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## Press release

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### ***Stork: growth in turnover and orders received in third quarter, result lags behind***

- **EBIT Q3 2007: € 20 mln (Q3 2006: € 27 mln)**
- **Net result Q3: € 17 mln, eps: € 0.56  
(Q3 2006: € 25 mln, eps: € 0.78)**
- **Turnover up 14%: € 520 mln (Q3 2006: € 458 mln)**
- **Orders received up 12%: € 522 mln  
(Q3 2006: € 464 mln)**
- **Order book up 9%: € 1,155 mln  
(Q3 2006: € 1,061 mln)**

CEO Sjoerd Vollebregt:

*“Turnover and orders received have shown good growth in the third quarter. However the result is trailing behind. This is mainly caused by the lower results of Aerospace. On balance, Food Systems has shown an improvement with respect to the corresponding quarter in 2006, despite the negative contribution of Food & Dairy. Technical Services achieved very good results. The total order book is developing well and therefore it is expected that the operational result for the fourth quarter of 2007 will be higher than that in the third quarter of 2007.*

*The uncertainty that has been surrounding Stork for almost two years now is increasingly leaving its marks. Everything possible is being done to steer the company into calmer waters, which will enable us continue to build the company's future in the interest of all our stakeholders.”*

## Key figures

<i>(in € x mln)</i>	Q3 2007	Q3 2006	Δ	Δ*	30-09 2007	30-09 2006	Δ	Δ*
<b>Net turnover</b>	<b>520</b>	458	14%	6%	<b>1,572</b>	1,470	7%	5%
<b>EBIT**</b>	<b>17</b>	27	(36)%	(64)%	<b>44</b>	92	(52)%	(67)%
<b>EBIT</b>	<b>20</b>	27	(25)%	(54)%	<b>47</b>	140	(67)%	(76)%
<b>Net result</b>	<b>17</b>	25	(31)%	(60)%	<b>36</b>	125	(71)%	(78)%
<b>EPS (in €)</b>	<b>0.56</b>	0.78	(28)%		<b>1.18</b>	3.94	(70)%	
<b>Orders received</b>	<b>522</b>	464	12%	4%	<b>1,632</b>	1,492	9%	6%
<b>Order book</b>	<b>1,155</b>	1,061	9%	6%	<b>1,155</b>	1,061	9%	6%

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

\*\* Specials: costs for consultants, proceeds of divestments

## Operational developments

As expected, the result of **Aerospace Industries** considerably trailed behind, as a result of delays in important programmes (A380, NH90). The wiring activities again performed well. The results at **Aerospace Services** were very moderate as a result of problems in the initial phases of projects in Aircraft Conversions and Completions. At **Food Systems**, the poultry processing and convenience food activities again performed well. Townsend lagged behind somewhat. The Food & Dairy activities performed negatively.

The outstanding result of **Technical Services** was boosted, mainly by **Industry Specialists**, which was able to demonstrate particularly good results, in part due to ongoing good market conditions. The results of **Industry Services** were somewhat negatively influenced by the seasonal pattern and the shortage of technical personnel. Compared to the same quarter 2006, **Prints** trailed behind, among others as a result of the write-down of nickel stocks in relation to falling nickel prices.

The costs of **Holding** were higher as a result of various M&A projects, but particularly because of the ongoing advisory work relating to the announced offer of London Acquisition B.V./Candover, the withdrawal thereof and the ensuing and still ongoing discussions on an alternative transaction structure.

## Financial position

In the third quarter the liquidity position improved slightly from € 119 mln negative to € 115 mln negative. The 'net debt' position (liquidities + long term loans) improved in the third quarter from € 151 mln negative to € 147 mln negative.

Operational Cash Flow in the third quarter was € 29 mln positive, against the € 12 mln negative in the same quarter in 2006.

**Status of talks London Acquisition B.V. (Candover), LME and Stork**

The negotiations between London Acquisition B.V. (Candover), LME Eignarhaldsfelag ehf and Stork are still ongoing. The objective is to enable an alternative transaction, which takes into account the interests of all stakeholders. As announced previously, no certainty can be given that these discussions will result in an alternative transaction. Further announcements will be made if and when appropriate.

**Outlook**

The current order book provides a solid basis. It is therefore expected that, according to current insights, the operational result for the fourth quarter 2007 will be above that of the third quarter 2007.

