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## Press release

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### ***Stork financial year 2007: Technical Services excellent, tough year for Aerospace.***

- **Net result 2007: € 67 million, eps: € 2.21 (2006: € 150 million, eps: € 4.76)**
- **EBIT: € 74 million (2006: € 150 million)**
- **Turnover up 8% to € 2.163 billion (2006: € 2.009 billion)**
- **Order portfolio up by 10% to € 1.176 billion (2006: 1.062 billion)**

CEO Sjoerd Vollebregt:

*“Seen over the full financial year, broadly speaking our activities have performed reasonably well. Turnover was up and the order book was good. Results fluctuated by division. Technical Services performed excellently, while times were tough for Aerospace and for specific units of Food Systems. The sale of Prints was concluded in November.*

*Due to the now successful bid for Stork lead by Candover and the related sale of Food Systems to Marel, after two highly turbulent years, we have finally moved into calmer waters.*

*Aerospace and Technical Services will now form a business with a turnover of one and half billion euro and almost 13,000 employees. We are now once again in a position to focus fully on strengthening and expanding our activities.”*

## Key figures

<i>(in € x million)</i>	Q4 2007	Q4 2006	Δ	2007	2006	Δ
Net turnover	591	539	10%	2,163	2,009	8%
EBIT*	12	10	20%	56	102	(45)%
EBIT	27	9	170%	74	150	(51)%
Net result	30	25	24%	67	150	(55)%
EPS (in €)	1.03	0.80	29%	2.21	4.76	(54)%
Orders received	610	590	3%	2,241	2,083	8%
Order book	1,176	1,062	11%	1,176	1,062	11%

\* For specials: consultants' costs 2006, book profit divestments

## Operational developments

Results for **Aerospace Industries** over the whole year were negative, as expected, partly due to the provision taken in June 2007 for the NH90 programme. Results at **Aerospace Services** remained behind expectations due to the losses in Aircraft Conversion & Completion projects.

**Food Systems** performed well throughout the year, but failed to match last year's results due to a reorganisation provision in the fourth quarter for Food & Dairy Systems. **Technical Services** continued the excellent results from the first three quarters into the fourth quarter thanks to **Industry Services** and in particular **Industry Specialists**.

## Financial position

In the fourth quarter, the liquidity position improved from € 115 million negative to € 42 million negative, partly thanks to income from the sale of Stork Prints. Operational cash flow in the fourth quarter of 2007 totalled € 67 million (Q4 2006: € 72 million). Investments in the fourth quarter were € 8 million higher than depreciation. The net debt position (liquidity minus long-term loans) increased in the fourth quarter from € 147 million negative to € 83 million negative.

## Acquisitions and divestments

Further acquisitions were concluded in the fourth quarter. Industry Specialists strengthened the Materials Technology activities through the acquisition of Sheffield testing (UK) and Mannings (UK). Industry Services concluded the acquisitions of Masa (Columbia), Exmont (Slovakia) and Istimewa (NL). A 60% interest in Prints was sold to Bencis Capital Partners.

## Prospects

Without an economic recession, further growth in activities, both autonomous and through acquisitions is expected in 2008, with corresponding result improvements.

## Overview by group 2007

### Aerospace

<i>(in € x million)</i>	Q4 2007	Q4 2006	Δ	2007	2006	Δ
Net turnover	147.8	152.7	(3)%	553.0	548.5	1%
EBIT	1.0	(19.5)	-%	(24.1)	10.8	-%

Over the entire year, the result within **Aerospace Industries** remained very negative due to delays with the Airbus A380 and the problems surrounding the NH90 military transport helicopter for which in June a provision of € 35 million had to be taken. In October, a major order was received for the design and construction of structural parts for a leading aircraft manufacturer. Stork expects annual turnover of US \$ 60 million for this programme.

**Aerospace Services** completed a disappointing year, mainly due to losses within the Aircraft Conversion & Completion division. The Component Maintenance Services division performed as expected.

