

MARQUARD & BAHL AG Annual Report 2010

Living your

*Values*

„... **VALUES** are binding because they bind.“

Brother Paulus Terwitte



Group Figures 2010

What

# Values

do we live?

**RESPONSIBILITY, COURAGE, JOIE DE VIVRE** – these and other values give our company's culture its own distinct signature. Values shape our actions, our worldview and our teamwork. They are the goals that we set ourselves and the starting point in defining our company. They explain our success in the past and present and lay the foundation on which we will build our future.

*Marguard & Bahls* Hamburg, Germany

## GROUP FIGURES

### MARQUARD & BAHL

	2010		2009	
	million €	million US\$	million €	million US\$
— Consolidated revenues <i>(energy tax deducted)</i>	12,588	16,702	9,257	12,901
— Cash flow	49	65	-82	-114
— Income before income taxes	206.7	274.3	188.0	262.0
— Net income	150.2	199.3	133.6	186.2
— Non current assets	1,796	2,400	1,700	2,449
— Equity	1,190	1,590	1,038	1,495
— Employees <i>(consolidated companies)</i>	4,076		3,692	

### MABANAFT

— External sales <i>(in million t)</i>	20		18	
--	----	--	----	--

### OILTANKING

— Tank capacity <i>(in million cbm)</i>	17.6		17.0	
— Throughput <i>(in million t)</i>	145.9		135.7	

SENSE OF RESPONSIBILITY, INDEPENDENCE, COURAGE, TRUST,  
RESPECT, STRAIGHTFORWARDNESS, HONESTY, TOLERANCE,  
FRANKNESS, RELIABILITY, JOIE DE VIVRE, GRATEFULNESS...

Group Figures 2010

What *Values* do we live?

**RESPONSIBILITY, COURAGE, JOIE DE VIVRE** – these and other values give our company's culture its own distinct signature. Values shape our actions, our worldview and our teamwork. They are the goals that we set ourselves and the starting point in defining our company. They explain our success in the past and present and lay the foundation on which we will build our future.

*Marquard & Bahls* Hamburg, Germany

„... **ONLY** the ideas that we really live have any value.“

„... **ONLY** the ideas that we really live have any value.“

Hermann Hesse

*Value*

Responsibility, courage, joie de vivre – these and other values give our company's culture its own distinct signature. Values shape our actions, our worldview and our teamwork. They are the goals that we set ourselves and the starting point in defining our company. They explain our success in the past and present and lay the foundation on which we will build our future.

*Management & Values*

# Contents

Entry	04
Foreword	06
Letter of the Executive Board	12
Oil Trading	20
Tank Storage	36
Aviation Fuelling	52
Contracting	60
Renewable Energy	62
Gas Supply	68
Quality Management	70
HSSE	72
Staff	74
Report of the Supervisory Board	78
Financial Statements	81

## GOOD DECISIONS

need to be made at a chosen time

**“INDEPENDENT, SOUND AND INDIVIDUAL”** is the motto that has accompanied our continuous, successful development for years now. Informed planning, bold decisions, self determination and trust are just some of the things that keep us moving forward.

This mindset led us to a series of far reaching decisions in 2010:

- Wim Lokhorst decided to retire from his position as CEO of Marquard & Bahls by the end of 2010, which had been known internally for over a year. The nomination of Christian Flach as his successor came as no surprise.

Wim was CEO at Marquard & Bahls for 7 years, following 10 years as head of Oiltanking. His dedicated and extremely successful service extended our range considerably and raised our sustainable profitability to a whole new level.

Wim now moves on to join our supervisory board as of January 1, 2011.

Christian comes from the position of Head of Mabanaft. He too had previously gained experience at Oiltanking, as well as at corporate headquarters.

- Gust Spaepen, who very successfully led Oiltanking's increasingly profitable international expansion for 6 years, retired in mid 2010 for family reasons. He was replaced internally by Rutger van Thiel, who joined our group in 2000 and had been responsible for our expansion in the Far East in recent years.
- Christian Flach's successor, Jan-Willem van der Velden, steps up from his position as Director Trading to head the entire trading organization of Mabanaft.
- A family business such as ours, being owned 100% by the founding family, needs dedicated, experienced and active shareholders. In consideration of the fact that the human lifespan is limited, the family decided to transfer the vast majority of its shares to the next generation by the end of 2010. It is their conviction that the event and timing of important changes should always be actively chosen. This early transfer of shares also gives us time to assist the new generation in managing their heightened responsibility.

With the above changes I am convinced that we stay what we are – independent, sound and individual.

Hamburg, May 2011



**Hellmuth Weisser** Chairman of the Supervisory Board

“... **HAND** down values ...”

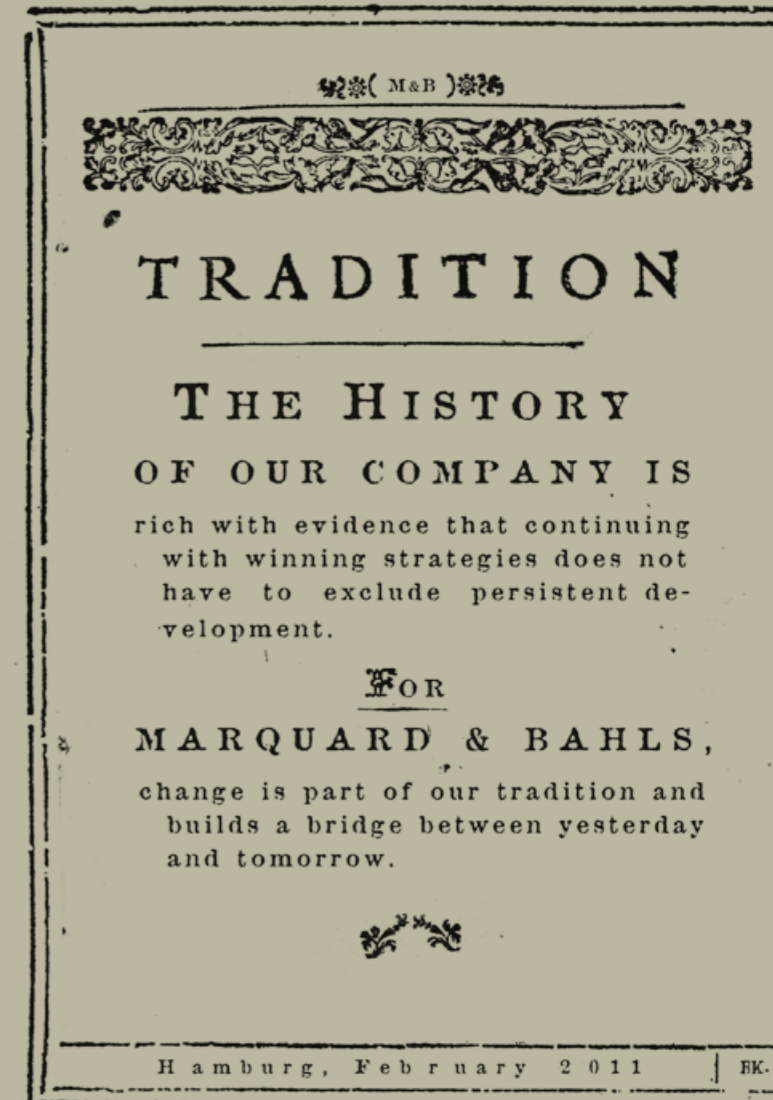
## FOREWORD

Rooted in values

**MARQUARD & BAHL'S** Responsibility, courage, joie de vivre – what is important to us? What values do we live and practice at Marquard & Bahls? These are questions that we explore in this year's annual report because values are important; not just for every individual and every society, but also to us as a company.

Values connect us. They are both a foundation and orientation in one. They lead us through good and not so good times. They shape the way we do our business and how we treat our staff, partners, customers and suppliers. In 2010 they guided us through a very successful year.

Marquard & Bahls once again performed very well during the last financial year. We continued to strengthen and expand our core businesses of mineral oil trading and tank storage. We also significantly built up our aviation fuelling division and realigned our operations in the renewable energy sector. We are confident in our strengths, have the courage to make changes and are committed to our core activities. These factors have contributed to the company's strong position in the markets in which we operate and set the foundation for long-term future growth.



"... **TRADITION** is not to preserve the ashes but to pass on the flame."

Thomas More

Marquard & Bahls can look to the future with confidence. We owe this to our employees throughout the world, who contribute to the organization every day with their skills, know-how and enthusiasm. We would like to take this opportunity to thank them for their dedication. We also wish to thank the shareholders of our family-owned company for their support. We benefit considerably from their passion and experience, as well as from their trust in our business model and course of long-term growth.

Values not only determine our actions at Marquard & Bahls, but also how we perceive events that occur outside our company and what conclusions we draw from them. In this respect, the year 2010 was particularly eventful and emotional.

When the "Deep Water Horizon" rig in the Gulf of Mexico sank, we were confronted by dramatic pictures of the worst environmental catastrophe that had ever occurred in the USA. For a long time we had the oppressive feeling of there being no promising way to stop the leaking oil.

At around the same time, the European Union had to put a number of short-term measures into place in order to stabilize the Euro and ultimately save it as a currency.

As different as these examples of last year's events were, they had one important thing in common – values played an important role in dealing with them. Responsibility for the environment, for political and economic stability, and for personal actions in their own right is of enormous importance for every individual and every society.

However, there were also encouraging developments. The world economy recovered faster than expected from its worst crisis yet. Engines of growth were first and foremost China, India and Brazil. Countries in which Marquard & Bahls is also active.

The soccer World Cup 2010 in South Africa also added to last year's great moments. Marquard & Bahls is an international company with headquarters in Hamburg, so naturally we followed the performance of all countries with interest and the German team in particular. The German national team "only" came third in the end, but the enthusiasm for the game shown by the young and very multi-cultural team generated tremendous excitement throughout the world. This all goes to show that it is not just a matter of being bigger, faster or better than others. Trust in yourself and the team, courage, trying new ways, and enthusiasm for the cause are important values in life.

Last year, discussion was again heard on the "right" direction to take in relation to energy. We are convinced of the need for a combination of fossil and renewable energy in the coming decade, in order to meet growing worldwide demand for energy, and to ensure intense competition while also promoting climate protection. What is certain is that fossil mineral oil will continue to be one of the most important sources of energy in the foreseeable future. There are enough resources of oil. Recent studies show that global oil reserves today are more than a third higher than predicted twenty years ago. Therefore, Marquard & Bahls will continue also in the future to be actively involved in both the mineral oil market and the renewable energy sector.

"... **IF** not now, when? If not here, where? If not us, who?"

John F. Kennedy

In early 2011, the energy debate gained a whole new dimension through the effect of several far-reaching events. The price of oil was driven up by the unrest in northern Africa and the Gulf and uncertainty as to how the situation would develop in these oil-rich areas.

The earthquake in Japan resulted in a terrible tsunami which not only devastated vast tracks of land, killed many people and made hundreds of thousands homeless; it also resulted in a nuclear catastrophe. The debate on the future of nuclear energy, or rather the premature end of the atomic age, has gained new momentum.

Of course, these events have raised many questions that need to be resolved. The search for answers is all about thinking and acting responsibly – and about the question of what values are important to people.

#### WHICH VALUES ARE IMPORTANT TO US?

Marquard & Bahls' business philosophy has always been "independent, sound, individual". It is a philosophy that says a lot about our value system. Our independence in acting and our freedom in making decisions are integral pillars of our success. Entrepreneurial and individual thinking set us apart. Consistency and straightforwardness make us a solid and reliable partner, worldwide.

We deal respectfully with our employees and fairly with our customers and suppliers. We take responsibility for our society and the environment. These are values that we will also practice in future. Not leaving aside, of course, joie de vivre, which also has a permanent place in our company.

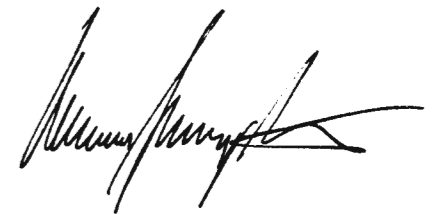
And so we will continue to go our own way, in our own way –

## INDEPENDENT, SOUND, INDIVIDUAL

Hamburg, May 2011



**Christian Flach** Chief Executive Officer



**Claus-Georg Nette** Chief Financial Officer



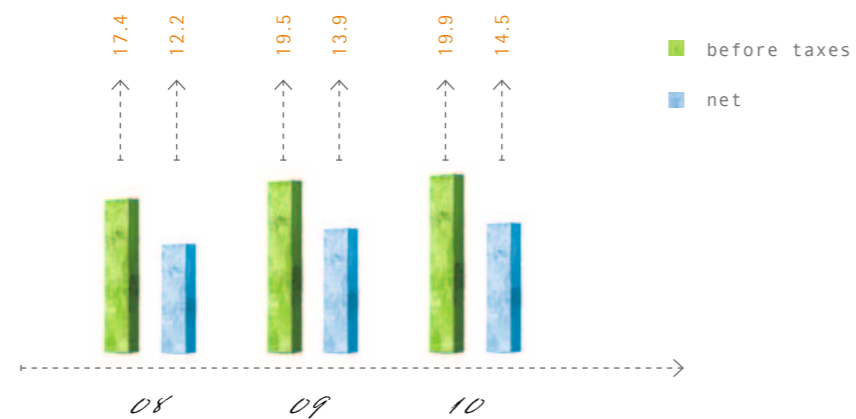
## LETTER OF THE EXECUTIVE BOARD

Sense of responsibility

**MARQUARD & BAHL'S** Last year, Marquard & Bahls generated revenues of 12.6 billion Euros and achieved a profit after tax of 150.2 million Euros. This makes 2010 one of our most successful financial years yet.