## Overview by group

### Aerospace

<i>(in € x mln)</i>	<b>Q3 2007</b>	Q3 2006	Δ	<b>30-09 2007</b>	30-09 2006	Δ
<b>Net turnover</b>	<b>129.0</b>	128.7	0%	<b>405.2</b>	395.8	2%
<b>EBIT</b>	<b>1.9</b>	8.3	(229)%	<b>(25.1)</b>	30.3	(183)%

Within **Aerospace** the result of **Aerospace Industries** was slightly negative and **Aerospace Services** performed significantly below expectations.

In the third quarter, **Aerospace Industries** realised a slightly negative result. The main cause is the continuing delay in the delivery of shipsets for the NH90-helicopter. In addition, the delay in the A380-programme is unchanged; it may be possible that production gets under way again at the end of the year.

The activities of Fokker Elmo (wiring) are developing well. Early November the formal launch will take place for setting up a new production facility in Izmir, Turkey, for potential work for customers such as Lockheed Martin, Boeing and EADS. The by now third expansion of production capacity in China will be completed early 2008.

Early October a major order was received for the design and construction of structure parts for a leading aircraft manufacturer. Depending on the sales success of the airplane, revenues could total approximately US \$ 600 million. The order requires non-recurring investments of approximately US \$ 56 million. First revenues are expected in 5 years after the start of the design of the required parts. An annual turnover for Stork of US \$ 60 million is expected.

At **Aerospace Services** the Components & Material Services unit performed reasonably well. The Technical Services and Aircraft Services departments trailed behind strongly, mainly because of problems encountered in the run-up phase of projects of Aircraft Conversions and Completions.

### Food Systems

<i>(in € x mln)</i>	<b>Q3 2007</b>	Q3 2006	Δ	<b>30-09 2007</b>	30-09 2006	Δ
<b>Net turnover</b>	<b>84.2</b>	75.2	12%	<b>272.3</b>	232.2	17%
<b>EBIT</b>	<b>4.6</b>	3.5	31%	<b>16.0</b>	17.4	(8)%

At **Food Systems** the poultry processing and convenience food activities again performed well. The order book for poultry processing activities is developing well. Townsend lagged behind somewhat, but prospects are positive. The Food & Dairy activities performed negatively; measures for improvement have been ongoing here for some time, but more far-reaching measures are required in order to structurally improve the situation. These measures are currently being worked out.

**Technical Services**

<i>(in € x mln)</i>	<b>Q3 2007</b>	Q3 2006	Δ	<b>30-09 2007</b>	30-09 2006	Δ
<b>Net turnover</b>	<b>261.4</b>	213.8	22%	<b>755.8</b>	626.0	21%
<b>EBIT</b>	<b>16.7</b>	13.5	24%	<b>54.3</b>	39.8	36%

The result of **Technical Services** was boosted in particular by **Industry Specialists**, which was able to demonstrate outstanding results, in part because of ongoing good economic conditions. The results of **Industry Services** were somewhat negatively influenced by the seasonal pattern and the shortage of technical personnel.

Late September, **Industry Services**, won a five-year contract as part of a consortium with a value of € 10 mln per year for integral maintenance for the Euromax container terminal at Rotterdam Maasvlakte. According to plan, the first seagoing vessels will be handled in mid-2008. The integration of Masa (Colombia) is in full swing.

The result of **Industry Specialists** was again particularly good. The trend of the past six quarters has been continued. Our customers in the Oil & Gas, Chemicals, Energy Production and Aerospace markets are maintaining their level of investment. The Sales & Rental activities performed very well in the third quarter. Sales & Rental (2rent) opened its first location in France (Dunkerque). Stork Turbo-Service GmbH won an order of € 8 mln for the complete overhaul of the gas turbines at ENBW Stuttgart Münster. Amongst others, in the third quarter the 50% shareholding in Materials Technology Testing Holding (MTT) was expanded to 100%. MTT has 60 employees and an annual turnover of € 9 mln with locations in Germany, Scotland and the Netherlands.

**Prints**

<i>(in € x mln)</i>	<b>Q3 2007</b>	Q3 2006	Δ	<b>30-9 2007</b>	30-9 2006	Δ
<b>Net turnover</b>	<b>47.3</b>	41.6	14%	<b>146.8</b>	133.7	10%
<b>EBIT</b>	<b>2.8</b>	5.2	(46)%	<b>17,8</b>	12.9	38%

The results of **Prints** trailed behind the corresponding quarter in 2006, partly as a result of the revaluation of the nickel stock in connection with decreasing nickel prices. The sale of a 60%-interest in Prints to Bencis is nearing its finalisation.