### Technical Services

<i>(in € x million)</i>	Q4 2007	Q4 2006	Δ	2007	2006	Δ
Net turnover	333.5	242.4	36%	1,089.3	868.4	25%
EBIT	27.2	18.7	45%	81.5	58.5	39%

In the fourth quarter, **Technical Services** continued the excellent results from the first three quarters.

The market for **Industry Services** was once again positive. As a result both turnover and the order book were well up.

In the second half of the financial year, the acquisitions of Mécanicos Asociados SA (MASA, Columbia), Exmont Engineering (Slovakia) and Istimewa Elektro (NL) were concluded.

In the fourth quarter, **Industry Specialists** achieved excellent results partly due to favourable market conditions and acquisitions (including Turbo Services GmbH). As a consequence, 2007 was a very good year.

The Materials Technology activities were strengthened through the acquisition of Sheffield testing (UK) and Mannings Southport Limited (UK).

**Food Systems**

<i>(in € x million)</i>	<b>Q4 2007</b>	Q4 2006	Δ	<b>2007</b>	2006	Δ
Net turnover	<b>96.5</b>	94.1	3%	<b>368.8</b>	326.3	13%
EBIT	<b>(0.1)</b>	7.7	-%	<b>15.9</b>	25.1	37%

**Food Systems** performed well throughout the year, partly due to poultry processing activities, but fell behind on last year due to a reorganisation provision in the fourth quarter for Food & Dairy Systems and operational losses in that same unit.

The results of the **Holding** were positively influenced by the book profit on the sale of a 60% interest in Prints, but negatively influenced by costs for consultants and increased M&A activities.

**Press information:**

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

	<b>4th quarter 2007</b>	4th quarter 2006	<b>31-12 2007</b>	31-12 2006
Net turnover	<b>591.1</b>	539.3	<b>2,162.9</b>	2,009.1
Result before depreciation (EBITDA)	<b>43.8</b>	26.6	<b>148.9</b>	210.2
Result after depreciation (EBIT)	<b>26.9</b>	9.5	<b>73.6</b>	149.8
Result after depreciation (EBIT) excl. specials *	<b>11.6</b>	9.9	<b>55.5</b>	102.1
Result before taxes (EBT)	<b>23.9</b>	7.7	<b>64.1</b>	147.7
Net result	<b>31.2</b>	25.2	<b>67.2</b>	149.7
Total assets	<b>1,552.9</b>	1,386.7	<b>1,552.9</b>	1,386.7
Capital employed	<b>577.3</b>	521.7	<b>577.3</b>	521.7
Equity attributable to equity holders	<b>494.3</b>	466.2	<b>494.3</b>	466.2
Long-term debts	<b>37.7</b>	30.0	<b>37.7</b>	30.0
Cash	<b>(42.4)</b>	(21.2)	<b>(42.4)</b>	(21.2)
Orders received	<b>609.7</b>	590.3	<b>2,241.3</b>	2,082.6
Number of employees	<b>14,856</b>	12,714	<b>14,856</b>	12,714
<b>Key figures in € (including specials)</b>				
<b>Per share of € 1</b>				
Net result	<b>1.03</b>	0.80	<b>2.21</b>	4.76
Diluted net result	<b>1.02</b>	0.79	<b>2.18</b>	4.68
Cash flow	<b>1.47</b>	1.21	<b>3.89</b>	6.44
Equity attributable to equity holders	<b>16.26</b>	15.42	<b>16.26</b>	15.42
Number of shares paid up (x 1,000)	<b>30,404</b>	30,237	<b>30,404</b>	30,237
Average number of ordinary shares (x 1,000)	<b>30,379</b>	31,414	<b>30,379</b>	31,414
Average number of ordinary shares (diluted) (x 1,000)	<b>30,792</b>	31,948	<b>30,792</b>	31,948
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>5.3</b>	4.7	<b>3.1</b>	7.4
Net result / average equity	<b>26.0</b>	20.0	<b>14.0</b>	29.6
Interest coverage ratio	<b>8.9</b>	5.3	<b>6.1</b>	37.5
Gearing	<b>16.8</b>	11.2	<b>16.8</b>	11.2
Equity / balance sheet total	<b>31.8</b>	33.6	<b>31.8</b>	33.6

