br>Discont.<br>operations | 2nd quart.<br>2005 |
|---|---|--|--------------------|---|--|--------------------|
| Net turnover  | 489.1                                     | 43.9   | 533.0              | 410.1                                     | 42.9   | 453.0              |
| Cost of sales   | (346.1)                                   | (36.8)                                       | (382.9)            | (276.4)                                   | (33.1)                                       | (309.5)            |
| <b>Gross operating income</b>   | <b>143.0</b>                              | <b>7.1</b>                                   | <b>150.1</b>       | <b>133.7</b>                              | <b>9.8</b>                                   | <b>143.5</b>       |
| Sales costs   | (34.3)                                    | (1.2)  | (35.5)             | (27.7)                                    | (1.1)  | (28.8)             |
| General administrative expenses                                       | (77.0)                                    | (5.3)  | (82.3) *           | (55.5)                                    | (6.0)  | (61.5)             |
| Research & development expenses                                       | (6.8)                                     | -  | (6.8)              | (6.2)                                     | -  | (6.2)              |
| Other operating income  | (0.1)                                     | -  | (0.1)              | (0.2)                                     | -  | (0.2)              |
|   | (118.2)                                   | (6.5)  | (124.7)            | (89.6)                                    | (7.1)  | (96.7)             |
| <b>Operating result</b>   | <b>24.8</b>                               | <b>0.6</b>                                   | <b>25.4</b>        | <b>44.1</b>                               | <b>2.7</b>                                   | <b>46.8</b>        |
| Financial income  | (0.4)                                     | 0.2  | (0.2)              | 0.4                                       | 0.1  | 0.5                |
| Financial expenses  | (2.8)                                     | (0.1)  | (2.9)              | (1.7)                                     | -  | (1.7)              |
| Share of profit of associates   | 1.2                                       | -  | 1.2                | 0.4                                       | (0.1)  | 0.3                |
| <b>Result before taxes</b>  | <b>22.8</b>                               | <b>0.7</b>                                   | <b>23.5</b>        | <b>43.2</b>                               | <b>2.7</b>                                   | <b>45.9</b>        |
| Income tax expense  | (7.0)                                     | (0.2)  | (7.2)              | (12.4)                                    | (0.9)  | (13.3)             |
| <b>Result before profit from discontinued operations (net of tax)</b> | <b>15.8</b>                               | <b>0.5</b>                                   | <b>16.3</b>        | <b>30.8</b>                               | <b>1.8</b>                                   | <b>32.6</b>        |
| Profit from discontinued operations                                   | -   | 65.3   | 65.3               | -   | -  | -                  |
| <b>Result after tax</b>   | <b>15.8</b>                               | <b>65.8</b>                                  | <b>81.6</b>        | <b>30.8</b>                               | <b>1.8</b>                                   | <b>32.6</b>        |
| <b>Atributable to</b>   |   |  |                    |   |  |                    |
| Shareholders (net result)   | 15.7                                      | 65.8   | 81.5               | 30.7                                      | 1.8  | 32.5               |
| Minority interest   | 0.1                                       | -  | 0.1                | 0.1                                       | -  | 0.1                |
|   |   |  |                    | <b>2nd quarter<br/>2006</b>               | <b>2nd quarter<br/>2005</b>                  |                    |
| - Weighted average number of issued shares (x 1.000)                  |   |  |                    | <b>31,951</b>                             | 31,967                                       |                    |
| - Weighted average number of issued shares after dilution (x 1.000)   |   |  |                    | <b>32,517</b>                             | 32,539                                       |                    |
| - Basic earnings per share  |   |  |                    | <b>2.55</b>                               | 1.02   |                    |
| - Diluted earnings per share  |   |  |                    | <b>2.51</b>                               | 1.00   |                    |