**Holding**

The costs of **Holding** were higher as a result of various M&A projects, but particularly because of the ongoing advisory work relating to the announced offer of London Acquisition B.V./Candover, the withdrawal thereof and the ensuing and still ongoing discussions on an alternative transaction structure.

**Press information:**

Stork N.V.

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

	<b>3rd quarter 2007</b>	3rd quarter 2006	<b>30-09 2007</b>	30-09 2006
Net turnover	<b>519.7</b>	458.0	<b>1,571.8</b>	1,469.8
Result before depreciation (EBITDA)	<b>36.7</b>	42.7	<b>105.1</b>	183.6
Result after depreciation (EBIT)	<b>20.0</b>	26.7	<b>46.7</b>	140.3
Result after depreciation (EBIT) excl. specials *	<b>17.2</b>	27.0	<b>43.9</b>	92.2
Result before taxes (EBT)	<b>17.5</b>	26.4	<b>40.2</b>	139.9
Net result	<b>17.0</b>	24.7	<b>36.0</b>	124.5
Total assets	<b>1,516.3</b>	1,313.3	<b>1,516.3</b>	1,313.3
Capital employed	<b>619.4</b>	548.8	<b>619.4</b>	548.8
Equity attributable to equity holders	<b>468.9</b>	454.7	<b>468.9</b>	454.7
Long-term debts	<b>30.8</b>	31.2	<b>30.8</b>	31.2
Cash	<b>(115.5)</b>	(59.6)	<b>(115.5)</b>	(59.6)
Orders received	<b>521.7</b>	464.4	<b>1,631.6</b>	1,492.3
Number of employees	<b>13,697</b>	12,343	<b>13,697</b>	12,343
<b>Key figures in € (including specials)</b>				
<b>Per share of € 1</b>				
Net result	<b>0.56</b>	0.78	<b>1.18</b>	3.92
Diluted net result	<b>0.55</b>	0.76	<b>1.17</b>	3.85
Cash flow	<b>0.99</b>	1.24	<b>2.42</b>	5.16
Equity attributable to equity holders	<b>15.42</b>	14.81	<b>15.42</b>	14.81
Number of shares paid up (x 1,000)	<b>30,404</b>	30,704	<b>30,404</b>	30,704
Average number of ordinary shares (x 1,000)	<b>30,372</b>	31,767	<b>30,372</b>	31,767
Average number of ordinary shares (diluted) (x 1,000)	<b>30,785</b>	32,320	<b>30,785</b>	32,320
Number of shares issued (x 1,000)	<b>31,251</b>	33,020	<b>31,251</b>	33,020
<b>Ratios in %</b>				
Net result / net turnover	<b>3.3</b>	5.4	<b>2.3</b>	8.5
Net result / average equity	<b>14.7</b>	20.0	<b>10.4</b>	33.6
Interest coverage ratio	<b>6.4</b>	18.5	<b>5.2</b>	63.4
Gearing	<b>31.2</b>	20.0	<b>31.2</b>	20.0
Equity / balance sheet total	<b>30.9</b>	34.6	<b>30.9</b>	34.6

\* Specials relates to advisory expenses and divestments of subsidiaries

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

	<b>3rd quarter 2007</b>	3rd quarter 2006	<b>30-09 2007</b>	30-09 2006
<b>Aerospace</b>				
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
<b>Food Systems</b>				
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
<b>Technical Services</b>				
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
<b>Discontinued operations</b>				
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

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

	<b>3rd quarter 2007</b>	3rd quarter 2006	<b>30-09 2007</b>	30-09 2006
<b>Holdings and Others</b>				
EBIT	<b>(8.8)</b>	(3.6)	<b>(19.1)</b>	(26.4)
EBIT excl. specials	<b>n.a.</b>	(3.6)	<b>n.a.</b>	(9.5)
Capital employed	<b>84.4</b>	(18.0)	<b>84.4</b>	(18.0)
Number of employees at end of period	<b>111</b>	119	<b>111</b>	119
<b>Eliminations</b>				
Net turnover	<b>(2.2)</b>	(3.3)	<b>(8.3)</b>	(12.4)
Orders received	<b>(2.2)</b>	(3.2)	<b>(8.2)</b>	(12.2)
<b>Total for all groups</b>				
Net turnover	<b>519.7</b>	458.0	<b>1,571.8</b>	1,469.8
EBIT	<b>20.0</b>	26.7	<b>46.7</b>	140.3
EBIT excl. specials	<b>17.2</b>	27.0	<b>43.9</b>	92.2
Capital employed	<b>619.4</b>	548.8	<b>619.4</b>	548.8
Orders received	<b>521.7</b>	464.4	<b>1,631.6</b>	1,492.3
Order book position	<b>1,155.2</b>	1,061.2	<b>1,155.2</b>	1,061.2
Number of employees at end of period	<b>13,697</b>	12,343	<b>13,697</b>	12,343
EBIT as % of capital employed	<b>12.9</b>	19.5	<b>10.1</b>	34.1
EBIT as % of net turnover	<b>3.8</b>	5.8	<b>3.0</b>	9.5