Our continued success last year was once again supported by a number of key factors. The spread of risk between Oiltanking's long-term investment business and Mabanft's more short-term oriented trading business is a proven combination. Adding to this are our newer activities, such as Skytanking, natGAS and Mabagas. Furthermore, our proximity to the markets in which we operate, flat hierarchies and short decision-making processes work to our advantage. They enable us to recognize developments at an early stage and seize the opportunities that arise both quickly and flexibly. These strengths, together with our stringent risk management have steered us safely and successfully through the crises of recent years, while still allowing for continuous growth. It is this proven model for success that we will continue to build on in future.

**RETURN ON EQUITY** 2008-2010 (in percent)



# we

"... **WE** are all part of the bigger picture. Marquard & Bahls assigns responsibility to each and every one of us and in doing so, puts its trust in us. The individual grows with this responsibility and thus contributes to the success of our company."

*Uta Meiß* Head of Public Affairs, Marquard & Bahls



“... **REVERENCE** for the past and responsibility for the future is the right attitude to have in life.”  
Dietrich Bonhoeffer

Hand in hand with this goes our sound financial framework. A reasonable capital return, a good capital base with long-term coverage of borrowing needs as well as sufficient liquidity are all very important to Marquard & Bahls. Because of this, our level of equity capital increased again in 2010. It has now almost reached the 1.2 billion Euro mark. As in previous years, we have taken a conservative approach to financing our business. In particular, high priority has been given to maintaining sufficient financial liquidity and this more so than ever in light of rising oil prices. In all, we have created a good basis for the continuing development of our group.

**HOW DID WE PERFORM AT AN INDIVIDUAL LEVEL?**

**-- OIL TRADING --** 2010 was another good year for Mabanaft, despite difficult market conditions particularly in international trade. The highest contributions to the result were made by the wholesale, the end-consumer and bunkering businesses. Trading volume increased to a total of 20 million tons. The close co-operation of all Mabanaft subsidiaries optimizes our trading activities. It is our permanent presence in the markets, our deliberate adherence to physical oil trading and very good logistics that make Mabanaft a trusted trading partner, worldwide.

**-- TANK STORAGE --** Oiltanking managed to record one of its best results ever last year. This achievement was the outcome of high throughputs and almost fully rented out tank capacity.

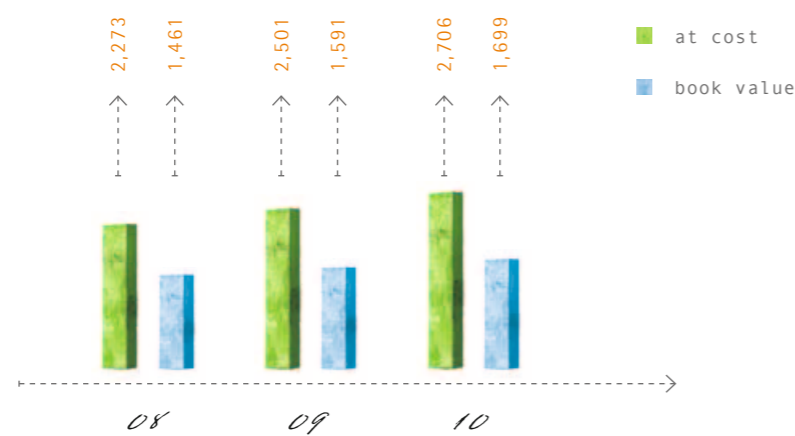
In addition, Oiltanking successfully pressed on with its long-term growth strategy. While existing terminals were being expanded, new locations were also added, such as in Panama and the USA. The company is also continuously extending its portfolio of services. For example, Oiltanking took its first successful steps in the pet coke handling and storage market with facilities on the US Virgin Islands and in the USA. At the end of the year, Oiltanking was represented by 71 tank terminals in 22 countries with a total capacity of 17.6 million cbm.

**-- AVIATION FUELLING --** Skytanking is now the largest independent provider of aviation fuelling services in Europe. Last year, the company managed to successfully break into the markets of Great Britain, Italy and South Africa. In doing so, it doubled the number of its locations to 46. Skytanking is now refuelling more than a million aircraft per year.

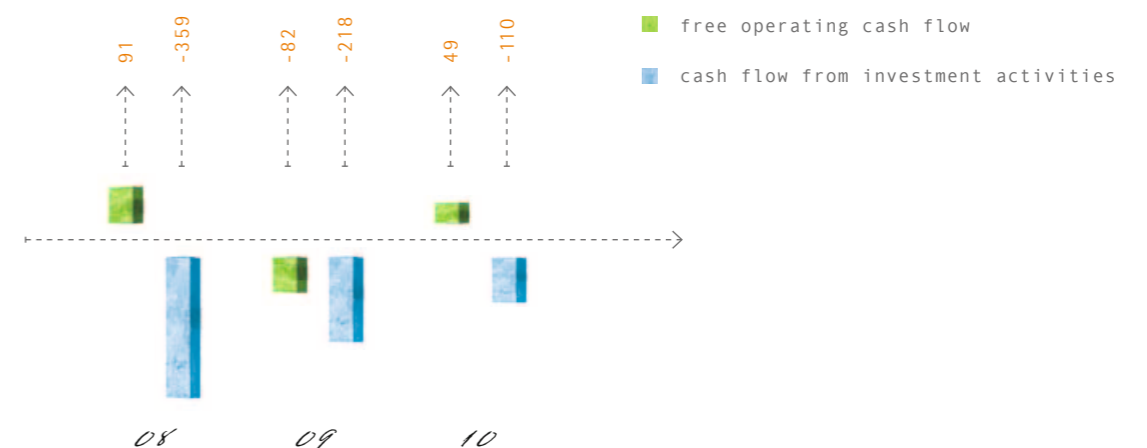
**-- RENEWABLE ENERGY --** In the renewable energy sector we reorganized our pellet business, incorporating the wood pellets trading segment into Mabanaft Deutschland at the beginning of 2011. This allows us to offer heating oil and pellets all under one roof.

**-- CONTRACTING --** Running a successful business involves periodically reviewing your position and making any necessary adjustments. As a result of this, we ended up selling our contracting business at the end of 2010, because it offered too little synergies with our core activities.

**FIXED AND FINANCIAL ASSETS 2008-2010** (in million €)



**CASH FLOW 2008-2010** (in million €)



## OUTLOOK

In 2011 we want to continue along our path of long-term growth. The confidence in our strengths, the unwavering commitment to our core activities and our strong financial framework provide a good starting point for this.

-- **MABANAFT** will focus on leveraging and consolidating its strong position as a leading independent importer and wholesaler in northwest Europe. Furthermore, the company will continue to expand its international portfolio and in particular, its bunkering business.

-- **OILTANKING** will continue to pursue the worldwide expansion of its tank terminal network. Efforts will mainly be focused on the USA, Panama and India. Alongside expansion of existing tank terminals, Oiltanking also has a large number of interesting new construction projects in the pipeline.

-- **SKYTANKING** expects another good year, especially given that several of its locations will complete their first full financial year in 2011. It also has various projects that are both promising and nearing completion.

-- **RENEWABLE ENERGY** Marquard & Bahls still operates in the field of renewable energy and will continue to do so in future.

It is with motivated and committed staff members, a distinct corporate culture and our long-term oriented growth strategy that we are able to face future challenges with confidence.

Our special thanks go again this year to our employees, who now number more than 7,000 – consolidated companies 4,076. Their performance has again been outstanding. We also wish to thank all of our customers and business partners for their much appreciated loyalty to Marquard & Bahls and its subsidiaries.

We look forward to the tasks ahead.



“... **HE** who does not trust enough, Will not be trusted.”

Lao-Tse

# OIL TRADING Courage

**MABANAFT** For Mabanaft, 2010 was again a good year, despite difficult market circumstances, especially in international oil trading. The traded volume picked up to 20 million tons. Mabanaft's wholesale, retail, end-consumer and bunker divisions were the main contributors to the positive 2010 result. Controlled risk and counterparty management, as well as deliberate adherence to physical oil trading with a strong asset base, have again proven successful.

The dedication, commitment and motivation of the company's employees remain the most important pillar of Mabanaft's ability to succeed even in a turbulent market environment.

## EMPLOYEES 2010 divided by regions



- Europe\* 68%
- Germany 29%
- other regions 3%

-----> *Total 1,772\*\**

\*excl. Germany \*\*consolidated companies

# stand up

"... **COURAGE** There is a Japanese proverb that says 'Fall seven times, stand up eight'. Courage is the power to withstand any challenges and to turn them into opportunities with new horizons - whether in trading or in everyday life."

*Ryukio Kurata* Trader, Mabanaft Pte.



”... **COURAGE** is the beginning of an action, but chance is the master of the end.”

The oil markets of 2010 proved to be more challenging than in previous years. The contango structure in both products and crude markets narrowed during the course of the year. Demand for transportation fuels increased, bunker fuel demand recovered and global intake of petrochemical feedstocks rose. As a result, stocks were much lower than they had been in the oversupplied market of 2009.

The gap between supply and demand also narrowed. The more balanced oil market and lower volatility of oil prices resulted in less physical trading and only limited arbitrage opportunities across the continents. Refining margins remained low overall. With the addition of new refining and conversion capacity in emerging markets, European producers in particular will continue to face difficult market circumstances. The result of this will be more refinery closures and a carousel of ownership changes.

Compared to previous years, prices of gasoline and gasoil were more or less range-bound. While gasoline traded in a range of 650 \$/MT to 860 \$/MT, ICE gasoil hit a low of 583 \$/MT late January and peaked late December at 784 \$/MT.

The 2010 financial markets continued to be dominated by uncertainty about the macro economic outlook, especially in OECD countries. Many European countries such as Greece, Portugal and Ireland faced liquidity problems, which put pressure on the Euro.

#### OUTLOOK

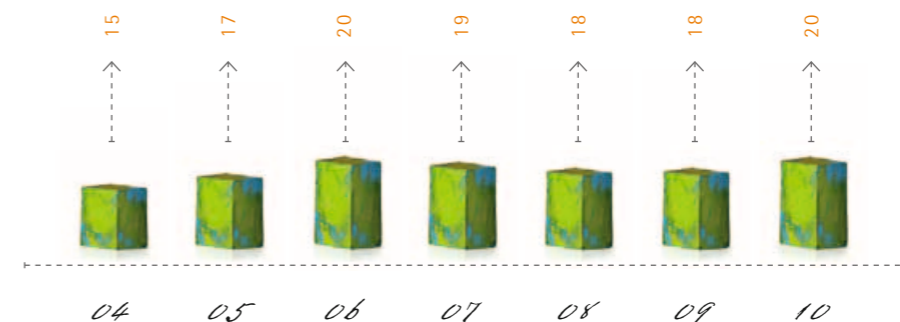
In 2011, Mabanaft intends to further capitalize on its strong position in northwestern Europe as a leading independent importer and wholesaler. It will also strengthen and diversify its international trading portfolio. Careful monitoring of market developments will continue so that opportunities can be seized whenever they arise.

Mabanaft's parent company strongly supports its subsidiaries' autonomy and long-term growth. This strong backing enables Mabanaft to act independently of individual suppliers and to contribute considerably to securing market liquidity. On this basis, Mabanaft is able to face the challenges and opportunities of the future with confidence.

#### INTERNATIONAL TRADING

In 2010, Mabanaft dealt with a challenging environment which offered fewer trading opportunities. This was due to markets being more balanced, a narrowing contango, less volatility and less liquidity against the backdrop of increasing costs. Nevertheless, the companies that trade internationally managed to end the year with a positive result on the whole. Mabanaft's strategy is to diversify its product portfolio and geographical presence. This will be key to the ongoing future success of Mabanaft's international trading division.

EXTERNAL SALES 2004-2010 (in million t)



#### INTERNATIONAL TRADING

**\_\_ MABANAFT B.V. ROTTERDAM \_\_** For the first few months of 2010, Mabanaft B.V. was well on track to repeat the good results of last year. However, the second half of the year proved rather challenging. Nonetheless, most of the floating storage positions were brought into the market during the first quarter and focus then shifted back to on-shore storage assets. Of special note is the fact that all products contributed positively to the company's result, with the main sources of income coming from middle distillates and gasoline.

Further integration of the carbon trading activities, which started at the end of 2009, has been successful. A number of carbon projects were undertaken, and additional projects in Asia, Africa and Latin America are expected to be added to the carbon portfolio in 2011.

**\_\_ MABANAFT INC. HOUSTON \_\_** Mabanaft Inc. made the most of what contango structure there was with its storage position on the East and Gulf Coast. The subsidiary captured increased distillate export flows to Latin America and Europe with solid blending margins. Alongside the existing middle distillates business, a new focus on lighter products such as gasoline, naphtha and LPG is foreseen. Additional multi-purpose storage in New York has been added, complementing the company's position in Texas City.

At the beginning of 2011, additional staff members were employed to help further diversify Mabanaft Inc.'s portfolio of traded products and extend its geographical presence.

**\_\_ MABANAFT PTE. SINGAPORE \_\_** Mabanaft Pte. saw promising results in the newly established areas of LPG and naphtha. Mabanaft's strategic focus has been on maintaining regional Asian flows as well as increasing arbitrage trading activities in western and/or Pacific markets. The team was able to strengthen relationships with their customers and suppliers in Asia and the Middle East. The optimization of physical movements through its derivatives trading strategies also proved successful. During the summer of 2010, the company's presence in India was expanded by opening a representative office. Indian trading is expected to expand further on the back of the extensive Marquard & Bahls network in the country.

*Willingness  
to help*

**"... WILLINGNESS TO HELP** During the wet season of 2010, a number of areas in Colombia were flooded by the weather phenomenon "La Niña". In order to support the people in this situation, Oiltanking Colombia S.A. bought over two tons of food for distribution by the Red Cross to those affected. Oiltanking employees and their families helped in a combined action to put the parcels together."

Oiltanking Colombia S.A.