\* Includes expenses investigation Public-to-Private

**Consolidated profit and loss account 2006***(in € x million)*

|   | 30-06<br>2006<br>Cont.<br>operations | 30-06<br>2006<br>Discont.<br>operations | 30-06<br>2006<br>30-06<br>2006 | 30-06<br>2005<br>Cont.<br>operations | 30-06<br>2005<br>Discont.<br>operations | 30-06<br>2005  |
|---|--------------------------------------|---|--------------------------------|--------------------------------------|---|----------------|
| Net turnover  | 924.5                                | 87.3                                    | 1,011.8                        | 785.6                                | 81.6                                    | 867.2          |
| Cost of sales   | (650.8)                              | (71.8)                                  | (722.6)                        | (538.9)                              | (64.0)                                  | (602.9)        |
| <b>Gross operating income</b>   | <b>273.7</b>                         | <b>15.5</b>                             | <b>289.2</b>                   | <b>246.7</b>                         | <b>17.6</b>                             | <b>264.3</b>   |
| Sales costs   | (65.6)                               | (2.6)                                   | (68.2)                         | (53.0)                               | (2.4)                                   | (55.4)         |
| General administrative expenses   | (149.4)                              | (11.2)                                  | (160.6) *                      | (120.1)                              | (12.0)                                  | (132.1)        |
| Research & development expenses   | (12.2)                               | -                                       | (12.2)                         | (11.5)                               | -                                       | (11.5)         |
| Other operating income  | 1.2                                  | -                                       | 1.2                            | 9.8                                  | -                                       | 9.8            |
|   | <b>(226.0)</b>                       | <b>(13.8)</b>                           | <b>(239.8)</b>                 | <b>(174.8)</b>                       | <b>(14.4)</b>                           | <b>(189.2)</b> |
| <b>Operating result</b>   | <b>47.7</b>                          | <b>1.7</b>                              | <b>49.4</b>                    | <b>71.9</b>                          | <b>3.2</b>                              | <b>75.1</b>    |
| Financial income  | 0.9                                  | 0.3                                     | 1.2                            | 2.3                                  | 0.3                                     | 2.6            |
| Financial expenses  | (3.7)                                | (0.1)                                   | (3.8)                          | (3.2)                                | (0.2)                                   | (3.4)          |
| Share of profit of associates   | 1.4                                  | 0.1                                     | 1.5                            | 0.6                                  | (0.1)                                   | 0.5            |
| <b>Result before taxes</b>  | <b>46.3</b>                          | <b>2.0</b>                              | <b>48.3</b>                    | <b>71.6</b>                          | <b>3.2</b>                              | <b>74.8</b>    |
| Income tax expense  | (13.1)                               | (0.6)                                   | (13.7)                         | (19.9)                               | (1.0)                                   | (20.9)         |
| <b>Result before profit from<br/>discontinued operations (net of tax)</b> | <b>33.2</b>                          | <b>1.4</b>                              | <b>34.6</b>                    | <b>51.7</b>                          | <b>2.2</b>                              | <b>53.9</b>    |
| Profit from discontinued operations                                       | -                                    | 65.3                                    | 65.3                           | -                                    | -                                       | -              |
| <b>Result after tax</b>   | <b>33.2</b>                          | <b>66.7</b>                             | <b>99.9</b>                    | <b>51.7</b>                          | <b>2.2</b>                              | <b>53.9</b>    |
| <b>Atributable to</b>   |                                      |   |                                |                                      |   |                |
| Shareholders (net result)   | 33.1                                 | 66.7                                    | 99.8                           | 51.6                                 | 2.2                                     | 53.8           |
| Minority interest   | 0.1                                  | -                                       | 0.1                            | 0.1                                  | -                                       | 0.1            |
|   |                                      |   |                                | <b>30-06<br/>2006</b>                |   | 30-06<br>2005  |
| - Weighted average number of issued shares (x 1.000)                      |                                      |   |                                | <b>31,951</b>                        |   | 31,967         |
| - Weighted average number of issued shares after dilution (x 1.000)       |                                      |   |                                | <b>32,517</b>                        |   | 32,539         |
| - Basic earnings per share  |                                      |   |                                | <b>3.12</b>                          |   | 1.68           |
| - Diluted earnings per share  |                                      |   |                                | <b>3.07</b>                          |   | 1.65           |