**Condensed consolidated income statement third quarter 2007***(in € x 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)
<b>Gross operating income</b>	<b>114.4</b>	<b>15.1</b>	<b>129.5</b>	<b>116.6</b>	<b>19.1</b>	<b>135.7</b>
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)
<b>Operational result</b>	<b>14.9</b>	<b>3.1</b>	<b>18.0</b>	<b>22.9</b>	<b>5.6</b>	<b>28.5</b>
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
<b>Result before taxes</b>	<b>11.7</b>	<b>3.0</b>	<b>14.7</b>	<b>21.3</b>	<b>5.5</b>	<b>26.8</b>
Income tax expense	(0.2)	(0.3)	(0.5)	(0.3)	(1.4)	(1.7)
<b>Result after tax</b>	<b>11.5</b>	<b>2.7</b>	<b>14.2</b>	<b>21.0</b>	<b>4.1</b>	<b>25.1</b>
Book profit from discontinued operations after tax	-	2.8	2.8	-	(0.3)	(0.3)
<b>Result from ordinary operations after tax</b>	<b>11.5</b>	<b>5.5</b>	<b>17.0</b>	<b>21.0</b>	<b>3.8</b>	<b>24.8</b>
<b>Attributable to:</b>						
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
				<b>3rd quarter 2007</b>	<b>3rd quarter 2006</b>	
- Weighted average number of issued shares (x 1,000)				<b>30,404</b>	31,767	
- Weighted average number of issued shares after dilution (x 1,000)				<b>30,372</b>	32,320	
- Basic earnings per share				<b>0.56</b>	0.78	
- Diluted earnings per share				<b>0.55</b>	0.76	

**Condensed consolidated income statement 30 September 2007***(in € x million)*

	30-09 2007	30-09 2007	30-09 2007	30-09 2006	30-09 2006	30-09 2006
	Cont. operations	Discont. operations	30-09 2007	Cont. operations	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)
<b>Gross operating income</b>	<b>335.6</b>	<b>54.4</b>	<b>390.0</b>	<b>353.9</b>	<b>71.0</b>	<b>424.9</b>
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)
<b>Operational result</b>	<b>25.7</b>	<b>18.4</b>	<b>44.1</b>	<b>63.0</b>	<b>14.9</b>	<b>77.9</b>
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
<b>Result before taxes</b>	<b>18.9</b>	<b>18.8</b>	<b>37.7</b>	<b>60.6</b>	<b>14.5</b>	<b>75.1</b>
Income tax expense	(0.1)	(4.1)	(4.2)	(11.5)	(3.9)	(15.4)
<b>Result after tax</b>	<b>18.8</b>	<b>14.7</b>	<b>33.5</b>	<b>49.1</b>	<b>10.6</b>	<b>59.7</b>
Book profit from discontinued operations after tax	-	2.8	2.8	-	65.0	65.0
<b>Result from ordinary operations after tax</b>	<b>18.8</b>	<b>17.5</b>	<b>36.3</b>	<b>49.1</b>	<b>75.6</b>	<b>124.7</b>
<b>Attributable to:</b>						
Equity holders of the company (net result)	18.8	17.2	<b>36.0</b>	49.1	75.4	124.5
Minority interest	-	0.3	<b>0.3</b>	-	0.2	0.2
				<b>30-09 2007</b>		30-09 2006
- Weighted average number of issued shares (x 1,000)				<b>30,404</b>		31,767
- Weighted average number of issued shares after dilution (x 1,000)				<b>30,372</b>		32,320
- Basic earnings per share				<b>1.18</b>		3.92
- Diluted earnings per share				<b>1.17</b>		3.85