**WHOLESALE**

**\_\_ MABANAFT DEUTSCHLAND HAMBURG \_\_** The wholesale business in Germany remains the corner stone of Mabanaft's activities in northwestern Europe. For Mabanaft Deutschland, the year 2010 ended successfully over the whole product range. Increased heating oil sales throughout the year contributed to the good result. This was due to a cold 2009/2010 winter and consequently low end-user stocks.

Mabanaft introduced low sulphur heating oil across the entire German market and has been able to supply this environmentally friendly heating oil from all its storage locations. New sustainability criteria related to biofuels and the implementation of E10 gasoline in Germany are on the agenda for 2011. Mabanaft Deutschland extended its product portfolio by adding LPG during the summer of 2010. In January 2011, it also added GEE's former wood pellet trading activities to its product range, to take best advantage of internal synergies through domestic distribution and sales channels.

**\_\_ MABANAFT AUSTRIA VIENNA \_\_** Mabanaft Austria succeeded in further growing its overall sales volume. This was achieved with higher throughputs at its leased storage facility in Vienna and an increased supply to the OIL! service stations in Austria.

**\_\_ MABANAFT HUNGARY BUDAPEST \_\_** Mabanaft Hungary faced a difficult market environment with the loss of volume from one of its main customers. In response, its motivated employees worked hard to add new clients and volumes, leading to good results. This is despite the very negative impact of a new revenue-based "solidarity" tax introduced in October, with retroactive effect for the full year.

**\_\_ TIREX PETROL CHISINAU \_\_** Despite difficult economic and political conditions in Moldova, Tirex Petrol's activity level rose once again. The company managed to increase LPG distribution from its filling stations and the newly commissioned LPG terminal. Even though market conditions remained difficult, the company achieved satisfactory result.

**\_\_ MABANAFT LTD. LONDON \_\_** Despite pressure on margins in many downstream UK portfolios, Mabanaft Ltd. achieved a satisfying result in 2010. The key to this success was the increase of sales volumes with long-term contracts in a very competitive environment, together with optimized biofuel blending at most storage locations.

In early 2010, Mabanaft Ltd. started the new activity of supplying gasoil to the marine fuels segment.

2011 will be a crucial year for the future structure of UK's Compulsory Stock Obligation. In the course of 2011, a new proposal will be brought to Government Treasury to form an industry-funded agency similar to other European stockpiling agencies.

**\_\_ B.W.O.C. WESTON-SUPER-MARE \_\_** Mabanaft's UK subsidiary, B.W.O.C., again had an excellent year. In May 2010, B.W.O.C. completed the second sale of their fuel card customer base, which generated a considerable extraordinary gain. The first of these sales had taken place in 2007. The ambitious marketing team had already succeeded in rebuilding a significant volume by year end.

"... **PRICE** is what you pay. Value is what you get."

Warren Buffett

**ENDCONSUMER / RETAIL BUSINESS**

**\_\_ PETRONORD \_\_** Petronord's 20 retail companies in Germany and Austria are engaged in heating oil retailing, the operation of service stations for commercial trucking fleets ("pool stations") and lubricants distribution. In 2010, all activities under the umbrella of the Petronord group contributed with healthy profitability to its success. Especially the recovery of the transportation sector resulted in increased volumes at the company's pool stations. The cold winter in 2010 led to higher heating oil sales at good margins. The roll-out of Petronord's own lubricant brand "Mabanol" is on schedule. A further diversification of its product portfolio with base oils and bitumen distribution has been set up.

**\_\_ ADVANCE FUELS LONDON \_\_** The core business of Advance Fuels is distributing heating-kerosene in the southwest of London. In 2010, a cold winter led to growth in volumes and hence good profitability. Activities to create profits outside the colder months will be key to future success. With this in mind, a fuel card division has already been established. New projects are also underway to diversify the product portfolio.

**\_\_ THOMAS SILVEY BRISTOL \_\_** Thomas Silvey implemented a new bulk business strategy during the middle of 2010 and a cost reduction program was also introduced. Sales of heating kerosene during the long winter were good. These factors, together with the sale of the fuel card business jointly with B.W.O.C., lead to a satisfactory year end result. What is more, the company is confident of a bright future.

**\_\_ OIL! SERVICE STATIONS \_\_** The OIL! service station business with more than 250 filling stations in Germany, Austria and Switzerland again performed very well. Margins throughout the year were stable, although snow and ice led to less traffic and hence volumes during the winter months. New additions to the network in all countries have been successfully completed. In addition, an HSSE policy has been rolled out in order to comply with the latest safety and environmental standards.



"... **THRIFTINESS** To me, economy means using resources in moderation and hence getting the very last bit of solar energy out of agricultural waste material - in the form of biogas, for example."

*Karsten Lehmann* Project Manager Biogas, Mabagas

**BUNKERING**

The bunker business recovered from its 2009 dip, although the poor financial status of many shipping companies remains a concern.

**MATRIX MARINE FUELS HOUSTON** Despite these challenging market circumstances, Matrix Marine Fuels in Houston achieved an excellent result. Sales volumes in the U.S. Gulf Coast recovered and thanks to a prudent risk and counter-party management, solid margins were generated. Business development in the region is ongoing, with several opportunities being investigated.

**MATRIX BHARAT MARINE SERVICES SINGAPORE** The group's second bunkering location in Singapore, Matrix Bharat Marine Services, is a joint venture between Matrix and the Indian national company Bharat Petroleum. It offers ex-pipe deliveries of bunker fuels on Jurong Island and in India, as well as barge delivery services. In 2010, the activities in India were further expanded with additional locations in Mumbai and Kochi.

**MATRIX OMANOIL (MXO) SOHAR** A new joint venture in the Sultanate of Oman between Matrix and Oman Oil Marketing Company was founded in early 2010. Matrix Omanoil started their operations in the Port of Sohar, offering bunker fuels to customers by barge and by truck.

Mabanaft sees great potential and growth opportunities in the bunkering business. It therefore plans to further expand its bunkering activities worldwide, with several promising projects already in the pipeline.



**"... TOLERANCE ...** I think tolerance is essential in life. It is something that extends beyond differences and connects people. For me, tolerance means respect, acceptance and appreciation of whoever I am dealing with - whether it is employees, customers, friends or foreigners."

*Walter Dornhof* Managing Director, Oiltanking Deutschland



... Values unite ...

**UNIVERSAL VALUES :** the recognition of the inherent dignity and the value of all people, the development of friendly relations between nations, the belief in the right of every individual to life, liberty, security of person and education, to the freedom of thought, conscience, religion and expression, regardless of race, skin colour, gender, language, religion, political view, origin or wealth ...

These words originate from the Universal Declaration of Human Rights



# Values

worldwide

... ALL HUMAN BEINGS are born free and equal in dignity and rights ..."

Universal Declaration of Human Rights - 1948



But the canon of values is not static, eternally valid or immutable. Moral concepts have always been in a state of flux. They vary according to changes in social conditions or technical advances and from generation to generation. Only our questioning of values gives them their meaning, makes them come alive.

Values and How We PERCEIVE Them

„... **KISSING** in public places, bacon sandwiches, disagreement, hip fashion, movies, music, freedom of thought, beauty, love.“

... development gives new meaning to the question of universal values. One possible answer is human rights, which represent a consensus that is intended to create a link between our unique value systems without evening out social and cultural diversity. They form the basis for a global system of values that rests on the following principles:

### Values and How They Shape Our LIVES

„... RESPECT for life is the basis of all values.“

Elsewhere

-----> Salman Rushdie's response to the question of Western values shows how strongly moral concepts are molded by the cultural sphere they are rooted in. They are an integral part of a society, giving it structure, a profile. They are reflected in the rules of a society, a nation's constitution or a country's judicial system. In a world where societies, nations and countries are becoming more and more closely interconnected over great distances through globalization, contrasts in value perceptions are more apparent than ever before. At the same time, the bond with each other makes overcoming these dissimilarities and the resulting conflicts all-important - for economic reasons if nothing else. A globalized society needs a system of values that enables us to live together on an equal footing instead of isolating different cultures, religions or societies.

„... THE ABILITY to live by one's inner values

and enjoy doing so is true wealth.“

Martina P. Zinkgraff

of all people  
right of every  
of thought  
language,



... us.



This development gives new meaning to the question of universal values. One possible answer is human rights; they represent a consensus that is intended to create a link between our unlike value systems without evening out social and cultural diversity. They form the basis for a global system of values that rests on the following principle:

„... **RESPECT** for life is the basis of all values.“

Else Pannek

Every other value is open to discussion.

Values and **ECONOMY** not a Contradiction in Terms

Which values does the economy uphold? Is the motivation behind them merely growth and the pursuit of profit? And do these values not go against those of society – trust, justice and sustainability, to name but a few?

Economy and values are often perceived as antitheses, even in light of the increasing globalization. In actual fact, business and values enjoy an often strained but inseparable relationship.

„... In the end, all business operations can be reduced to three words: people, products, and profits. People are in the first place. Unless you've got a good team, you can't do much with the other two.“

Lee Iacocca

People come first. After all, that is what business is there for: people. Not the other way around. Any economic activity would be inconceivable without them – and without values. For commercial success, reliable employees who think entrepreneurially are a prerequisite.



of all peo  
right of ev  
of thought  
language,



... us.



WE TRUST  
OURSELVES — AND  
OUR ABILITIES.

Values and ECONOMY not a Contradiction in Terms

Which values does the economy uphold? Is the motivation behind them merely growth and the pursuit of profit? And do these values not go against those of society — trust, justice and sustainability, to name but a few? Economy and values are often perceived as antithetical, even in light of the increasing globalization. In actual fact, business and values enjoy an often strained but inseparable relationship.

“... In the end, all business operations can be reduced to three words: people, products, and profits. People are in the first place. Unless you've got a good team, you can't do much with the other two.”

Lee Iacocca

People come first. After all, that is what business is there for people. Not the other way around. Any economic activity would be inconceivable without them — and without values for commercial success. Reliable employees who think entrepreneurially are a prerequisite.

of all peo  
right of ev  
of thought  
language,



... values need to be lived, only then do they have any meaning. This calls for the management in particular to establish a foundation of trust, delegate responsibility and create leeway for ideas. On such a basis, positive and constructive teamwork is born that leads to good results.

Values Have a Place in a COMPANY  
“... To be ethical because it is profitable is not ethical. But to be ethical is profitable...”

Companies are a key part of society and thus have to assume responsibility. They should contribute to solving social and other problems wherever it is necessary and makes sense. A company's primary duty however, is to be commercially successful, secure jobs and provide people with a livelihood.

Responsibility, reliability, courage and a series of other values have an impact on everything that goes on in a company and are thus key success factors.



“... IT'S not hard to make decisions when you know what your values are ...”

Roy Disney

... S BETWEEN  
PEP

... us.

...



Standorte sind noch nicht aktualisiert > folgt

But values need to be lived; only then do they have any meaning. This calls for the management in particular to establish a foundation of trust, delegate responsibility and create leeway for ideas. On such a basis, positive and constructive teamwork is born that leads to good results.

Values Have a Place in a COMPANY  
„... **TO** be ethical because it is profitable is not ethical. But to be ethical is profitable ...“

Norman E. Bowie  
However, living values does not just mean showing respect toward your own staff but also treating customers and suppliers fairly and accepting accountability for society and the environment.



It's not hard to make decisions when you know what your values are ...

Roy Disney

of all peo  
right of ev  
of thought  
language,



### Values Are the **FUTURE**

Now, at the beginning of the new millennium, we find ourselves at a turning point: no society can guarantee its future by standing alone any more. Only we will be able to resolve the looming social and economic problems.

If we do not want to be at the mercy of history, we have to take our fate into our own hands; we have to think for ourselves and act responsibly.

Values will play a vital role in this. Even if they vary in form, their core characteristics will persist. Freedom, for instance, will remain a highly esteemed value for future generations, with people taking responsibility for themselves and their actions.

Freedom, responsibility, courage, joie de vivre ...

Values will always be with us - today and in the future.



... us.



# Values unite ...

... continents, countries, people, foreigners, friends, ideas, thinking and acting ... us.



of all peo  
right of ev  
of thought  
language,

## TANK STORAGE

Self-determination

**OILTANKING** continued with its sustainable development strategy in 2010. The year saw the addition of four new facilities to the Oiltanking storage network. Two of these facilities, St. Croix (US Virgin Islands) and Corpus Christi (Texas, USA), proved to be Oiltanking's first success in a new business segment – dry bulk storage. New terminals in Port Neches (USA) and Colón (Panama) further strengthened the presence in the western hemisphere.

The total capacity reached over 17.6 million cbm by the end of the year, spread over 71 terminals in 22 countries.

**EMPLOYEES** 2010 divided by regions



\*excl. Germany \*\*consolidated companies

# free

"... **INDEPENDENCE** For our customers, independence is a term that reflects Oiltanking's business concept – always to offer fair, transparent, reliable and professional service. For an independent Oiltanker, the interests of customers always come first. As an internationally operating company, Oiltanking makes a living from the interaction of many cultures; something which gives special meaning to independence. Because it is only our independent and innovative way of doing things that makes the successful development of new projects possible."

*Andres Berith* Country Manager, Oiltanking Panama



“... **INDEPENDENCE** - being true to your principles and ideals, even if it means doing things differently than most.”  
Lukas Gawlok, Trainee, Marquard & Bahls

**EUROPE**

**ANTWERP** Oiltanking Stolthaven Antwerp, a 50-50 joint venture with Stolthaven Terminals BV, performed very well in 2010. Chemical customer activity continued to be better than expected, which greatly contributed to the facility's good results. The occupancy rate remained close to 100% and new long-term storage contracts were signed.