\* Specials relates to divestments of subsidiaries and in 2006 also to advisory expenses

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

	4th quarter 2007	4th quarter 2006	31-12 2007	31-12 2006
<b>Aerospace</b>				
Net turnover	147.8	152.7	553.0	548.5
EBIT	1.0	(19.5)	(24.1)	10.8
Capital employed	204.8	236.2	204.8	236.2
Orders received	190.3	234.9	621.8	684.0
Order book position	852.9	820.7	852.9	820.7
Number of employees at end of period	3,636	3,532	3,636	3,532
EBIT as % of capital employed	2.0	(33.0)	(11.8)	4.6
EBIT as % of net turnover	0.7	(12.8)	(4.4)	2.0
<b>Technical Services</b>				
Net turnover	333.5	242.4	1,089.3	868.4
EBIT	27.2	18.7	81.5	58.5
Capital employed	177.4	117.4	177.4	117.4
Orders received	308.6	216.7	1,095.0	824.6
Order book position	251.8	159.2	251.8	159.2
Number of employees at end of period	9,321	6,080	9,321	6,080
EBIT as % of capital employed	61.3	63.7	45.9	49.8
EBIT as % of net turnover	8.2	7.7	7.5	6.7
<b>Food Systems</b>				
Net turnover	96.5	94.1	368.8	326.3
EBIT	(0.1)	7.7	15.9	25.1
Capital employed	112.4	113.2	112.4	113.2
Orders received	94.1	89.6	370.6	309.0
Order book position	71.4	67.6	71.4	67.6
Number of employees at end of period	1,789	1,667	1,789	1,667
EBIT as % of capital employed	(0.4)	27.2	14.1	22.2
EBIT as % of net turnover	(0.1)	8.2	4.3	7.7
<b>Discontinued operations</b>				
Net turnover	16.7	54.3	163.1	282.2
EBIT	10.7	6.7	29.5	85.9
EBIT excl. specials	(4.6)	5.7	11.4	19.9
Capital employed	-	52.5	-	52.5
Orders received	19.4	55.2	164.4	282.6
Order book position	-	14.4	-	14.4
Number of employees at end of period	-	1,322	-	1,322
EBIT as % of capital employed	-	51.0	-	163.6
EBIT as % of net turnover	64.1	12.3	18.1	30.4

**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>(11.9)</b>	(4.1)	<b>(29.2)</b>	(30.5)
EBIT excl. specials	<b>n.a.</b>	(2.7)	<b>n.a.</b>	(12.2)
Capital employed	<b>82.7</b>	2.4	<b>82.7</b>	2.4
Number of employees at end of period	<b>110</b>	113	<b>110</b>	113
<b>Eliminations</b>				
Net turnover	<b>(3.4)</b>	(4.2)	<b>(11.3)</b>	(16.3)
Orders received	<b>(2.7)</b>	(6.1)	<b>(10.5)</b>	(17.6)
<b>Total for all groups</b>				
Net turnover	<b>591.1</b>	539.3	<b>2,162.9</b>	2,009.1
EBIT	<b>26.9</b>	9.5	<b>73.6</b>	149.8
EBIT excl. specials	<b>11.6</b>	9.9	<b>55.5</b>	102.1
Capital employed	<b>577.3</b>	521.7	<b>577.3</b>	521.7
Orders received	<b>609.7</b>	590.3	<b>2,241.3</b>	2,082.6
Order book position	<b>1,176.1</b>	1,061.9	<b>1,176.1</b>	1,061.9
Number of employees at end of period	<b>14,856</b>	12,714	<b>14,856</b>	12,714
EBIT as % of capital employed	<b>18.6</b>	7.3	<b>12.7</b>	28.7
EBIT as % of net turnover	<b>4.6</b>	1.8	<b>3.4</b>	7.5