\* Includes expenses investigation Public-to-Private

**Consolidated statement of the recognised income and expenses***(in € x million)*

|   | 30-06<br>2006       | 30-06<br>2005      |
|---|---------------------|--------------------|
| Equity at the end of the preceding period                           | 546.6               | 451.8              |
| Application of IAS 32/39  | <u>-</u>            | <u>73.8</u>        |
| <b>Corrected equity as at 1 January</b>                             | <b>546.6</b>        | <b>525.6</b>       |
| Foreign exchange translation difference                             | (5.0)               | 5.3                |
| Effective part of changes in fair value<br>of financial instruments | <u>11.8</u>         | <u>(29.2)</u>      |
| <b>Net result recognised directly in equity</b>                     | <b>6.8</b>          | <b>(23.9)</b>      |
| Result for the period   | <u>99.8</u>         | <u>53.8</u>        |
| <b>Total recognised income and expenses for the period</b>          | <b>106.6</b>        | <b>29.9</b>        |
| Purchase of shares in Stork N.V.                                    | (6.6)               | (1.0)              |
| Dividends   | (35.1)              | (28.7)             |
| Share and option plan   | 3.7                 | 5.4                |
| Capital Reduction   | (127.8)             | -                  |
| Other movements   | (1.7)               | -                  |
| Movements in minority interest                                      | <u>-</u>            | <u>0.3</u>         |
| <b>Equity at the end of period</b>                                  | <b>485.7</b>        | <b>531.5</b>       |
| <b>Net result recognised directly to equity</b>                     | <b>6.8</b>          | <b>(23.9)</b>      |
| Result for the period   | 99.9                | 53.9               |
| <b>Total result for the period</b>                                  | <u><b>106.7</b></u> | <u><b>30.0</b></u> |
| <b>Total result attributable to:</b>                                |                     |                    |
| Shareholders  | 106.6               | 29.9               |
| Minority interest   | <u>0.1</u>          | <u>0.1</u>         |
|   | 106.7               | 30.0               |

**Consolidated balance sheet***(in € x million)*

|                                       | <b>30-06</b>          | 31-12                 |
|---------------------------------------|-----------------------|-----------------------|
|                                       | <b>2006</b>           | 2005                  |
| <b>Non current assets</b>             |                       |                       |
| Property, plant and equipment         | 285.7                 | 280.9                 |
| Goodwill                              | 71.6                  | 7.3                   |
| Other intangible fixed assets         | 86.4                  | 75.7                  |
| Investment in associates              | 15.5                  | 17.1                  |
| Long-term receivables from associates | 0.5                   | 0.2                   |
| Deferred tax assets                   | 8.0                   | 7.3                   |
|                                       | <b>467.7</b>          | 388.5                 |
| <b>Current assets</b>                 |                       |                       |
| Financial instruments                 | 49.8                  | 15.3                  |
| Inventories                           | 228.1                 | 213.0                 |
| Due from customers                    | 122.9                 | 159.5                 |
| Trade and other receivables           | 379.9                 | 355.0                 |
| Cash and cash equivalents             | 124.2                 | 212.4                 |
|                                       | <b>904.9</b>          | 955.2                 |
| <b>Assets</b>                         | <b><u>1,372.6</u></b> | <b><u>1,343.7</u></b> |
| <b>Equity</b>                         |                       |                       |
| Issued share capital                  | 33.0                  | 165.1                 |
| Share premium reserve                 | 56.5                  | 56.5                  |
| Statutory reserves                    | 85.6                  | 74.9                  |
| Other reserves                        | 208.3                 | 154.3                 |
| Result book year                      | 99.8                  | 93.3                  |
| Equity attributable to equity holders | 483.2                 | 544.1                 |
| Minority interest                     | 2.5                   | 2.5                   |
|                                       | <b>485.7</b>          | 546.6                 |
| <b>Non current liabilities</b>        |                       |                       |
| Long-term debts                       | 29.4                  | 28.9                  |
| Employee benefits                     | 16.3                  | 16.5                  |
| Provisions                            | 35.8                  | 45.5                  |
| Deferred tax liability                | 34.6                  | 26.2                  |
|                                       | <b>116.1</b>          | 117.1                 |
| <b>Current liabilities</b>            |                       |                       |
| Due to customers                      | 188.4                 | 214.1                 |
| Trade and other payables              | 407.6                 | 395.7                 |
| Current tax payable                   | 24.8                  | 27.9                  |
| Bank overdrafts                       | 102.5                 | 1.4                   |
| Current liability for long-term debt  | 0.7                   | 0.5                   |
| Provisions                            | 46.8                  | 40.4                  |
|                                       | <b>770.8</b>          | 680.0                 |
| <b>Liabilities</b>                    | <b><u>1,372.6</u></b> | <b><u>1,343.7</u></b> |