**GHENT** Oiltanking Ghent performed strongly in 2010. It was the first full year of operations for the recently expanded 1 million cbm of capacity. To better accommodate the increasing throughputs, particularly in gasoline blending, a jetty upgrading project was initiated and will continue until the end of 2011.

**TERNEUZEN** Results of the Oiltanking Terneuzen facility for 2010 were above those of previous years and almost all tanks were rented out throughout the year. 2010 witnessed changing emission reduction regulations and tighter environmental standards. Such developments confirm the long-term sustainability of the minimum emissions model that was successfully implemented at the terminal.

**AMSTERDAM** Despite a stagnating gasoline market and lower jet fuel consumption due to the volcano eruption, Oiltanking Amsterdam produced a good result. Building of a new biodiesel production facility on the Oiltanking site is underway. Oiltanking will provide the storage and basic utility services for the plant and has already started to construct new tanks and facilities.

**GERMANY** 2010 was Oiltanking Germany's best year yet. Storage terminal throughput was significantly better than planned due to the long cold winter of 2009/2010 with correspondingly high heating oil throughput. Oiltanking Germany accomplished several important investment projects, including a 130,000 cbm expansion of jet fuel storage at the Honau terminal.

**HUNGARY** The Oiltanking terminal in Budapest again demonstrated good results. Throughput by railcar is still the most important business for this terminal, although shipping activities have picked up lately. New business opportunities are currently being analyzed.

"... **RESPECT** The wood for our pellets under the brand name celsico® comes exclusively from sustainable sources, and for good reason - out of respect for forest habitats and our environment."

*Helmut Schuster* Head of Pellet Trading, Mabanft Deutschland

*straightforwardness*

**EUROPE**

**\_\_ KOTKA \_\_** Chemical capacities in Kotka continued to suffer from the Russian chemical downturn. The search for alternatives, in combination with the global recovery of the chemical market, promise for a better business environment and improved results in 2011.

**\_\_ TALLINN \_\_** The economic downturn, on top of the rail blockade from Russia into Estonia, made 2010 a difficult year for the Tallinn terminal. In spite of the complicated economic and political situation, Oiltanking Tallinn succeeded in maintaining a stable business. The commercial occupancy rate was 98%.

**\_\_ COPENHAGEN \_\_** The Copenhagen terminal successfully started a new flow of jet fuel to the Kastrup airport for a major oil company. During the year some important improvements in the HSSE area were accomplished. By securing more structured, long-term contracts it is envisaged to make the terminal less dependent on market fluctuations.

**\_\_ MALTA \_\_** 2010 was another successful year for Oiltanking Malta. The terminal's capacity of 550,000 cbm was fully rented out throughout the year, with contracts being entered on a long-term basis. Oiltanking Malta handled over 900 vessels and a record number of tons in 2010.

**\_\_ BULGARIA \_\_** Oiltanking's terminal in Bulgaria performed well in 2010. Due to higher than initially foreseen throughputs, infrastructure investments were necessary to guarantee stable operations and high level service. These upgrades and improvements were successfully implemented during the year.

**NORTH AMERICA**

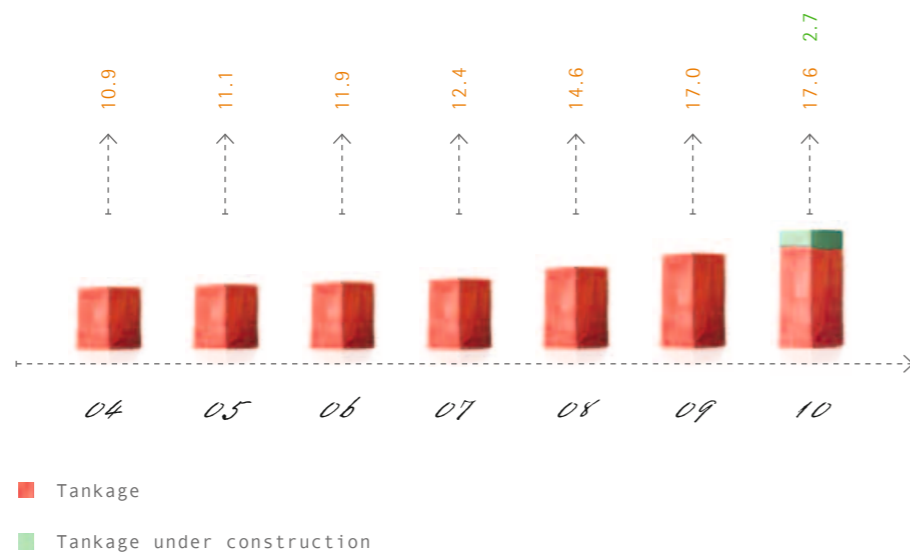
**\_\_ BEAUMONT \_\_** 2010 was a very good year for Oiltanking Beaumont with better than expected results. The terminal continues to face challenges due to the aging tank farm and the limited waterfront. Several important infrastructure investments, including a new barge dock construction, will be accomplished in 2011 to further improve the quality of services and operations.

**\_\_ HOUSTON \_\_** Oiltanking Houston continued to be an excellent performer, supported by its waterfront and pipeline distribution systems. Future growth from clean petroleum products, crude oil and LPG handling is forecasted. Investment in land, pipelines and waterfront are also envisaged to provide the platform needed to take best advantage of opportunities.

**\_\_ JOLIET \_\_** Oiltanking Joliet had lower than expected revenues due to a slowing down of the chemical market and the delay in completing a rail infrastructure project. The rail project will generate extra advantages for the terminal's customers by offering important services such as transloading and railcar storage.

**\_\_ TEXAS CITY \_\_** In light of the chemical market downturn, Oiltanking Texas City had a very good year. Ethanol storage and handling continued along a promising path of growth. The diversification of the customer portfolio is ongoing.

**DEVELOPMENT TOTAL TANK CAPACITY 2004-2010** (in million cbm)



**NORTH AMERICA**

**PORT NECHES** -- With a liquids storage facility in Port Neches, Oiltanking added its fifth terminal in the United States. Oiltanking will upgrade the existing assets at the terminal and build 95,000 cbm of new tank capacity. Together with upgrades to the existing 238,000 cbm of tanks, the new tanks will enable Oiltanking to receive and ship in excess of 47,000 cbm (296,000 bbl) per day for Motiva's expanded Port Arthur refinery.

**DRY BULK** -- Oiltanking continuously looks to add new services to its business portfolio. In July, Oiltanking and Dupré Logistics announced the formation of a joint venture company called Oiltanking-Dupré, established to serve customers requiring pet coke material handling. The company operates two new pet coke handling facilities, in St. Croix / US Virgin Islands and Corpus Christi / Texas, USA.

**SOUTH AMERICA**

**ARGENTINA** -- In Argentina, storage and pipeline throughputs were in line with previous years. Both Oiltanking terminals in Argentina, Puerto Rosales and Brandsen, accomplished a number of important maintenance and investment projects. These will ensure that customers receive consistent and reliable service.

**BRAZIL** -- The year 2010 was an exceptional year for the Oiltanking terminal in Vitória with an occupancy rate of 100% and higher than expected throughputs. On the back of attractive diesel import laws into Brazil, whereas ethanol exports continued to be low. A new service introduced during the year was the loading of supply boats with marine diesel for offshore crude production platforms. Early in the year, a decision was made to expand the terminal by 32,000 cbm.

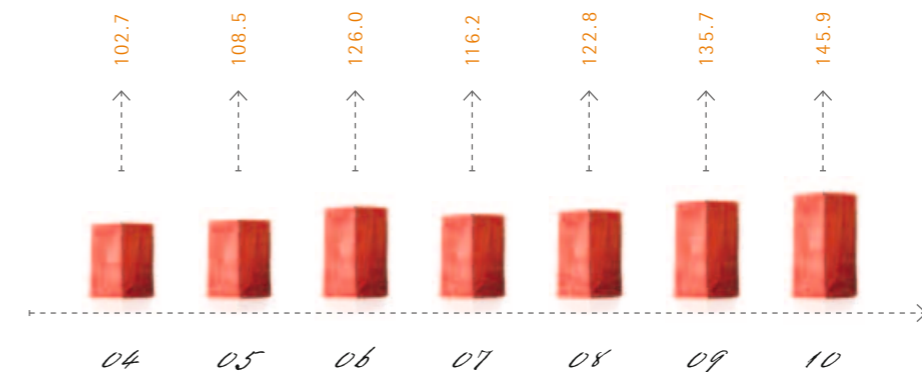
**PERU** -- All Oiltanking businesses in Peru performed successfully, boosted by the country's economic growth. Storage throughputs were higher than in previous years due to a strong agricultural sector, increase in car numbers and the sustainable growth of the construction and mining industries. In 2010, Oiltanking's presence in Peru was strengthened by an operation and management agreement for a 100,000 cbm liquid bulk terminal in Callao, Lima.

**COLOMBIA** -- In Colombia, a project to expand the Cartagena terminal began. 11 new tanks will increase total capacity by 13,600 cbm. Despite difficult market conditions, Oiltanking is convinced that the Colombian market offers great opportunities and is planning further expansions. Other interesting business opportunities in the country are also being analyzed.

**PANAMA** -- Oiltanking's Taboguilla joint venture project on the Pacific side of the Panama Canal continued on as planned. In December, Oiltanking acquired a 48,000 cbm bunker fuel terminal in Colón on the Atlantic coast near the entrance of the Panama Canal. The terminal will be expanded to better serve the growing bunker demand on both sides of the Canal.

**BOLIVIA** -- An agreement with the Government of Bolivia regarding compensation for the 2008 nationalization of the Oiltanking joint venture terminal was finally reached. In addition to the cash reimbursement, the government agreed to take over outstanding loans.

**DEVELOPMENT GROUP THROUGHPUT 2004-2010** (in million t)



**MIDDLE EAST**

**\_\_ SOHAR \_\_** The year 2010 was another successful year for the Oiltanking joint venture terminal in Oman. Construction of an additional 425,000 cbm is expected to be completed ahead of schedule and will bring the total storage capacity of the Sohar terminal to 1.3 million cbm in 2011. Strong market development and growing demand for capacity drive further expansion plans, which are currently being analyzed carefully in view of the future development of the political situation.

**\_\_ DUBAI \_\_** The Star Energy Oiltanking terminal in Jebel Ali continued to perform above expectations, despite the negative effects of the US and EU sanctions on Iran resulting in lower product movements in the region. The 60,000 cbm expansion of the terminal is progressing well and commissioning of this new capacity is expected to take place ahead of schedule.

**ASIA**

**\_\_ SINGAPORE OIL \_\_** Oiltanking Singapore's activity was at a healthy level in 2010 and the occupancy rate was again at 100%. The terminal has a strong and diverse customer portfolio and handles a growing range of products. Oiltanking Singapore is further strengthening its role as a valuable logistic resource for refiners and marketers to access the vibrant markets of the Pacific Rim.

**\_\_ SINGAPORE CHEMICAL \_\_** The chemical market in the Singapore area improved from the lows of 2009, although 2010 did not see the rapid uptake desired. The delay in start-up of plants in the Middle East and Asia Pacific also impacted the market situation. Given such conditions, Oiltanking Odfjell Chemical Terminal managed to achieve relatively good results. The terminal continues to focus on serving the downstream plants on Jurong Island, capitalizing on its advantageous location and pipeline connectivity to them.

**\_\_ NANJING \_\_** The newly-built Oiltanking terminal in Nanjing/China demonstrated a stable performance in line with expectations. The occupancy rate remained relatively high throughout the year. In July, a new 5,000 cbm low pressure tank was successfully taken into operation and in October, construction of a rail station next to the existing terminal began.



"... **MODESTY** Customers trust Matrix Marine Fuels modest but responsible approach to achieve monumental service."

*Ron Diabro* Managing Director, Matrix Marine Fuels



**ASIA**

**DAYA BAY** The expansion of Oiltanking's business in Daya Bay / China was successfully completed. Oiltanking Daya Bay is now offering customers a full range of logistical services comprising an 80,000 cbm tank terminal, more than 7 km of public pipe racks and a fully operational public jetty. The new tanks constructed on a plot of land next to the public jetty enjoyed a good start, attracting customers on long-term basis. The outlook remains positive on the back of massive expansion plans in this petrochemical park.

**MERAK** 2010 was the first full year of operation for the Oiltanking terminal in Indonesia with an occupancy rate of about 80%. Located in West Java, the terminal is situated in uncongested and deep waters. The greater Jakarta markets are easily accessible via the close-by highway.

**INDIA TERMINALLING** IOT Infrastructure & Energy Services Ltd. (IOT) had another intensive year.

Navghar Terminal went through an intermediate phase of decline in capacity utilization during the year, which was mitigated through various spot business opportunities. The new Bhatinda refinery at Mundra awarded IOT with a profitable contract to operate and maintain its crude oil terminal (840,000 cbm). The contract also requires operational activities at intermediate pumping stations along the 1,000 kilometer cross-country crude oil pipeline stretching from Mundra to Bhatinda. IOT also won another operations and maintenance (O&M) contract for a 12,600 cbm bunkering terminal at the port of Jawaharlal Nehru.

In September, IOT entered a joint venture agreement with Katoen Natie, Belgium, to develop a polymer-handling business in India. The new joint venture will pursue opportunities for the storage, handling, packing and transportation of polymers and solid specialty chemicals in India's rapidly developing chemicals and petrochemicals industries. It combines the polymers and solid specialty chemicals expertise of Katoen Natie and IOT's in-depth knowledge of the Indian market.

IOT joined with Skytanking and Indian Oil Corporation Ltd. (IOC) to form IndianOil Skytanking Ltd (IOSL), a joint venture which overcame fierce competition to win a contract at India's largest airport in Delhi. The joint venture then successfully commissioned the airport's hydrant system and commenced operations and maintenance of the fuel farm and into-plane services.