**Condensed consolidated income statement 4th quarter 2007***(in € x million)*

	4th quart. 2007 Cont. operations	4th quart. 2007 Discont. operations	4th quart. 2007	4th quart. 2006 Cont. operations	4th quart. 2006 Discont. operations	4th quart. 2006
Net turnover	574.4	16.7	591.1	485.1	54.2	539.3
Cost of sales	(443.0)	(10.0)	(453.0)	(378.8)	(37.4)	(416.2)
<b>Gross operating income</b>	<b>131.4</b>	<b>6.7</b>	<b>138.1</b>	<b>106.3</b>	<b>16.8</b>	<b>123.1</b>
Sales costs	(32.5)	(3.1)	(35.6)	(32.0)	(5.2)	(37.2)
General administrative expenses	(82.0)	(2.7)	(84.7)	(67.4)	(3.9)	(71.3)
Research & development expenses	(5.6)	(0.1)	(5.7)	(5.0)	(1.1)	(6.1)
Other operating income (expenses)	(0.3)	(0.1)	(0.4)	(0.2)	(0.7)	(0.9)
	(120.4)	(6.0)	(126.4)	(104.6)	(10.9)	(115.5)
<b>Operational result</b>	<b>11.0</b>	<b>0.7</b>	<b>11.7</b>	<b>1.7</b>	<b>5.9</b>	<b>7.6</b>
Financial income	0.2	-	0.2	0.0	0.2	0.2
Financial expenses	(3.9)	(0.2)	(4.1)	(1.9)	(0.2)	(2.1)
Share of profit of associates	0.9	-	0.9	1.1	-	1.1
<b>Result before taxes</b>	<b>8.2</b>	<b>0.5</b>	<b>8.7</b>	<b>0.9</b>	<b>5.9</b>	<b>6.8</b>
Income tax expense	7.3	-	7.3	18.6	(1.2)	17.4
<b>Result after tax</b>	<b>15.5</b>	<b>0.5</b>	<b>16.0</b>	<b>19.5</b>	<b>4.7</b>	<b>24.2</b>
Book profit from discontinued operations after tax	-	15.3	15.3	-	1.0	1.0
<b>Result from ordinary operations after tax</b>	<b>15.5</b>	<b>15.8</b>	<b>31.3</b>	<b>19.5</b>	<b>5.7</b>	<b>25.2</b>
<b>Attributable to:</b>						
Equity holders of the company (net result)	15.5	15.7	31.2	19.5	5.7	25.2
Minority interest	-	0.1	0.1	-	-	-
				<b>4th quarter 2007</b>	<b>4th quarter 2006</b>	
- Weighted average number of issued shares (x 1,000)				<b>30,379</b>	31,414	
- Weighted average number of issued shares after dilution (x 1,000)				<b>30,792</b>	31,948	
- Basic earnings per share				<b>1.03</b>	0.80	
- Diluted earnings per share				<b>1.02</b>	0.79	