**Consolidated cash flow statement***(in € x million)*

|  | <u>30-06<br/>2006</u> | <u>30-06<br/>2005</u> |
|--|-----------------------|-----------------------|
| Operational Result   | 49.4                  | 75.1                  |
| Adjustments for:   |                       |                       |
| Depreciation of property, plant and equipment                          | 22.4                  | 21.3                  |
| Amortisation of intangible fixed assets                                | 4.8                   | 0.5                   |
| Result from divestments of property, plant and equipment               | (2.6)                 | (11.0)                |
| Changes in provisions  | (8.2)                 | (13.3)                |
| Cash flow from ordinary operations before movements in working capital | <u>65.8</u>           | 72.6                  |
| Mutation in inventories  | (3.9)                 | (13.9)                |
| Mutation in receivables  | (22.3)                | (68.3)                |
| Mutation in debts  | (25.7)                | 49.8                  |
|  | <u>(51.9)</u>         | <u>(32.4)</u>         |
| <b>Cash flow from operational activities</b>                           | <b>13.9</b>           | <b>40.2</b>           |
| Income tax paid  | (14.0)                | (1.2)                 |
| Interest paid  | (0.7)                 | (5.0)                 |
| Finance expenses   | (0.6)                 | (0.7)                 |
| Financial instruments  | (2.6)                 | -                     |
|  | <u>(17.9)</u>         | <u>(6.9)</u>          |
| <b>Cash flow from ordinary operations</b>                              | <b>(4.0)</b>          | <b>33.3</b>           |
| Interest received  | 1.3                   | 2.6                   |
| Dividend received  | 1.5                   | 0.7                   |
| Divestments of property, plant and equipment                           | 4.3                   | 20.7                  |
| Divestments of subsidiaries, net of cash divested                      | 70.9                  | -                     |
| Investments in property, plant and equipment                           | (24.1)                | (21.4)                |
| Investments in other intangible fixed assets                           | (9.1)                 | (2.0)                 |
| Development costs  | (6.4)                 | (1.0)                 |
| Acquisition of subsidiaries, net of cash acquired                      | (63.4)                | -                     |
| <b>Cash flow from investment activities</b>                            | <b>(25.0)</b>         | <b>(0.4)</b>          |
| Dividends paid   | (35.1)                | (28.7)                |
| Capital reduction  | (127.8)               | -                     |
| Repayments from long-term debts  | (0.6)                 | (102.6)               |
| Receipts from long-term debts  | 1.3                   | 0.3                   |
| Exercise of option rights  | 10.1                  | 4.7                   |
| Purchase of own shares   | (7.0)                 | (1.0)                 |
| <b>Cash flow from financing activities</b>                             | <b>(159.1)</b>        | <b>(127.3)</b>        |
| <b>Net cash flow</b>   | <b>(188.1)</b>        | <b>(94.4)</b>         |
| Exchange rate and translation differences on cash                      | <u>(1.2)</u>          | <u>(2.6)</u>          |
| <b>Movement in liquidity</b>   | <b>(189.3)</b>        | <b>(97.0)</b>         |
| Cash position / bank overdrafts at 1 January                           | 211.0                 | 239.3                 |
| Cash position / bank overdrafts at 30 June                             | 21.7                  | 142.3                 |