In Paradip, IOT is developing a project involving the construction, operation and maintenance of storage for crude oil and finished products. The storage and associated facilities will be located at IOC's upcoming grass-root refinery, on the east coast of India. The storage facility will have a total capacity of over 1.4 million cbm and is being built on a build-own-operate-transfer (BOOT) basis.

"... **IT** would not be a very humane society, that deemed everything not paid for to be worthless."

Richard von Weizsaecker

**ASIA**

**\_\_ INDIA EPC \_\_** IOT provides expert services in design, engineering, procurement and construction (EPC) through its subsidiaries IOT Design & Engineering, IOT Engineering Projects and IOT Anwasha. The competitive positions of these IOT companies strengthened considerably last year, both inside and outside India.

In December 2010, IOT Engineering Projects Limited secured its biggest ever order from JSC Technopromexport, Russia, for the erection of three 660 MW Boilers at Barh, Bihar for the National Thermal Power Corporation. The contract was won in the teeth of strong competition. The IOT group now gets catapulted into the top three contractors for power plant jobs in India with this achievement.

IOT won a number of contracts for EPC works, including for the tankage facility at Paradip, as well as the cavern project to be built for Indian Strategic Petroleum Reserves Limited, a Government of India organization.

IOT also received the first independent EPC contract offered for a process unit at IOC's Guwahati refinery. This is a significant achievement in growth and will potentially open up new opportunities in process plant construction.

IOT, in a consortium with Callidus Technologies of USA has also secured a contract for cold flare and blow down system package at Paradip for IOC. This is one of the biggest standalone flare packages with process guarantees. Another significant achievement in 2010 was the award of the procurement & construction contract from Cairn Energy for the Bhogat Terminal project in India.

**\_\_ INDIA UPSTREAM \_\_** 2010 was another successful year for the IOT upstream services. After completing its first seismic services contract in April, IOT won a 3D data acquisition contract in India. Upstream Services also performed well in the directional drilling area and is now in process of bidding for a number of new contracts.



"... **STABILITY** The source and foundation of all happiness and success is stability."

*Renate Dietzsch* Assistant of Management, OIL! Tankstellen

# AVIATION FUELLING

Individuality

**SKYTANKING** In 2010, Skytanking entered the UK, Italy and South Africa for the first time. This brought the number of its fuelling service locations to 46 – more than double the number of the previous year. Skytanking now refuels more than 1 million aircraft per year, around 2 flights every minute.

The airline industry saw a dramatic improvement in 2010. At the beginning of the year, the International Air Transport Association (IATA) predicted that the commercial airline industry would lose \$5.6 billion in 2010. By the end of the year, IATA had revised its forecast to a profit of \$15.1 billion in 2010 and \$9.1 billion for 2011. Skytanking benefitted from the rebound in air travel with like for like volumes growing by 8% over 2009. As a result, Skytanking performed better in 2010 than in the previous year.

**EMPLOYEES** 2010 divided by regions



- North America 47%
- Europe\* 51%
- Germany 2%

-----> Total 759\*\*

\*excl. Germany \*\*consolidated companies

# Own way

"... **ORIGINALITY** As an independent operator, Skytanking's approach to the aviation fuelling market is not that well-known outside the USA. But we had a clear vision of how the market would develop and we knew that professionalism in all aspects of fuelling was the key to success. This knowledge gives us the security to go our own way and it has started to pay off in terms of success."

*Paul Moskman*  
Managing Director, Skytanking



"... **ONE** must learn what needs to be learned and then go one's own way."

**EUROPE**

-- SKYTANKING EUROPE -- The results in Europe were positive and much improved on prior years, despite considerable disruption caused by the severe winter weather and ash cloud from the Eyjafjallajokull volcano in Iceland.

Following the acquisition of two aircraft fuelling service companies in Italy in December 2009, Skytanking commenced storage and into-plane services at five airports in Italy, including Milan Malpensa and Rome Fiumicino. By the end of the year, the two companies had been merged and a number of operational improvements started.

The Paris Charles de Gaulle into-plane business and the storage and into-plane facility at Stuttgart Airport completed their first full year of operations, both making positive contributions to Skytanking's results.

Skytanking ASIG signed a multi-year contract with its main customer in Vienna and benefitted from an upturn in throughput at Munich Airport. In addition, new contracts boosted the results of Skytanking NV in Brussels and Ostend.

In the summer, Skytanking acquired a 51% share in North Air from BP to enter the UK market for the first time. North Air operates at 17 regional airports in the UK and is already working on projects to expand the business.

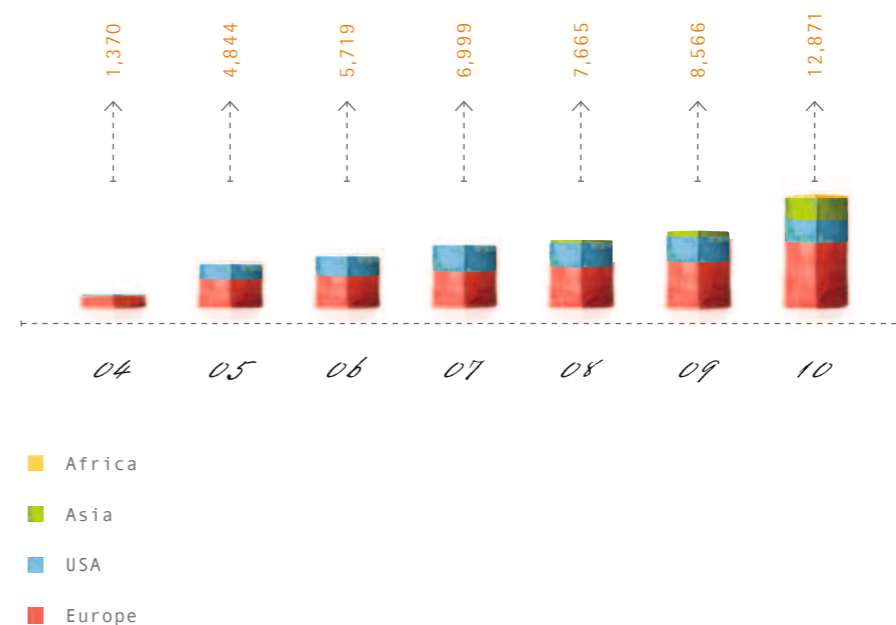
**USA**

-- SKYTANKING USA -- Skytanking USA had its best year ever. This is despite continuing tough market conditions created by the intense price competition and capacity cuts of airlines. One new location was added in 2010, at Panama City airport in Florida. A new business line, the maintenance of military fuel storage facilities, was started during the year and early results were positive.

Skytanking USA continues to focus on improving profitability and is close to having achieved the right scale to deliver sustained profits in future.

"... **TRY** not to become a man of success but rather try to become a man of value."  
Albert Einstein

**VOLUME HANDLED** 2004-2010 (in million litres)



**INDIA**

-- **SKYTANKING INDIA** -- IndianOil Skytanking (IOSL) is a joint venture between Skytanking, IOT Energy & Infrastructure and IndianOil. It won a contract to operate the storage and hydrant system for the newly opened Terminal 3 at Delhi International Airport, and is one of the two into-plane service providers at the airport. Operations started successfully at the end of July in time for the Commonwealth Games. Delhi is the largest airport in India and this development will help secure IOSL's position in the Indian fuelling market.

In Bangalore, IOSL was awarded a contract to extend the fuel hydrant in line with new aircraft stand construction at the airport. Fuel throughput remained relatively flat despite a growth in traffic, but the trend is positive.

**AFRICA**

-- **SKYTANKING SOUTH AFRICA** -- Skytanking entered the South African market in May 2010 with the start of operations at Durban King Shaka International Airport. Skytanking Calulo won a six year contract with Airports Company South Africa to operate the airport fuel storage and hydrant system, and to provide into-plane services to oil companies.

**OUTLOOK**

We expect further growth in 2011 with the first full year of Skytanking operations in the UK, Delhi and Durban. Skytanking also sees the structural developments that underpinned its 2010 growth continuing into 2011. As always, much will also depend on the fortunes of the airlines in this uncertain period.



"... **FRANKNESS** Being open to new ideas is an integral part of our business philosophy. And so, in getting the maximum possible out of the market situation, opportunities were taken to further diversify into new business areas. These include, for example, the marketing of base oils and bitumen, as well as the sale of natural gas to domestic users following deregulation of the natural gas market."

*Volker Tiedemann* Managing Director, Petronord

# CONTRACTING

Alteration

**PROENERGY** Over the years, Proenergy has positioned itself as a competent and reliable contracting service provider. However, the business could not create the envisaged synergies with Marquard & Bahls' core activities. For this reason, the organization decided to withdraw from the contracting business at the end of 2010.

Proenergy was taken over by Marquard & Bahls' subsidiary Mabanafit at the beginning of 2003 and has been built up ever since. The company believes in taking a holistic view in supplying energy to industry, commerce, hospitals, hotels and real estate. It is active in Germany, Austria, Hungary and Romania and offers a wide range of services. These include planning, construction and operation of energy plants, finance, maintenance, and service management. Proenergy currently supplies over 3,000 customers with various useful energies such as heat, cold, electricity, steam and compressed air.

Proenergy has been able to successfully develop its business over the years, yet still has a lot of potential for growth. However, it offers little synergies with the core activities of Marquard & Bahls.

For this reason, Marquard & Bahls decided during the year to divest the contracting business. Its subsequent sale to Cofely Deutschland became effective at the end of 2010. Cofely belongs to the French business group GDF Suez, which in Germany is a leading service provider in the areas of plant engineering, energy services, facility services and refrigeration. Given the many overlaps and synergies between the two organizations, Proenergy is very confident of further growth.

At this point, the Proenergy employees deserve a big thank you for their loyalty, as well as for supporting the transfer to the new owner in such a responsible manner.



"... **POLITENESS** For me, "Politeness" means manifesting in actual behavior in every interaction, in all contexts, a deeply felt respect for people as human beings even in case of any difference in views."

*Radhika Ojha* Deputy General Manager, IOT Infrastructure & Energy Services Ltd.

# RENEWABLE ENERGY

Patience

**GEE ENERGY** had to cope with the adverse market conditions last year, due to the entry of new competitors, high excess pellet production capacity and low biofuel prices coupled with high raw material prices.

Changing political conditions did not help either. For example, subsidies granted under the market incentives program were stopped for a time, which meant that fewer new wood pellet heating systems were installed. As a result, the pellet market as a whole grew very little.

The difficult market environment created many challenges for GEE Energy, as a wholesaler and producer of wood pellets. Even though the company managed to further consolidate its position in the premium segment, the business could not be operated at a profit.

Consequently in the second half of the year, Marquard & Bahls decided to reorganize its biomass activities. Wood pellet trading, until then GEE Energy's core activity, was transferred to Mabanaf Deutschland to take better advantage of synergies. The incorporation of wood pellet trading and with it the trademark celsico® meant that Mabanaf Deutschland could supply its customers with heating oil and pellets via the same channels. In combination, the customer base, the geographical spread, the high reputation that Mabanaf has enjoyed in the fuel market for decades and the high quality image of the brand celsico®, create a strong foundation for further growth in the pellet sector.

Changes were also made in production. On the one hand, GEE Energy sold its briquetting plant in Bodelshausen. On the other hand, the biomass power plants in Rothenburg and Tangermünde (Germany) - a remainder of the sale of Proenergy Contracting - were incorporated into GEE Energy. And so in future, GEE Energy will operate three biomass power plants - in Ingolstadt (IN Energie), Rothenburg and Tangermünde. Since biomass power plants fall outside of Marquard & Bahls' core activities, sale of the facilities is planned in the mid-term.

## OUTLOOK

Marquard & Bahls is convinced that this restructuring has created a sound platform for further developments in the field of biomass.

“... **OPEN** your arms to change, but don't let go of your values.”

Dalai Lama



## RENEWABLE ENERGY

**MABAGAS** In 2010, structural changes were implemented at Mabagas – the Marquard & Bahls' biogas subsidiary founded at the end of 2008 – in order to better address growing market challenges.

In June, the Mabagas headquarters moved from Bochum (in the Ruhr district) to Hamburg so that better synergies can be developed with other Marquard & Bahls companies.

Further, personnel skills were strengthened in strategic areas, such as feedstock management, biological process control, legislation & permitting, as well as international project management. The final of these is of particular benefit given the founding of a subsidiary "IOT Mabagas" in Mumbai, India. The 50-50 joint venture company, operated with IOT Infrastructure & Energy Services Ltd., is currently developing a 2 MW (el) biogas-plant in Tamil Nadu – the first of its kind in India. IOT Mabagas also established a laboratory for biogas analytics at Navghar Terminal, Mumbai in December 2010.

In addition to using biogas in combined heat and power plants, Mabagas is looking to expand into the transport fuel sector and domestic heat market. Synergies are currently being developed with the Marquard & Bahls subsidiaries Mabanaft Deutschland, OIL! and Petronord in order to facilitate market entry.

# enthusiastic

"... **ENJOYING LIFE** could also mean operating power generation plants with renewable energy on the base of long-term and successful partnerships and the right technology. It means achieving goals, yet remaining curious, going your own way while staying true to yourself, standing up for what you believe in."

*Ulrike Mücke* Project Development, Mabagas



”... CARPE diem!” Horaz

## GAS SUPPLY

Motivation

**NATGAS** Competition in the German natural gas wholesale market was even stronger in 2010 than in previous years. As in 2009, oil had relatively little effect on the German price of gas for wholesale business and large commercial consumers. Nonetheless, some market players with oil-related purchase contracts were extremely aggressive with respect to prices at times.

Despite the increasingly difficult market conditions, gas wholesaler natGAS was once again able to increase both sales volume and customer numbers and achieve a good result for 2010. This highlights the success of the Potsdam-based company in becoming one of the leading independent players in the market. Marquard & Bahls, second largest shareholder in natGAS, sees this as confirmation that the company's customer and service orientation caters to market needs.