**Condensed consolidated income statement 31 December 2007***(in € x million)*

	31-12 2007 Cont. operations	31-12 2007 Discont. operations	31-12 2007 31-12 2007	31-12 2006 Cont. operations	31-12 2006 Discont. operations	31-12 2006
Net turnover	1,999.4	163.5	2,162.9	1,726.7	282.4	2,009.1
Cost of sales	(1,532.4)	(102.4)	(1,634.8)	(1,266.5)	(194.6)	(1,461.1)
<b>Gross operating income</b>	<b>467.0</b>	<b>61.1</b>	<b>528.1</b>	<b>460.2</b>	<b>87.8</b>	<b>548.0</b>
Sales costs	(121.6)	(19.7)	(141.3)	(110.1)	(27.9)	(138.0)
General administrative expenses	(283.7)	(20.0)	(303.7)	(267.3)	(33.5)	(300.8)
Research & development expenses	(22.2)	(4.2)	(26.4)	(19.0)	(5.0)	(24.0)
Other operating income (expenses)	(1.1)	0.2	(0.9)	0.9	(0.6)	0.3
	(428.6)	(43.7)	(472.3)	(395.5)	(67.0)	(462.5)
<b>Operational result</b>	<b>38.4</b>	<b>17.4</b>	<b>55.8</b>	<b>64.7</b>	<b>20.8</b>	<b>85.5</b>
Financial income	2.7	1.0	3.7	1.8	1.3	3.1
Financial expenses	(16.2)	(0.8)	(17.0)	(8.4)	(1.2)	(9.6)
Share of profit of associates	3.9	-	3.9	2.8	0.1	2.9
<b>Result before taxes</b>	<b>28.8</b>	<b>17.6</b>	<b>46.4</b>	<b>60.9</b>	<b>21.0</b>	<b>81.9</b>
Income tax expense	7.2	(4.1)	3.1	6.3	(4.3)	2.0
<b>Result after tax</b>	<b>36.0</b>	<b>13.5</b>	<b>49.5</b>	<b>67.2</b>	<b>16.7</b>	<b>83.9</b>
Book profit from discontinued operations after tax	-	18.1	18.1	-	66.0	66.0
<b>Result from ordinary operations after tax</b>	<b>36.0</b>	<b>31.6</b>	<b>67.6</b>	<b>67.2</b>	<b>82.7</b>	<b>149.9</b>
<b>Attributable to:</b>						
Equity holders of the company (net result)	36.0	31.2	<b>67.2</b>	67.2	82.5	149.7
Minority interest	-	0.4	<b>0.4</b>	-	0.2	0.2
				<b>31-12 2007</b>		31-12 2006
- Weighted average number of issued shares (x 1,000)				<b>30,379</b>		31,414
- Weighted average number of issued shares after dilution (x 1,000)				<b>30,792</b>		31,948
- Basic earnings per share				<b>2.21</b>		4.76
- Diluted earnings per share				<b>2.18</b>		4.68

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

	<b>31-12 2007</b>	31-12 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	(5.7)	(6.5)
Effective part of changes in fair value of financial instruments	<u>(0.4)</u>	<u>15.4</u>
<b>Net result recognised directly in equity</b>	<b>(6.1)</b>	8.9
Result for the period	<u>67.2</u>	<u>149.7</u>
<b>Total recognised income and expense for the period</b>	<b>61.1</b>	158.6
Purchase of own shares	(4.3)	(6.7)
Dividends	(33.6)	(35.2)
Share and option plan	4.6	4.9
Capital reduction	-	(127.8)
Share buy back	-	(70.0)
Other movements	0.3	(1.7)
Movements in minority interest	<u>(2.4)</u>	<u>(0.1)</u>
<b>Equity at the end of period</b>	<b>494.3</b>	468.6
<b>Net result recognised directly in equity</b>	<b>(6.1)</b>	8.9
Result for the period	67.6	149.9
<b>Total result for the period</b>	<u><b>61.5</b></u>	<u>158.8</u>
<b>Total result attributable to:</b>		
Equity holders of the company	61.1	158.6
Minority interest	<u>0.4</u>	<u>0.2</u>
	<b>61.5</b>	158.8

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

	31-12 2007	31-12 2006	
<b>Non-current assets</b>			
Property, plant and equipment	295.8	259.3	
Goodwill	130.3	52.2	
Other intangible fixed assets	126.2	115.6	
Investment in associates	34.3	15.9	
Long-term receivables from associates	0.1	0.1	
Deferred tax assets	14.1	1.3	
	<u>600.8</u>	<u>444.4</u>	
<b>Current assets</b>			
Financial instruments	75.0	59.8	
Inventories	225.8	208.9	
Due from customers	139.6	110.6	
Trade and other receivables	437.6	356.0	
Current tax assets	-	1.6	
Cash and cash equivalents	74.1	93.2	
Assets classified as held for sale	-	112.2	
	<u>952.1</u>	<u>942.3</u>	
<b>Assets</b>	<u><u>1,552.9</u></u>	<u><u>1,386.7</u></u>	
<b>Equity</b>			
Share capital	31.3	33.0	
Share premium	53.4	56.5	
Statutory reserves	132.3	135.3	
Other reserves	210.1	91.7	
Result book year	67.2	149.7	
Total equity attributable to equity holders of the company	494.3	466.2	
Minority interest	-	2.4	
	<u>494.3</u>	<u>468.6</u>	
<b>Non-current liabilities</b>			
Long-term debts	37.7	30.0	
Employee benefits	19.4	13.4	
Provisions	43.7	37.8	
Deferred tax liabilities	38.3	33.0	
	<u>139.1</u>	<u>114.2</u>	
<b>Current liabilities</b>			
Due to customers	292.0	202.3	
Trade and other payables	462.3	384.6	
Preference shares	-	7.6	
Current tax payable	7.2	-	
Bank overdraft	116.5	114.4	
Current liabilities for long-term debt	2.8	1.1	
Provisions	38.7	34.9	
Liabilities classified as held for sale	-	59.0	
	<u>919.5</u>	<u>803.9</u>	
<b>Liabilities</b>	<u><u>1,552.9</u></u>	<u><u>1,386.7</u></u>	