**Key figures of the groups***(in € x million)*

|                                      | <b>2nd quarter<br/>2006</b> | 2nd quarter<br>2005 | <b>30-06<br/>2006</b> | 30-06<br>2005 |
|--------------------------------------|-----------------------------|---------------------|-----------------------|---------------|
| <b>Prints</b>                        |                             |                     |                       |               |
| Net turnover                         | 48.5                        | 50.4                | 94.9                  | 99.5          |
| EBIT                                 | 4.6                         | 4.1                 | 7.2                   | 8.3           |
| Capital employed                     | 46.6                        | 53.4                | 46.6                  | 53.4          |
| Orders received                      | 47.0                        | 47.1                | 95.6                  | 100.6         |
| Order book position                  | 17.1                        | 22.1                | 17.1                  | 22.1          |
| Number of employees at end of period | 1,317                       | 1,451               | 1,317                 | 1,451         |
| EBIT as % of capital employed        | 39.5                        | 30.7                | 30.9                  | 31.1          |
| EBIT as % of net turnover            | 9.5                         | 8.1                 | 7.6                   | 8.3           |
| <b>Food Systems</b>                  |                             |                     |                       |               |
| Net turnover                         | 89.3                        | 57.3                | 157.0                 | 110.9         |
| EBIT                                 | 6.8                         | 6.4                 | 13.9                  | 11.3          |
| Capital employed                     | 104.6                       | 42.7                | 104.6                 | 42.7          |
| Orders received                      | 80.9                        | 69.7                | 135.0                 | 128.7         |
| Order book position                  | 69.1                        | 70.8                | 69.1                  | 70.8          |
| Number of employees at end of period | 1,627                       | 1,194               | 1,627                 | 1,194         |
| EBIT as % of capital employed        | 26.0                        | 60.0                | 26.6                  | 52.9          |
| EBIT as % of net turnover            | 7.6                         | 11.2                | 8.9                   | 10.2          |
| <b>Aerospace</b>                     |                             |                     |                       |               |
| Net turnover                         | 127.9                       | 134.5               | 267.1                 | 265.6         |
| EBIT                                 | 10.0                        | 22.5                | 22.0                  | 36.0          |
| Capital employed                     | 263.2                       | 220.6               | 263.2                 | 220.6         |
| Orders received                      | 155.5                       | 145.0               | 292.5                 | 284.1         |
| Order book position                  | 704.1                       | 656.5               | 704.1                 | 656.5         |
| Number of employees at end of period | 3,404                       | 3,279               | 3,404                 | 3,279         |
| EBIT as % of capital employed        | 15.2                        | 40.8                | 16.7                  | 32.6          |
| EBIT as % of net turnover            | 7.8                         | 16.7                | 8.2                   | 13.6          |
| <b>Technical Services</b>            |                             |                     |                       |               |
| Net turnover                         | 228.3                       | 170.8               | 414.8                 | 315.9         |
| EBIT                                 | 17.7                        | 11.2                | 26.2                  | 18.4          |
| Capital employed                     | 132.7                       | 116.3               | 132.7                 | 116.3         |
| Orders received                      | 202.6                       | 195.1               | 422.5                 | 340.7         |
| Order book position                  | 212.5                       | 141.0               | 212.5                 | 141.0         |
| Number of employees at end of period | 5,688                       | 5,164               | 5,688                 | 5,164         |
| EBIT as % of capital employed        | 53.4                        | 38.5                | 39.5                  | 31.6          |
| EBIT as % of net turnover            | 7.8                         | 6.6                 | 6.3                   | 5.8           |