Considering the significantly lower margin and strong competition in 2010, natGAS' continued success is even more worth mentioning. The increasing number of loyal customers is an indication of their trust in natGAS and appreciation of its professionalism.

# GENE ROSITY

This is the company's reward for constantly working to provide better service than the competition and tailor-made customer solutions.

### BUSINESS EXPANSION

New gas-related customer services were added to the natGAS portfolio in 2010. Room is seen for even further growth in this area in the future. Alongside this, natGAS worked to further internationalize its business during the year and to extend its support services for its customers' retail businesses.

natGAS' level of financial equity increased again in the year 2010. In addition, considerable investment was made in expanding staff and enhancing professionalism. This has set a strong foundation for further sustainable growth in the coming years.

## QUALITY MANAGEMENT

Diligence

**GMA** In 2010, GMA increased its two core activities, laboratory testing and additive sales, both by volume and customers. Focus was mainly on automotive and heating fuels, which strengthened GMA's business internally and externally.

Legislation for the introduction of E10 by January 2011 was late coming and to conclude this, GMA was permanently in touch with relevant government bodies during the year. In anticipation of the introduction of E10, the GMA laboratory conducted a series of comprehensive experiments and tests in order to establish and optimize recipes and blending procedures.

Despite increased pushing of parts of the oil industry, equipment manufacturers and politicians for the introduction of bio heating oil blends, the first market launch came later than expected. This was due to quality issues, such as the long-term stability of the blends. In response, GMA developed new additives for these blends, promising enhanced stability. Following comprehensive testing by GMA's laboratory, Mabanafit pioneered with its sale of the first B10 heating oil in the German market.

A combination of all-round additive application knowledge and unique laboratory testing facilities has led to increased additive sales, especially the Dyeguard marker for heating oil. Today, GMA is the leading supplier of this product to independent oil terminals in Germany.



"... **INCORRUPTIBILITY** The upstanding quality of our products and services goes without question. There is nothing more to say than that."

*Uli Nowak* Manager Quality Operations, GMA

# HEALTH, SAFETY, SECURITY AND ENVIRONMENT

Sustainability

**HSSE** With the rapid growth of our company, we actively maintain our values throughout Marquard & Bahls and protect our high reputation.

In 2010, a Code of Conduct was rolled out to set company benchmarks for our values and interaction with others. An internal "whistle-blowing" system was also established so that any violations can be reported. Marquard & Bahls' corporate websites have since been updated with new passages on corporate responsibility, including a download option for the Code of Conduct in 18 languages.

Marquard & Bahls' day-to-day business has always included many Corporate Social Responsibility (CSR) activities. These activities have now been formalized into a strategic approach and the first stage of defining individual indicators for all Marquard & Bahls companies has been completed. The first sustainability report to be prepared in line with the Global Reporting Initiative (GRI) standard will be published in due course.

In 2010, the accident frequency as well as the accident severity within the group was again reduced. At the same time the reported number of near misses and unsafe acts & conditions continued to rise, indicating a proactive safety culture.

A guideline based on Just Culture methodology was also developed and distributed to all group companies.

Following on from the severe injury of an employee in a suicide bomb attack in Jakarta in 2009, Marquard & Bahls entered a contract with market leader International SOS (ISOS). In January 2010 senior management, frequent international travelers and expatriates of Marquard & Bahls received ISOS membership cards, providing them with access to comprehensive medical services and support around the world. Furthermore, all employees of the Marquard & Bahls group have access to information concerning medical, health and travel security issues provided on the ISOS website.

All Mabanft companies concerned successfully registered the product information required by REACH (the European regulation on Registration, Evaluation, Authorization and Restriction of Chemicals) by the deadline. Marquard & Bahls' subsidiaries are aware of their individual responsibilities with regard to this regulation. All guarantee that products are handled with care, to protect human health and the environment. In addition, the provisions on classification and labeling of substances according to the UN Global Harmonized System (GHS) are being introduced as required.

**"... RESPONSIBILITY** relating to HSSE extends way beyond an individual's list of duties. Each employee is responsible for the own workplace and for the whole team."

*Ceva-Mari Santta* HSSE Coordinator, Oiltanking Sonmarin Oy

# STAFF Trust

**MARQUARD & BAHLIS** is on a path of continuous growth. Our growth is also reflected in the number of our employees, which has now risen to more than 7,000 worldwide – consolidated companies 4,076.

Against this background, a major focus of our work in relation to human resources involves finding suitable candidates for a position, systematically advancing them and retaining them in the company over the long-term.

The goal is to put a framework in place that supports the continued development of our company; as our success does not just rest on our proven business model. It also lies in the hands of our employees, who identify with our company and demonstrate a high degree of motivation and independent thinking. They live our values and shape our culture, and thus contribute significantly to our long-term success.

In order to stay on our course of success, it is therefore very important to maintain and strengthen both our particular culture and our values within the entire growing group. All members of staff, but above all our management, play a crucial role in this, i.e. to actively live our philosophy "independent, sound, individual" and pass it on to our new employees.

**EMPLOYEES 2010** divided by companies



- Marquard & Bahls\* 192
- Mabanft 1,772
- Oiltanking 1,353
- Skytanking 759

-----> *Total 4,076\*\**

\*incl. GEE Energy, GMA and Mabagas    \*\*consolidated companies

**EMPLOYEES 2010** divided by regions



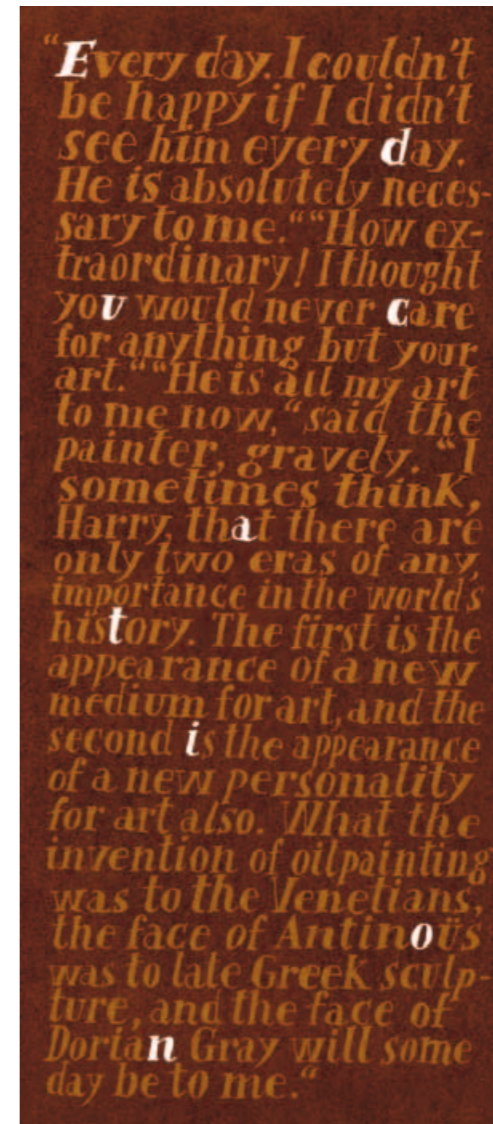
- Germany 945
- Europe\* 2,105
- North America 665
- South America 131
- Asia 230

-----> *Total 4,076\*\**

\* excl. Germany    \*\*consolidated companies

As a result, we also stress the importance of training junior staff, young professionals and aspiring managers. Training can either take the classical form of a dual degree study at the Nordakademie, a private university in Elmshorn, Germany, with whom we work very closely, or any of our trainee or cross-group human resources training programs. In this way we can support the long-term development of young members of our staff, give them an understanding of our values and culture, and groom them for further duties within the group. Besides this, the cross-group human resources training programs open up other opportunities. Staff can broaden their horizons by looking outside their own area of responsibility, foster mutual understanding, recognize synergies, develop new ideas and at the same time, scrutinize their own actions.

Hence we are well positioned for the challenges ahead, but even more so for the opportunities and possibilities that present themselves.



The Picture of Dorian Gray, Oscar Wilde

**"... EDUCATION** Whether it is a language course, a leadership seminar or communications training - continuing education measures for staff are an investment in the future and thus in lasting success."

*Maria Elena Finkhäuser* HR Development and Marketing, Marquard & Bahls

# REPORT OF THE SUPERVISORY BOARD

Overview

During the 2010 fiscal year, the Supervisory Board was informed regularly by the Executive Board in writing and orally about the state and development of the company, the group companies, and their shareholding. The Supervisory Board discussed all substantial issues with the Executive Board.

The auditing firm Susat & Partner OHG Wirtschaftsprüfungsgesellschaft audited the consolidated financial statement, as well as the common report on the state of the corporation and the group, and issued an unqualified opinion. The financial statements, the consolidated financial statements, the common report on the state of the corporation and of the group, and the auditor's report thereon, were submitted and explained to the Supervisory Board. After having conducted its own review, the Supervisory Board has no objections and approves the results of the audit. The Supervisory Board also approved the financial statements, the consolidated financial statements, and the common report on the state of the corporation and of the group at its meeting on May 4, 2011. It concurs with the Executive Board's recommendation for the distribution of retained earnings.

Hamburg, May 2011

## THE SUPERVISORY BOARD



**Hellmuth Weisser** Chairman

"... I could not have worked for a better company."

*Wim Lokhorst* at his Farewell-Party in December 2010

to be

*continued...*

"... **WHAT** am I looking forward to? To help shape the future development of Marquard & Bahls. I cannot imagine a more exciting job."

*Christian Flach* in January 2011





"... **QUO VADIS, MARQUARD & BAHLIS?** In future, we will continue to practice our values and go our own way in keeping with our philosophy - independent, sound, individual."

## Financial Statements

# Contents

Consolidated Statement of Financial Position	82
Consolidated Statement of Comprehensive Income	84
Consolidated Statement of Cash Flows	85
Consolidated Fixed Assets Movement	86
Consolidated Statement of Changes in Equity	88
Auditor's Opinion	90
Organigram	92
Addresses	94



ASSETS (K€)	31.12. 2010	31.12. 2009	01.01. 2009
<b>A. NON-CURRENT ASSETS</b>			
I. – Intangible assets	113,825	90,490	88,934
II. – Tangible assets	1,402,211	1,348,245	1,244,773
III. – Investments accounted for using the equity method	167,029	137,317	116,820
IV. – Other investments	16,268	14,719	10,199
V. – Deferred taxes	13,675	12,898	14,310
VI. – Non-current receivables and other assets	61,288	73,796	77,448
VII. – Derivative financial instruments	21,369	22,414	2,598
<b>TOTAL Non-current assets</b>	<b>1,795,665</b>	<b>1,699,879</b>	<b>1,555,081</b>
<b>B. CURRENT ASSETS</b>			
I. – Inventories			
1. – Inventories, raw material and supplies	1,568	4,413	3,687
2. – Inventories, goods and finished products	795,125	691,268	343,697
3. – Advance payments	5,556	144	1,007
	802,249	695,825	348,391
II. – Current receivables and other assets			
1. – Trade receivables	729,976	464,443	521,750
2. – Receivables – affiliated companies	6,186	4,291	3,526
3. – Receivables – associated companies	11,376	10,502	27,687
4. – Receivables – participating interests	6	184	168
5. – Current tax assets	47,677	29,250	66,946
6. – Other receivables and current assets	195,843	125,333	145,813
	991,064	634,003	765,890
III. – Derivative financial instruments	14,864	29,448	129,657
IV. – Cash and cash equivalents	248,647	282,675	142,003
<b>TOTAL Current assets</b>	<b>2,056,824</b>	<b>1,641,951</b>	<b>1,385,941</b>
<b>C. ASSETS HELD FOR SALE FROM DISCONTINUED OPERATIONS</b>	<b>13,196</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>3,865,685</b>	<b>3,341,830</b>	<b>2,941,022</b>

LIABILITIES AND SHAREHOLDER'S EQUITY (K€)	31.12. 2010	31.12. 2009	01.01. 2009
<b>A. EQUITY</b>			
I. – Share capital	150,000	150,000	150,000
II. – Additional paid in capital	2,936	2,936	2,936
III. – Revenue reserve	181,881	155,177	152,476
IV. – Reserve for changes in value	-2,391	-1,378	-645
V. – Reserve for revaluation	215	551	551
VI. – Retained earnings	703,851	627,078	541,296
VII. – Currency translation adjustments	-2,916	-48,109	-35,146
VIII. – Minority interests in consolidated subsidiaries	156,499	151,685	151,007
<b>TOTAL Equity</b>	<b>1,190,079</b>	<b>1,037,940</b>	<b>962,475</b>
<b>B. NON-CURRENT LIABILITIES</b>			
I. – Non-current liabilities			
1. – Non-current liabilities due to banks	254,140	265,035	183,671
2. – Non-current liabilities due to affiliated companies	183	0	0
3. – Non-current liabilities due to associated companies	0	821	822
4. – Other non-current liabilities	437,201	408,890	165,020
	691,524	674,746	349,513
II. – Non-current provisions	92,718	96,185	86,506
III. – Derivative financial instruments	40,562	40,453	24,065
IV. – Deferred taxes	156,218	134,845	115,958
<b>TOTAL Non-current liabilities</b>	<b>981,022</b>	<b>946,229</b>	<b>576,042</b>
<b>C. CURRENT LIABILITIES</b>			
I. – Current liabilities			
1. – Current liabilities due to banks	624,705	559,537	405,439
2. – Trade accounts payable	543,952	415,917	496,531
3. – Current liabilities due to affiliated companies	322	120	358
4. – Current liabilities due to associated companies	5,151	4,030	8,629
5. – Current liabilities due to participating interests	23	1	44
6. – Current tax liabilities	201,484	124,818	144,053
7. – Liabilities from construction contracts	1,029	0	1,238
8. – Other current liabilities	75,704	62,694	47,429
	1,452,370	1,167,117	1,103,721
II. – Derivative financial instruments	123,822	66,816	144,616
III. – Current accruals			
1. – Tax accruals	25,041	22,503	27,258
2. – Other current provisions	92,241	101,225	126,911
	117,281	123,728	154,169
<b>TOTAL Current liabilities</b>	<b>1,693,473</b>	<b>1,357,661</b>	<b>1,402,505</b>
<b>D. LIABILITIES FROM DISCONTINUED OPERATIONS</b>	<b>1,111</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>3,865,685</b>	<b>3,341,830</b>	<b>2,941,022</b>