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

	<u>31-12</u> <u>2007</u>	<u>31-12</u> <u>2006</u>
Operational Result	55.8	85.5
Adjustments for:		
Depreciation of property, plant and equipment	51.0	45.1
Amortisation of intangible fixed assets	23.8	14.9
Result from divestments of property, plant and equipment	0.1	(2.7)
Changes in provisions	0.9	(10.0)
Cash flow from ordinary operations before movements in operating capital	131.6	132.8
Movements in inventories	(6.1)	(22.2)
Movements in receivables	(80.7)	(36.7)
Movements in debts	117.5	25.4
	<u>30.7</u>	<u>(33.5)</u>
<b>Cash flow from operational activities</b>	<b>162.3</b>	<b>99.3</b>
Income tax paid / received	1.7	(16.8)
Interest paid	(12.7)	(4.1)
Finance costs	(0.5)	(1.2)
Financial instruments	1.7	(17.6)
	<u>(9.8)</u>	<u>(39.7)</u>
<b>Cash flow from ordinary operations</b>	<b>152.5</b>	<b>59.6</b>
Interest received	3.7	3.1
Dividend received	3.1	2.7
Proceeds from sale of property, plant and equipment	3.4	8.9
Proceeds from sale of subsidiaries	48.1	76.0
Investments in property, plant and equipment	(66.1)	(49.6)
Investments in other intangible fixed assets	(27.5)	(26.2)
Acquisition of subsidiaries	(107.3)	(70.2)
<b>Cash flow from investment activities</b>	<b>(142.6)</b>	<b>(55.3)</b>
Dividends paid	(33.6)	(35.1)
Reduction of capital	-	(127.8)
Share buy back	-	(70.0)
Repayments of long-term debts	(2.8)	(1.0)
Receipts from long-term debts	9.7	3.5
Exercise of option rights	1.9	2.3
Purchase of own shares	(4.3)	(6.6)
<b>Cash flow from financing activities</b>	<b>(29.1)</b>	<b>(234.7)</b>
<b>Net cash flow</b>	<b>(19.2)</b>	<b>(230.4)</b>
Exchange rate and translation differences on cash	(2.0)	(1.8)
<b>Movements in liquidity</b>	<b>(21.2)</b>	<b>(232.2)</b>
Cash position / bank overdrafts at 1 January	(21.2)	211.0
Cash position / bank overdrafts at 31 December	(42.4)	(21.2)

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**NOTES**

This interim financial report was compiled in accordance with IAS 34 and approved by the Board of Management on 28 January 2008.

**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**

On the 13th of November 2007 a 60% share in the Prints division, based on IFRS regulation classified as held for sale as of 31 December 2006, sold to Bencis Capital Partners. As a consequence the assets and liabilities of this division are deconsolidated and as of the date of transaction presented as investment in associates. The book profit amounts € 15.1 million.

In the consolidated income statement, based on IFRS regulation, Prints is also classified as discontinued operations. The book profit from discontinued operations (€ 3.0 million) is related to the divestment of the activities of DCI Meettechniek B.V..

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 cash flow in 2007 in respect of discontinued operations amounted to approx. € 21 million from ordinary operations and approx. € 42 million from investment activities compared to € 2 million and € 77 million respectively, in the same period in 2006 including the cash from the sale of Stork WorkSphere. The cash from financing activities is mainly inter-company related and therefore not disclosed separately.