**Condensed consolidated statement of the recognised income and expense***(in € x million)*

	<b>30-09 2007</b>	30-09 2006
Equity at the end of the preceding period	468.6	546.6
<b>Equity as at 1 January</b>	<b>468.6</b>	546.6
Foreign exchange translation difference	(0.7)	(5.2)
Effective part of changes in fair value of financial instruments	2.0	9.1
<b>Net result recognised directly in equity</b>	<b>1.3</b>	3.9
Result for the period	36.0	124.5
<b>Total recognised income and expense for the period</b>	<b>37.3</b>	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 minority interest	0.4	0.1
<b>Equity at the end of period</b>	<b>471.7</b>	457.3
<b>Net result recognised directly in equity</b>	<b>1.3</b>	3.9
Result for the period	36.3	124.7
<b>Total result for the period</b>	<b>37.6</b>	128.6
<b>Total result attributable to:</b>		
Equity holders of the company	37.3	128.4
Minority interest	0.3	0.2
	<b>37.6</b>	128.6

**Condensed consolidated balance sheet***(in € x million)*

	30-09 2007	31-12 2006
<b>Non-current assets</b>		
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
	<u>529.3</u>	444.4
<b>Current assets</b>		
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
	<u>987.0</u>	942.3
<b>Assets</b>	<u>1,516.3</u>	<u>1,386.7</u>
<b>Equity</b>		
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	<u>468.9</u>	466.2
Minority interest	2.8	2.4
	<u>471.7</u>	468.6
<b>Non-current liabilities</b>		
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
	<u>127.3</u>	114.2
<b>Current liabilities</b>		
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
	<u>917.3</u>	803.9
<b>Liabilities</b>	<u>1,516.3</u>	<u>1,386.7</u>

**Condensed consolidated cash flow statement***(in € x million)*

	<b>30-09 2007</b>	30-09 2006
Operational Result	<b>44.1</b>	77.9
Adjustments for:		
Depreciation of property, plant and equipment	<b>37.6</b>	33.9
Amortisation of intangible fixed assets	<b>20.5</b>	9.3
Result from divestments of property, plant and equipment	-	(1.9)
Changes in provisions	<b>(9.6)</b>	(15.4)
Cash flow from ordinary operations before movements in operating capital	<b>92.6</b>	103.8
Movements in inventories	<b>(9.1)</b>	(17.6)
Movements in receivables	<b>(19.4)</b>	(28.1)
Movements in debts	<b>30.9</b>	(36.2)
	<b>2.4</b>	(81.9)
<b>Cash flow from operational activities</b>	<b>95.0</b>	21.9
Income tax paid / received	<b>(1.0)</b>	(26.0)
Interest paid	<b>(9.7)</b>	(2.3)
Finance costs	<b>(0.4)</b>	(1.0)
Financial instruments	<b>(4.4)</b>	(8.9)
	<b>(15.5)</b>	(38.2)
<b>Cash flow from ordinary operations</b>	<b>79.5</b>	(16.3)
Interest received	<b>3.6</b>	2.9
Dividend received	<b>3.0</b>	2.1
Proceeds from sale of property, plant and equipment	<b>1.8</b>	6.6
Proceeds from sale of subsidiaries	<b>3.1</b>	70.9
Investments in property, plant and equipment	<b>(43.8)</b>	(33.4)
Investments in other intangible fixed assets	<b>(17.2)</b>	(20.8)
Acquisition of subsidiaries	<b>(87.4)</b>	(73.3)
<b>Cash flow from investment activities</b>	<b>(136.9)</b>	(45.0)
Dividends paid	<b>(33.6)</b>	(35.1)
Reduction of capital	-	(127.8)
Share buy back	-	(50.8)
Repayments of long-term debts	<b>(1.2)</b>	(0.8)
Receipts from long-term debts	<b>1.5</b>	3.2
Exercise of option rights	<b>1.9</b>	10.2
Purchase of own shares	<b>(4.3)</b>	(7.0)
<b>Cash flow from financing activities</b>	<b>(35.7)</b>	(208.1)
<b>Net cash flow</b>	<b>(93.1)</b>	(269.4)
Exchange rate and translation differences on cash	<b>(1.2)</b>	(1.2)
<b>Movements in liquidity</b>	<b>(94.3)</b>	(270.6)
Cash position / bank overdrafts at 1 January	<b>(21.2)</b>	211.0
Cash position / bank overdrafts at 30 September	<b>(115.5)</b>	(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)**

(€ x 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