## MARQUARD &amp; BAHL AG

IFRS Consolidated statement of comprehensive income  
for the period from 1 January to 31 December, 2010

IFRS Consolidated statements of cash flows as of Dec. 31, 2010

(K€)	2010	2009
1. Revenues	13,777,738	
less energy tax	-1,189,688	9,256,628
2. Changes in stock of finished goods and work in progress	-4	176
3. Own work capitalised	3,455	3,829
4. Other operating income	194,666	147,434
5. Result from winding-up of Joint Venture		11,215
6. Cost of sales		
a) Cost of raw materials and supplies and purchased goods	-11,715,527	
b) Cost of purchased services	-111,922	-8,589,088
7. Personnel expenses		
a) Wages and salaries	-182,983	
b) Social Security	-31,509	
c) Expenses for pension commitments	-7,320	-200,761
8. Amortisation and depreciation on intangible and tangible fixed assets	-108,531	-91,143
9. Other operating expenses	-371,499	-315,086
10. Result from operations	256,876	223,204
11. Income from investments	187	152
12. Income from fixed asset investments in securities and loans	198	119
13. Other interest and similar income	4,054	7,083
14. Amounts written off of financial assets	-990	-112
15. Interest and similar charges	-72,481	-47,118
16. Income from equity accounted investments	33,611	21,692
17. Loss from equity accounted investments	-2,710	-3,293
18. Result from changes in value of derivative financial instruments	-390	9,567
19. Financial result	-38,521	-11,910
20. Result from continued operations before income tax	218,355	211,294
21. Income tax	-56,501	-54,323
22. Result from continued operations	161,854	156,971
23. Result from discontinued operations	-11,620	-23,357
24. <b>CONSOLIDATED NET INCOME</b>	150,234	133,614
thereof:		
Profit from continued operations attributable to equity holders of the parent company	133,203	127,576
Profit from discontinued operations attributable to equity holders of the parent company	-11,054	-22,227
Profit from continued operations attributable to minority interests	28,652	29,394
Profit from discontinued operations attributable to minority interests	-566	-1,130
24. <b>CONSOLIDATED NET INCOME</b>	150,234	133,614
25. Exchange differences on translating foreign operations	52,915	-15,397
26. Available-for-sale financial assets	104	0
27. Cash flow hedges	-475	-943
28. Share of other comprehensive income of associates (net)	-799	-114
29. Income tax relating to components of other comprehensive income	141	291
thereof arising from cash flow hedges	141	291
30. Other comprehensive income for the year	51,886	-16,163
31. <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	202,120	117,451
Total comprehensive income attributable to:		
Owners of the parent company	166,328	91,654
Minority interests	35,792	25,797

(K€)	2010	2009
<b>CASH AND CASH EQUIVALENTS</b>		
as per statement of financial position 1 Jan.		
Net income	150,234	133,614
+ Income taxes	56,501	54,429
Net income before income taxes	206,735	188,043
+/- Depreciation, amortisation and write-backs	121,860	123,051
+/- (Gains) losses on sale of non-current assets	-5,197	1,431
+/- Changes in non-current provisions	-3,644	4,673
+ Interest expenses	72,481	48,827
- Interest income	-4,054	-8,988
+/- Changes in other non-cash items	-38,033	-33,251
+/- (Gains) losses on equity accounted investments	-30,901	-18,532
+/- (Gains) losses on de-consolidation of subsidiaries	-6,964	0
+/- Changes in inventories and receivables	-452,562	-169,020
+/- Changes in liabilities (without financial debt)	279,688	-186,267
- Income taxes paid	-35,755	5,497
+ Interest received	2,816	8,888
- Interest paid	-70,490	-53,693
+ Dividends received	13,241	7,699
Cash flow from operating activities	49,222	-81,643
- Cash outflows for additions to property, plant, equipment and intangible assets	-145,659	-254,132
- Cash outflows for the purchase of equity investments	14	-15,688
+ Cash inflows from sales of property, plant, equipment and other assets	22,917	52,186
+ Cash inflows for reversal of consolidated subsidiaries (less submitted financial capital)	12,708	0
Cash flow from investing activities	-110,020	-217,635
- Payments from dividend distribution	-49,006	-43,562
+/- Changes in share capital	286	564
+ Cash inflows from borrowing	26,069	196,536
+ Cash inflows of current debt	441,354	400,888
- Repayment of current debt	-369,188	-367,822
- Repayment of non-current debt	-33,251	-33,905
+ Cash inflows from other financial liabilities	7,415	287,861
Cash flow from financing activities	23,679	440,561
- Change in cash and cash equivalents due to exchange rate movements	3,091	-611
Changes in cash and cash equivalents	-34,028	140,672
<b>CASH AND CASH EQUIVALENTS</b>		
as per statement of financial position 31 Dec.	248,647	282,675



	Acquisition cost								Accumulated depreciation								Net carrying amounts		
	Opening balance Jan. 1, 2010	Changes in scope of consoli- dation	Exchange differences	Additions	Disposals	Transfers resulting from IFRS 5	Transfers	Closing balance Dec. 31, 2010	Opening balance Jan. 1, 2010	Changes in scope of consoli- dation	Exchange differences	Additions	Disposals	Transfers resulting from IFRS 5	Transfers	Write-backs	Closing balance Dec. 31, 2010	Closing balance Dec. 31, 2009	Closing balance Dec. 31, 2010
<b>I. Intangible assets</b>																			
1. _ Franchises, patents, licences and similar rights	153,594	2,231	1,606	17,573	(1,360)	0	2,819	176,463	(71,581)	2,957	(770)	(10,935)	869	0	0	0	(79,460)	82,013	97,003
2. _ Goodwill	8,841	9,010	0	0	(660)	0	0	17,191	(2,834)	0	0	(92)	0	0	0	0	(2,926)	6,007	14,265
3. _ Advances paid on intangible assets	2,470	(500)	2	3,405	(1)	0	(2,819)	2,557	0	0	0	0	0	0	0	0	0	2,470	2,557
<b>TOTAL Intangible assets</b>	164,905	10,741	1,608	20,978	(2,021)	0	0	196,211	(74,415)	2,957	(770)	(11,027)	869	0	0	0	(82,386)	90,490	113,825
<b>II. Tangible assets</b>																			
1. _ Land, land rights and buildings including leasehold buildings	228,865	(1,248)	7,297	1,991	(3,912)	(18,103)	2,005	216,895	(81,709)	928	(1,204)	(13,002)	564	12,315	0	20	(82,088)	147,156	134,807
2. _ Production facilities and machinery	1,795,248	766	84,976	29,592	(24,673)	(29,139)	49,755	1,906,525	(684,334)	4,469	(30,386)	(79,653)	7,088	24,037	0	5	(758,774)	1,110,914	1,147,751
3. _ Working and office equipment	96,883	(1,932)	2,496	10,499	(4,621)	(96)	3,515	106,744	(61,733)	1,293	(1,454)	(9,356)	3,327	23	3	2	(67,895)	35,150	38,849
4. _ Construction in progress/advanced payments	55,281	115	2,396	86,081	(553)	0	(54,944)	88,376	(256)	0	(87)	(7,229)	0	0	0	0	(7,572)	55,025	80,804
<b>TOTAL Tangible assets</b>	2,176,277	(2,299)	97,165	128,163	(33,759)	(47,338)	331	2,318,540	(828,032)	6,690	(33,131)	(109,240)	10,979	36,375	3	27	(916,329)	1,348,245	1,402,211
<b>III. Investments accounted for using the equity method</b>																			
1. _ Investments accounted for using the equity method	143,129	(3,097)	9,141	37,047	(14,663)	0	1,258	172,815	(5,812)	13	(140)	0	0	0	0	153	(5,786)	137,317	167,029
<b>TOTAL Investment accounted for using the equity method</b>	143,129	(3,097)	9,141	37,047	(14,663)	0	1,258	172,815	(5,812)	13	(140)	0	0	0	0	153	(5,786)	137,317	167,029
<b>IV. Other financial assets</b>																			
1. _ Shares in subsidiary companies	3,736	0	0	709	(2,096)	0	(150)	2,199	(1,327)	0	0	0	940	0	0	0	(387)	2,409	1,812
2. _ Investments	6,070	0	1	2,899	0	0	(1,108)	7,862	0	0	0	(989)	0	0	0	0	(989)	6,070	6,873
3. _ Loans due from affiliated companies	6	0	0	150	0	0	0	156	0	0	0	0	0	0	0	0	0	6	156
4. _ Loans due from other group companies	5,452	0	624	553	0	0	0	6,629	0	0	0	0	0	0	0	0	0	5,452	6,629
5. _ Security investments	335	0	0	363	0	0	0	698	0	0	0	0	0	0	0	0	0	335	698
6. _ Other loans	773	(57)	0	35	(513)	0	0	238	(326)	0	0	0	188	0	0	0	(138)	447	100
<b>TOTAL Other financial assets</b>	16,372	(57)	625	4,709	(2,609)	0	(1,258)	17,782	(1,653)	0	0	(989)	1,128	0	0	0	(1,514)	14,719	16,268
<b>TOTAL Fixed assets</b>	2,500,683	5,288	108,539	190,897	(53,052)	(47,338)	331	2,705,348	(909,912)	9,660	(34,041)	(121,256)	12,976	36,375	3	180	(1,006,015)	1,590,771	1,699,333



(K€)	Share capital	Additional paid in capital	Revenue reserve	Retained earnings	Other comprehensive income						Equity attributable to minority interest	total
					Reserve for changes in value CF-Hedge	Reserve for changes in value available-for-sale	Reserve for revaluation	Cumulative translation adjustment	Subtotal other comprehensive income			
Equity Jan. 1, 2009	150,000	2,936	152,476	541,296	-6,677	0	551	-29,115	-35,240	151,007	962,475	
+/- Changes in valuation method	0	0	0	0	6,032	0	0	-6,032	0	0	0	
Equity Jan. 1, 2009 Adjusted	150,000	2,936	152,476	541,296	-645	0	551	-35,147	-35,240	151,007	962,475	
+/- Exchange differences on translation of operations outside the euro zone	0	0	0	0	0	0	0	-12,962	-12,962	-2,435	-15,397	
+/- Fair value remeasurement of available-for-sale financial instruments	0	0	0	0	0	0	0	0	0	0	0	
+/- Fair value remeasurement of cash flow hedges	0	0	0	0	-733	0	0	0	-733	-33	-766	
<b>SUBTOTAL</b> Change in equity not passing through the statement of income	0	0	0	0	-733	0	0	-12,962	-13,696	-2,468	-16,163	
+ Net profit (loss)	0	0	0	105,349	0	0	0	0	0	28,265	133,614	
<b>SUBTOTAL</b> another comprehensive income	0	0	0	105,349	-733	0	0	-12,962	-13,696	25,797	117,451	
- Consolidation differences	0	0	0	-130	0	0	0	0	0	0	-130	
- Dividend payment	0	0	0	-16,301	0	0	0	0	0	-27,327	-43,628	
+/- Increase/decrease from corporate action	0	0	0	-435	0	0	0	0	0	435	0	
+ Increase in share capital	0	0	0	0	0	0	0	0	0	1,773	1,773	
- Decrease in share capital	0	0	0	0	0	0	0	0	0	0	0	
+/- Allocation to/from retained earnings	0	0	2,700	-2,700	0	0	0	0	0	0	0	
Equity Dec. 31, 2009	150,000	2,936	155,177	627,078	-1,378	0	551	-48,109	-48,936	151,685	1,037,940	
Equity Jan. 1, 2010	150,000	2,936	155,177	627,078	-1,378	0	551	-48,109	-48,936	151,685	1,037,940	
+/- Exchange differences on translation of operations outside the euro zone	0	0	0	0	0	0	0	45,193	45,193	7,722	52,915	
+/- Fair value remeasurement of available-for-sale financial instruments	0	0	0	0	0	104	0	0	104	0	104	
+/- Fair value remeasurement of cash flow hedges	0	0	0	0	-1,117	0	0	0	-1,117	-16	-1,133	
<b>SUBTOTAL</b> Change in equity not passing through the statement of income	0	0	0	0	-1,117	104	0	45,193	44,180	7,706	51,886	
+ Net profit (loss)	0	0	0	122,148	0	0	0	0	0	28,086	150,234	
<b>SUBTOTAL</b> Another comprehensive income	0	0	0	122,148	-1,117	0	0	45,193	44,180	35,792	202,120	
+/- Consolidation differences	0	0	0	0	0	0	0	0	0	0	0	
- Dividend payment	0	0	0	-16,652	0	0	0	0	0	-32,353	-49,005	
+/- Increase/decrease from corporate action	0	0	-1,263	0	0	0	0	0	0	0	-1,263	
+/- Capital transfers	0	0	336	0	0	0	-336	0	-336	0	0	
+ Increase in share capital	0	0	0	0	0	0	0	0	0	1,375	1,375	
- Decrease in share capital	0	0	-1,088	0	0	0	0	0	0	0	-1,088	
+/- Allocation to/from retained earnings	0	0	28,720	-28,720	0	0	0	0	0	0	0	
Equity Dec. 31, 2010	150,000	2,936	181,882	703,855	-2,495	104	215	-2,916	-5,092	156,499	1,190,079	

# AUDITOR 'S OPINION

2010

**MARQUARD & BAHLS AG** Above we published the uncomplete Marquard & Bahls AG's consolidated financial statements as of December 31, 2010. The consolidated financial statements as of December 31, 2010, comprises the statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and the notes.