**Key figures of the groups (contd.)***(in € x million)*

|                                      | <b>2nd quarter<br/>2006</b> | 2nd quarter<br>2005 | <b>30-06<br/>2006</b> | 30-06<br>2005 |
|--------------------------------------|-----------------------------|---------------------|-----------------------|---------------|
| <b>Holdings and Others</b>           |                             |                     |                       |               |
| Net turnover                         | -                           | 0.6                 | -                     | 1.0           |
| EBIT                                 | <b>(15.6)</b>               | (1.0)               | <b>(22.8)</b>         | (2.6)         |
| EBIT excl. specials                  | <b>(3.7)</b>                | n.a.                | <b>(5.9)</b>          | n.a.          |
| Capital employed                     | <b>(52.9)</b>               | (23.4)              | <b>(52.9)</b>         | (23.4)        |
| Orders received                      | -                           | 0.9                 | -                     | 1.1           |
| Order book position                  | -                           | 0.6                 | -                     | 0.6           |
| Number of employees at end of period | <b>120</b>                  | 125                 | <b>120</b>            | 125           |
| EBIT as % of capital employed        | <b>118.0</b>                | 17.1                | <b>86.2</b>           | 22.2          |
| EBIT as % of net turnover            | -                           | (166.7)             | -                     | (260.0)       |
| <b>Discontinued activities</b>       |                             |                     |                       |               |
| Net turnover                         | <b>43.9</b>                 | 42.9                | <b>87.3</b>           | 81.6          |
| EBIT                                 | <b>65.9</b>                 | 2.6                 | <b>67.1</b>           | 3.1           |
| EBIT excl. specials                  | <b>0.6</b>                  | n.a.                | <b>1.8</b>            | n.a.          |
| Capital employed                     | -                           | 9.3                 | -                     | 9.3           |
| Orders received                      | <b>38.9</b>                 | 45.1                | <b>91.4</b>           | 93.6          |
| Order book position                  | -                           | 75.2                | -                     | 75.2          |
| Number of employees at end of period | -                           | 1,383               | -                     | 1,383         |
| EBIT as % of capital employed        | -                           | 111.8               | -                     | 66.7          |
| EBIT as % of net turnover            | <b>150.1</b>                | 6.1                 | <b>76.9</b>           | 3.8           |
| <b>Eliminations</b>                  |                             |                     |                       |               |
| Net turnover                         | <b>(4.9)</b>                | (3.5)               | <b>(9.3)</b>          | (7.3)         |
| Orders received                      | <b>(4.5)</b>                | (4.5)               | <b>(9.1)</b>          | (8.7)         |
| <b>Total for all groups</b>          |                             |                     |                       |               |
| Net turnover                         | <b>533.0</b>                | 453.0               | <b>1,011.8</b>        | 867.2         |
| EBIT                                 | <b>89.4</b>                 | 45.8                | <b>113.6</b>          | 74.5          |
| EBIT excl. specials                  | <b>36.0</b>                 | n.a.                | <b>65.2</b>           | n.a.          |
| Capital employed                     | <b>494.2</b>                | 418.9               | <b>494.2</b>          | 418.9         |
| Orders received                      | <b>520.4</b>                | 498.4               | <b>1,027.9</b>        | 940.1         |
| Order book position                  | <b>1,002.8</b>              | 966.2               | <b>1,002.8</b>        | 966.2         |
| Number of employees at end of period | <b>12,156</b>               | 12,596              | <b>12,156</b>         | 12,596        |
| EBIT as % of capital employed        | <b>72.4</b>                 | 43.7                | <b>46.0</b>           | 35.6          |
| EBIT as % of net turnover            | <b>16.8</b>                 | 10.1                | <b>11.2</b>           | 8.6           |

**NOTES**

This interim financial report was compiled in accordance with IAS 34.

**Principles of valuation and profit calculation**

With effect from 2005, Stork reports according to International Financial Reporting Standards (IFRS). Please see the 2005 Annual Accounts for the principles of valuation and profit calculation.

**Estimates**

In preparing these 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 estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2005.

**Discontinued operations**

In June 2006, Stork has divested its Strategic Unit WorkSphere. This unit was not a discontinued operation or classified as held for sale as at 31 December 2005. The comparative income statement has been restated to show the discontinued operations separately from continuing operations. The transaction price was € 80.5 million and included a book profit of € 65.3 million.