**Acquisitions of subsidiaries**

Fair value adjustments of the acquired assets and liabilities are not yet processed in the figures of December 2007 completely. The effects of acquisitions and accompanying goodwill are calculated preliminary, as the balance sheet of not all companies is yet definite. The calculations will be finalized within 12 months after acquisition date.

In the three quarters Stork effectuated 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), East West Technology Inc. (31 March 2007), GTO Gloeitechniek B.V. (1 August 2007) and the expansion of the 50% participation in MTT Holding B.V. to 100%.

In the fourth quarter five acquisitions were finalized. As per the 1<sup>st</sup> of October Sheffield Testing Laboratories, Ltd. (UK) was acquired. As per the 31<sup>st</sup> of October Exmont Engineering (Slovakia) and Istimewa Elektro (NL) were acquired. As per the 10<sup>th</sup> of November Mannings Southport Ltd. (UK) was acquired. On the 9<sup>th</sup> of July a 'Share Purchase Agreement' was signed for the acquisition of Mécánicos Asociados SA (MASA, Colombia). From the 1<sup>st</sup> of August Stork consolidated the results of MASA 100% as Stork has achieved full control as per this date.

Sheffield Testing Laboratories, Ltd. is specialised in mechanical, corrosion and calibration testing. Sheffield Testing Laboratories, Ltd. has an annual turnover of approx. € 2 million and employs 37 people. Exmont Engineering is located in Bratislava, Slovakia and offers industrial installation services. With 200 people the company realizes an annual turnover of € 14.5 million. Istimewa Elektro is located in Vlissingen, the Netherlands and provides a strong position in offshore, industrial and infrastructure activities. The company has an annual turnover of approx. € 18 million and employs 130 people. Mannings is located in Southport, England. The company designs, builds and provides services for the

heat treatment industry. The company has an annual turnover of approx. € 11 million and employs 70 people. MASA is the biggest provider of services for 'operate, maintenance en asset management' in Colombia. The company has an annual turnover of approx. € 25 million and employs 1,600 people.

The cash out for the activities acquired in 2007 amounts to an approximate total of € 107 million. The purchase price includes goodwill, including acquisition costs and expected earn out schemes, to an amount of approx. € 81 million.

From the date of acquisitions until 31 December 2007, the contribution of these acquisitions to the consolidated EBIT for the financial year amounted to € 15.6 million with a turnover of € 121.0 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	30.5	6.6	23.9
Intangible assets	10.1	9.7	0.4
Other non-current assets	4.9	0.4	4.5
Deferred tax asset	-	-	-
Inventories	9.0	-	9.0
Trade and other receivables	45.4	2.1	43.3
Cash and cash equivalents and bank overdrafts	3.9	-	3.9
Interest-bearing loans and borrowings	(19.1)	(0.4)	(18.7)
Deferred tax liabilities	(5.8)	(5.4)	(0.4)
Provisions	(12.4)	(0.9)	(11.5)
Trade creditors and liabilities	(22.2)	0.4	(22.6)
Net identifiable assets and liabilities	44.3	12.5	31.8
Transfer of investment in associates	(1.9)		
Goodwill	80.5		
Purchase price	122.9		
Cash acquired	(3.9)		
Net cash outflow	107.0		
Recognised as liability	12.0		

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.

**Provisions**

As a result of technical problems, provisions were recognised in the second quarter amounting to € 35 million for the NH90 helicopter programme. This addition has been included in the cost of sales. These provisions refer to costs and risks relating to design optimisations, further delays and qualifications. Because the total qualification programme still has two years to go, potential risks still remain. As announced in the press release of the 31<sup>st</sup> of October in the 4<sup>th</sup> quarter a reorganization provision of € 7.5 million was added for the Food and Dairy activities within the division Food Systems.

**Taxation**

The effective tax rate is 5% positive. 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 the fourth quarter the total cash position has improved from € (115) million to € (42) million. Stork received € 51 million cash for the 60% divestment the Strategic Unit Prints. For several acquisitions Stork paid net € 12 million. The operational cash flow has been € 67 million positive in the fourth quarter compared with € 72 million positive in the same quarter of 2006. Next to the divestment and acquisitions no extraordinary mutation in the liquidity appeared.