With regard to the complete consolidated financial statements on 31 December 2010 and the group management report for the 2010 financial year the annual auditor has issued the following audit certificate:

We have audited the consolidated financial statements prepared by Marquard & Bahls AG, comprising the statement of financial position, the income statement, the statement of comprehensive income, statement of changes in equity, statement of cash flows, and the notes to the consolidated financial statements, together with the group management report for the business year from January 1, 2010, to December 31, 2010. The preparation of the consolidated financial statements and the group management report in accordance with IFRS as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a Abs. (paragraph) 1 HGB are the responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW).

Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position, and results of operations in the consolidated financial statements in accordance with the applicable financial-reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures.

The effectiveness of the accounting-related internal-control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit.

The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used, and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and give a true and fair view of the net assets, financial position, and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and, as a whole, provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Hamburg, March 25, 2011

Susat & Partner oHG

Wirtschaftsprüfungsgesellschaft

*Dr. Maurzinek* Auditor

*Driesch* Auditor

## MARQUARD &amp; BAHLS AG

Hamburg, Germany

## MABANAFT GMBH &amp; CO. KG

Hamburg, Germany

## International trading

- Mabanafit B.V.  
Rotterdam, Netherlands
- Mabanafit Inc.  
Houston, Texas/USA
- Mabanafit Pte. Ltd.  
Singapore

## Wholesale

- Mabanafit Austria GmbH & Co. KG  
Vienna, Austria
- Mabanafit Deutschland GmbH & Co. KG  
Hamburg, Germany
- Mabanafit Hungary Kft.  
Budapest, Hungary
- Mabanafit Limited  
London, Great Britain
- Mabanafit Moldova SRL  
Chisinau, Moldova
- Mineralölvertrieb Hameln GmbH & Co. KG  
Hameln, Germany
- B.W.O.C. Limited  
Weston-super-Mare, Great Britain
- Tirez Petrol S.A.  
Chisinau, Moldova

## Bunkering

- Matrix Marine Holding GmbH  
Hamburg, Germany
- Matrix Bharat Marine Services Pte. Ltd.  
Singapore
- Matrix Kepu Bunkers Ltd.  
Bryanston, South Africa
- Matrix Marine Fuels Pte. Ltd.  
Singapore
- Matrix Marine Fuels L.P.  
Houston, Texas/USA
- Omanoil Matrix Marine Services L.L.C.  
Al Qurm, Oman

## Retail

- Advance Fuels Co. Ltd.  
London, Great Britain
- Benol Energieservice GmbH & Co. KG  
Frankfurt/Main, Germany
- Böttcher Energie GmbH & Co. KG  
Regensburg, Germany
- Deglmann Energie GmbH & Co. KG  
Weiden/Oberpfalz, Germany
- Hartmann Energie GmbH & Co. KG  
Oberleichtersbach, Germany
- JB German Oil GmbH & Co. KG  
Wittenburg, Germany
- Kaiser Söhne Mineralöle GmbH & Co. KG  
Arnsberg, Germany
- Keck Energieservice GmbH & Co. KG  
Brakel, Germany
- Klindworth-Kronol Energie GmbH & Co. KG  
Hamburg, Germany
- Lipps Mineralöle GmbH  
Hagen, Germany
- LSA Lubes Services GmbH & Co. KG  
Vienna, Austria
- Mabanol GmbH & Co. KG  
Hamburg, Germany
- Mabanol Deutschland GmbH  
Hamburg, Germany
- Mabanol Bitumen GmbH & Co. KG  
Hamburg, Germany
- Mabanol Bitumen Management GmbH  
Hamburg, Germany
- Manfred Mayer MMM  
Mineralöl Vertriebsgesellschaft mbH  
Neudörfel, Austria
- Mühlenbruch Stinnes GmbH & Co. KG  
Bremen, Germany
- Mühlenbruch Stinnes Schmierstoffservice  
GmbH & Co. KG  
Bremen, Germany
- NEWCo Neue Energie- und  
WärmeConzepte GmbH  
Hiddenhausen, Germany
- Oiltech Lubes Service GmbH & Co. KG  
Düsseldorf, Germany
- Petrocargo Mineralöl-Logistik GmbH  
Hiddenhausen, Germany
- Staack Pooltankstellen GmbH & Co. KG  
Hamburg, Germany
- Thomas Silvey Ltd.  
Bristol, Great Britain
- Wittemöller Energieservice GmbH  
Lübbecke, Germany

## Service stations

- OIL! Tankstellen GmbH & Co. KG  
Hamburg, Germany
- OIL! Tankstellen AG  
Rüti, Switzerland
- OIL Tankstellen GmbH  
Vienna, Austria
- B.W.O.C. Limited  
Weston-super-Mare, Great Britain
- Tirez Petrol S.A.  
Chisinau, Moldova

## OILTANKING GMBH

Hamburg, Germany

## Europe

- Oiltanking Finance B.V.  
Amsterdam, Netherlands
- Oiltanking Stolthaven Antwerp N.V.  
Antwerp, Belgium
- Oiltanking Amsterdam B.V.  
Amsterdam, Netherlands
- Oiltanking Bulgaria AD  
Varna, Bulgaria
- Oiltanking Copenhagen A/S  
Copenhagen, Denmark
- Oiltanking Deutschland GmbH & Co. KG  
Hamburg, Germany
- Oiltanking Ghent N.V.  
Ghent, Belgium
- Oiltanking Hungary Kft.  
Budapest, Hungary
- Oiltanking Malta Ltd.  
Birzebbugia, Malta
- Oiltanking Sonmarin Oy  
Kotka, Finland
- Oiltanking Tallinn AS  
Tallinn, Estonia
- Oiltanking Terneuzen B.V.  
Terneuzen, Netherlands

## America

- Oiltanking Andina Services S.A.C.  
Lima, Peru
- Oiltanking Andina S.A.C.  
Lima, Peru
- Oiltanking Peru S.A.C.  
Lima, Peru
- Consorcio Terminales  
Lima, Peru
- Logistica de Quimicos del Sur S.A.C.  
Lima, Peru
- Oiltanking Beaumont Partners L.P.  
Beaumont, Texas/USA
- Oiltanking Ebytem S.A.  
Buenos Aires, Argentina
- Oiltanking Logistica Argentina S.A.  
Buenos Aires, Argentina
- Oiltanking Houston L.P.  
Houston, Texas/USA
- Oiltanking Mexico S. de R. L. de C.V.  
Mexico City, Mexico
- Oiltanking Terminais Ltda.  
Rio de Janeiro, Brazil
- Oiltanking Texas City L.P.  
Texas City, Texas/USA
- Oiltanking Colombia S.A.  
Bogota, Colombia
- Oiltanking Joliet LLC  
Houston, Texas/USA
- Oiltanking Panama S.A.  
Panama City, Panama
- Terminal Industrial Taboquilla S.A.  
Panama City, Panama

## Middle east

- Oiltanking Odfjell Terminals  
Oman & Co. LLC  
Hamriya, Oman
- Star Energy Oiltanking Ltd.  
Dubai, United Arab Emirates
- Exir Chemicals Terminal (PJSCo)  
Teheran, Iran

## Asia

- IOT Infrastructure and Energy  
Services Ltd.  
Mumbai, India
- Zuari Indian Oiltanking Ltd.  
Goa, India
- Oiltanking Daya Bay Co., Ltd.  
Huizhou, China
- Daya Bay Public Pipe Rack  
Corridor Co., Ltd.  
Huizhou, China
- Oiltanking (Nanjing) Co., Ltd.  
Nanjing, China
- Oiltanking Odfjell Terminal  
Singapore Pte. Ltd.  
Singapore
- Oiltanking Singapore Ltd.  
Singapore
- PT Oiltanking Merak Terminal  
Jakarta, Indonesia

## Engineering

- Stewarts & Lloyds of India Ltd.  
Calcutta, India
- Indian Oiltanking Anwasha  
Mumbai, India
- Indian Oiltanking  
Design & Engineering Co.  
Mumbai, India
- Indian Oiltanking Engineering  
Projects Pvt. Ltd.  
Mumbai, India
- IOT Engineering & Construction  
Services Co. Ltd.  
Muscat, Oman
- IOT Canada Ltd.  
Hamburg, Germany
- Newsco Drilling Asia  
Singapore

## SKYTANKING HOLDING GMBH

Hamburg, Germany

## International

- HUB S.r.l.  
Malpensa/Milano, Italy
- IndianOil Skytanking Ltd.  
Bangalore, India
- Luxfuel S.A.  
Luxembourg
- North Air Ltd.  
Aberdeen, Great Britain
- PAR S.r.l.  
Settimo/Torino, Italy
- Skytanking ASIG GmbH & Co. KG  
Hamburg, Germany
- Skytanking GmbH  
Zurich, Switzerland
- Skytanking Stuttgart GmbH & Co. KG  
Hamburg, Germany
- Skytanking N.V.  
Diegem, Belgium
- Skytanking Ostend N.V.  
Oostende, Belgium
- Skytanking USA Inc.  
Wilmington/Delaware, USA

## GEE ENERGY GMBH &amp; CO. KG

Hamburg, Germany

## GMA GMBH &amp; CO. KG

Frankfurt/Main, Germany

IN ENERGIE GMBH & CO.  
BETREIBER KG

Großmehring, Germany

## NATGAS AKTIENGESELLSCHAFT

Potsdam, Germany

## MABAGAS GMBH &amp; CO. KG

Hamburg, Germany



#### MARQUARD & BAHL AG

Admiralitätstr. 55 > 20459 Hamburg Germany  
Phone + 49 40 - 370 04 - 0 > Telefax + 49 40 - 370 04 - 242 [www.mbholding.com](http://www.mbholding.com)



#### MABANAFT GMBH & CO. KG

Admiralitätstr. 55 > 20459 Hamburg Germany  
Phone + 49 40 - 370 04 - 0 > Telefax + 49 40 - 370 04 - 352 [www.mabanaft.com](http://www.mabanaft.com)



#### PETRONORD ENERGIE- UND WÄRMEKONZEPTE GMBH

Admiralitätstr. 55 > 20459 Hamburg Germany  
Phone + 49 40 - 370 04 - 0 > Telefax + 49 40 - 370 04 - 157 [www.petrionord.com](http://www.petrionord.com)



#### OIL! TANKSTELLEN GMBH & CO. KG

Admiralitätstr. 55 > 20459 Hamburg Germany  
Phone + 49 40 - 370 04 - 0 > Telefax + 49 40 - 370 04 - 117 [www.oil-tankstellen.de](http://www.oil-tankstellen.de)



#### MATRIX MARINE HOLDING GMBH

Admiralitätstr. 55 > 20459 Hamburg Germany  
Phone + 49 40 - 370 04 - 0 > Telefax + 49 40 - 370 04 - 242 [www.matrixmarine.com](http://www.matrixmarine.com)



#### OILTANKING GMBH

Admiralitätstr. 55 > 20459 Hamburg Germany  
Phone + 49 40 - 370 99 - 0 > Telefax + 49 40 - 370 99 - 499 [www.oiltanking.com](http://www.oiltanking.com)



#### SKYTANKING HOLDING GMBH

Admiralitätstr. 55 > 20459 Hamburg Germany  
Phone + 49 40 - 370 99 - 454 > Telefax + 49 40 - 370 04 - 499 [www.skytanking.com](http://www.skytanking.com)



#### GEE ENERGY GMBH & CO. KG

Admiralitätstr. 55 > 20459 Hamburg Germany  
Phone + 49 40 - 370 04 - 616 > Telefax + 49 40 - 370 04 - 610 [www.gee-energy.com](http://www.gee-energy.com)



#### MABAGAS GMBH & CO. KG

Admiralitätstr. 55 > 20459 Hamburg Germany  
Phone + 49 40 - 370 04 - 800 > Telefax + 49 40 - 370 04 - 829 [www.mabagas.com](http://www.mabagas.com)



#### NATGAS AKTIENGESELLSCHAFT

Jägerallee 37 H > 14469 Potsdam Germany  
Phone + 49 331 - 20 04 - 0 > Telefax + 49 331 - 20 04 - 199 [www.natgas.de](http://www.natgas.de)



#### GMA - GESELLSCHAFT FÜR MINERALÖLANALYTIK UND QUALITÄTSMANAGEMENT MBH + CO. KG

Admiralitätstr. 55 > 20459 Hamburg Germany  
Phone + 49 40 - 370 04 - 0 > Telefax + 49 40 - 370 04 - 299 [www.gma-quality-management.com](http://www.gma-quality-management.com)

For all addresses of our subsidiaries please visit our website:

[www.mbholding.com](http://www.mbholding.com)

## „... COLOPHON

- Publisher: Marquard & Bahls AG (Hamburg)
- Text & Coordination: Heidi Pipo, Kathrin Gieseke Marquard & Bahls, Corporate Communications
- Concept & Design: Karin Warzecha (Oering/Holst.), Cornelia Horn (Hamburg)
- Illustrations: Bernhard Kunkler (Freiburg)
- Lithography: Dunz-Wolff GmbH (Hamburg)
- Printing: Beisner Druck GmbH & Co. KG (Buchholz)

- Paper: BEE Brilliant (FSC Mix), Funktional (100% bleached chlorine-free), Act Green Cotton (100% FSC Mix/Recycling)
- Printed climate neutrally, Id-Nr. 1110157



- This annual report is also published in German, the German version is authoritative.

„... WELCOME to [www.mbholding.com](http://www.mbholding.com)

„... CONTACT [office@mbholding.com](mailto:office@mbholding.com)