Furthermore Stork has sold her majority share of Stork Bronswerk Inc. (Toronto, Canada) The transaction price was approximately € 0.6 million, which will be paid in terms. A small book profit was realised.

**Acquisitions of subsidiaries**

The acquisition of Townsend Engineering by Stork Food Systems was finalised on 31 March 2006. Stork is paying an acquisition price of US\$ 75 million, possibly plus an earn-out scheme dependent on the financial results in the coming three years. The payment of the earn-out scheme is estimated at US\$ 21 million, as a result of which the total acquisition price will work out at US\$ 96 million. The estimation of the earn-out scheme has been entered as a liability and will be reassessed on an annual basis.

In addition to the Townsend acquisition, the takeovers of Koster, Stork Real and Climax Research Services were finalised in the first quarter. In the second quarter two acquisitions are finalised, which will be described below. A total of approximately € 7.8 million will be paid for these activities, including € 12.8 million in goodwill. In this provisionally goodwill, acquisition costs and an earn out scheme are included.

On 5 April 2006 Stork Industry Services acquired 85% of the shares in iicorr. licorr is an international provider of management services in the field of the integrity of installations and has an annual turnover of approximately £ 10 million and a workforce of approximately 110 employees. Stork has an option on the remaining 15% of the shares. The acquisition price of these shares depends on an earn-out scheme that is dependent on the financial results.

As per 1 June 2006 Stork Industry Services finalised the takeover of the Technical Services department of Akzo Nobel Base Chemicals on the Botlek industrial site. 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 long-term customer relationships and further development and strengthening of core competences. The planned acquisition is an excellent fit for this strategic direction. The Technical Services department employs approximately 80 people.

Already one takeover has been realised in the third quarter. On 13 July 2006 Stork Aerospace acquired the shares in AIRINC. AIRINC provides component repair and overhaul services to aircraft operators worldwide. Sales in 2006 are expected to be approximately US\$ 10 million. Further explanation on the net fair value of the acquired assets, liabilities and contingent liabilities are not yet available at this time and will be provided later in 2006.

*Effect of acquisitions*

The effect of the acquisitions on Stork NV's assets and liabilities has been broken down into Townsend Engineering and the other companies acquired.

**Balance of assets and liabilities of Townsend on the acquisition date (based on provisionally valuation)**

| (€ x million)                           | <b>Recognised values</b> |
|---|--------------------------|
| Property, plant and equipment           | 10.0                     |
| Intangible assets                       | 3.2                      |
| Inventories                             | 11.2                     |
| Trade and other receivables             | 13.4                     |
| Provisions                              | (0.2)                    |
| Trade creditors and liabilities         | <u>(7.0)</u>             |
| Net identifiable assets and liabilities | 30.6                     |
| Goodwill                                | <u>50.7</u>              |
| Cost (incl. legal fees)                 | 81.3                     |
| Paid in cash                            | 62.3                     |

The goodwill includes € 1.0 million for consulting costs relating to the acquisition. Fair value adjustments of the acquired assets, liabilities and contingent liabilities of Townsend have not yet been fully processed in the figures for end of June 2006. The mutation in goodwill compared to the figure reported in the first quarter is caused by revaluation of the US\$ part of the goodwill, partial processing of fair value adjustments and acquisition costs in the second quarter. The full fair value adjustments and accompanying adjustment of the goodwill will be processed this year. Accordingly, these published figures are still a provisional calculation and may be subject to changes.