The investments in the fixed assets exceeded the fourth quarter depreciations with € 8 million.

The 'net debt' position (total cash + long term loans third parties) improved from € (147) million to € (83) million in the last quarter of 2007. In order to finance the negative cash position Stork used € 110 million out of the € 300 million credit facility at the end of the year.

**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 by € 0.4 million as per 31 December 2007. The value of the financial derivatives decreased by € 15.1 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 mutated by € 0.2 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 and options**

For costs of Share Appreciation Rights and options, an expense of € 2.3 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 December 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 2007, 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.

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**Events after the balance sheet date**

As mentioned in the press release of 17 January 2008 London Acquisition B.V. has declared the offer for all outstanding shares unconditional as per this date. Herewith approximately 98% of the issued and outstanding share capital of Stork is in the possession of London Acquisition B.V.. The remaining shares can be tendered during the post acceptance period expiring on February 1<sup>st</sup>, 2008.

The intention of London Acquisition B.V. to terminate the listing of ordinary shares in Stork on Euronext Amsterdam as soon as possible has been confirmed by NYSE Euronext. As of 20 February 2008, ordinary shares issued by Stork N.V. will be delisted from Euronext.

At the Extraordinary General Meeting of Shareholders (EGM) on 4 January 2008 shareholders approved, subject to the offer being declared unconditional, the disposal of Stork's Food Systems division to Marel Food Systems hf. The agreed sales price is € 415 million (on a so-called cash and debt free basis). The expected book profit is expected to be around € 260 million.

Additionally, shareholders approved, subject to the offer being declared unconditional, the amendment of the articles of association of Stork N.V. and the appointment of members of the Supervisory Board. Therefore, from the settlement date of 22 January 2008 onwards, the Supervisory Board consists of Mr. J.H. Schraven (chairman), Mr. M.S. Gumienny (vice chairman), Mr. E.J.F.H.C. Ernst and Mr. P.F. Hartman. Mr. P.J. Kalff, Mr. A. van der Velden, Mr. J. Aalberts and Mr. C.J. van den Driest have agreed to resign as of the same day.

Solely as a consequence of the offer having been declared unconditional all stock option rights and the 'Share appreciation rights' (SARs) of the members of the Management Board and other employees of Stork will be settled against cash insofar as the option rights are vested. Any non-vested option rights and the SARs will be converted into a conditional future cash payment. The costs associated with this amount to approximately € 17 million.

The central works council of Stork has rendered its advice in December 2007 as required pursuant to article 35 and 25 paragraph 1 of the Dutch Works Council Act and advised to agree on the offer of London Acquisition and, in connection therewith, the divestment of Stork Food Systems to Marel.

As a result of one or more legal mergers or as a result of other measures implemented by London Acquisition B.V. and Stork the proportion of the balance sheet of Stork or its successor entities, which is represented by debt, may increase substantially compared to the position as per 31 December 2007.

For further information we refer to the Offer Memorandum and the Shareholders Circular, which are available on the website of Stork ([www.stork.com](http://www.stork.com)). Stork's website does not constitute a part of, and is not incorporated by reference into, the Offer Memorandum and the Shareholders Circular. Copies of the Offer Memorandum and the Shareholders Circular are furthermore available free of charge at the head office of Stork, the Settlement Agent and the Information Agent.

On the 24th of January 2008 the Enterprise Chamber of the Amsterdam Court of Appeal had established that the investigation into the affairs of Stork has ended and as a result the related ruling by the Enterprise Chamber have now lapsed. This means among other things that the three extra supervisory board members designated by the Enterprise Chamber as members of the Supervisory Board of Stork on 26 January 2008 – Mr. D.G. Eustace, Mr. C.J.A. van Lede and Mr. W. Kok – are no longer in function with effect of this day.

All the above-mentioned events after the balance sheet date are a result of conditions that arose after the balance sheet date and therefore did not impact the financial position of Stork as per 31 December 2007.

Naarden, 29 January 2008  
Board of Management

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