**Balance of assets and liabilities of the other acquisitions on the acquisition date**

| (€ x million)                                 | <b>Recognised values</b> | <b>Fair value adjustments</b> | <b>Carrying amounts</b> |
|---|--------------------------|-------------------------------|-------------------------|
| Property, plant and equipment                 | 1.0                      | (0.4)                         | 1.4                     |
| Other non-current assets                      | 1.0                      | -                             | 1.0                     |
| Inventories                                   | 0.1                      | -                             | 0.1                     |
| Trade and other receivables                   | 10.9                     | (0.1)                         | 11.0                    |
| Cash and cash equivalents and bank overdrafts | (1.1)                    | -                             | (1.1)                   |
| Deferred tax liabilities                      | (0.1)                    | -                             | (0.1)                   |
| Provisions                                    | (8.5)                    | (1.9)                         | (6.6)                   |
| Trade creditors and liabilities               | <u>(7.0)</u>             | -                             | <u>(7.0)</u>            |
| Net identifiable assets and liabilities       | (3.7)                    | (2.4)                         | (1.3)                   |
| Transfer of investment in associates          | (1.0)                    |                               |                         |
| Goodwill                                      | <u>12.8</u>              |                               |                         |
| Cost (incl. legal fees)                       | 8.1                      |                               |                         |
| Paid in cash                                  | 7.8                      |                               |                         |

The acquisition has given rise to goodwill as a result of the takeover of existing customer relations, turnover and earnings potential, market share and knowledge of new technology resulting there from. The goodwill includes € 0.2 million for consulting costs relating to the acquisitions.

The effects of the acquisitions have been calculated provisionally, because the balance sheet after acquisition for some entities has not yet been definitively established. The definitive calculation will be finalised in the course of this year.

**Income tax expense**

Because the capital gain realized on the sale of the subsidiary WorkSphere is exempt for tax, the average tax rate computed as a percentage of the total earnings is relatively low. Further the company is now profiting from utilizing tax losses that are attached to the recently acquired Dutch Townsend company.

**Other notes**

In the first quarter of 2006 a miscellaneous item of operating income was realised with an amount of € 1.3 million. This benefit is due to the sale of land in Hengelo, with a book value of nil.

**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. Furthermore Stork also applies Cashflow hedge accounting to a small extend of commodities for raw materials. Applying Cashflow hedge accounting impacted shareholders' funds by € 11.8 million as per June 30th 2006. It was particularly the decrease of the dollar vis-à-vis the Euro from 1.18 to 1.26 that caused the value of the financial derivatives to increase by € 34.5 million. The Cashflow hedge reserve is also changed as a consequence of a provision for aircraft programmes which would only incur a loss following Fair Value calculations. This € 7.4 million provision increased to € 17.8 million as a consequence of the decrease of the dollar. The Cashflow hedge reserve furthermore decreased by € 4.8 million following a tax deferral on the balance.

**Dividend and capital reduction**

The cash dividend paid out in March 2006 was € 26.4 million. The accompanying dividend tax of € 8.7 million was paid in the second quarter.

In May 2006, the nominal value of ordinary shares in Stork N.V. was reduced from € 5.- to € 1.- per share. Therefore a repayment of € 4.- per ordinary share in Stork N.V. was made to the shareholders. This resulted in a capital reduction of € 127.8 million.

**Share option schemes**

Costs of employee share option schemes: an expense of € 1.2 million was recorded for employee share and option schemes in the first half year of 2006.

**Paid-up shares**

There were 31,881,781 paid-up shares on 31 December 2005. A number of 145,030 shares were repurchased in 2006 to cover the options and shares granted under the option and share scheme.

During the first half year, option rights exercised resulted in 228,530 shares being transferred to option holders. A further 19,490 shares were transferred under the 2006 option and share scheme. The total number of paid-up shares at the end of June 2006 thus amounted to 31,984,771.

**Events after balance sheet date**

Besides the acquisition of the shares in AIRINC on 13 July, no appreciable events occurred after balance sheet date.

**Review report***Introduction*

We have reviewed interim financial information on pages 9 until 17 relating to the accompanying consolidated condensed balance sheet of Stork N.V. ("the Company") as of 30 June 2006, 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 2006 to 30 June 2006 as included in the interim financial information.

This interim financial information is the responsibility of the Company's management. Our responsibility is to issue a report on this interim financial information based on our review.

*Scope*

We conducted our review in accordance with standards for review engagements generally accepted in the Netherlands. These standards require that we plan and perform the review to obtain moderate assurance about whether the interim figures are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and therefore provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

*Opinion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the EU.

Amstelveen, 26 July 2006

KPMG ACCOUNTANTS N.V.

T. van der Heijden RA