

# *Creating Connections*



MARQUARD & BAHLS AG  
ANNUAL REPORT

*2016*

Opportunities worldwide



Group Figures 2016

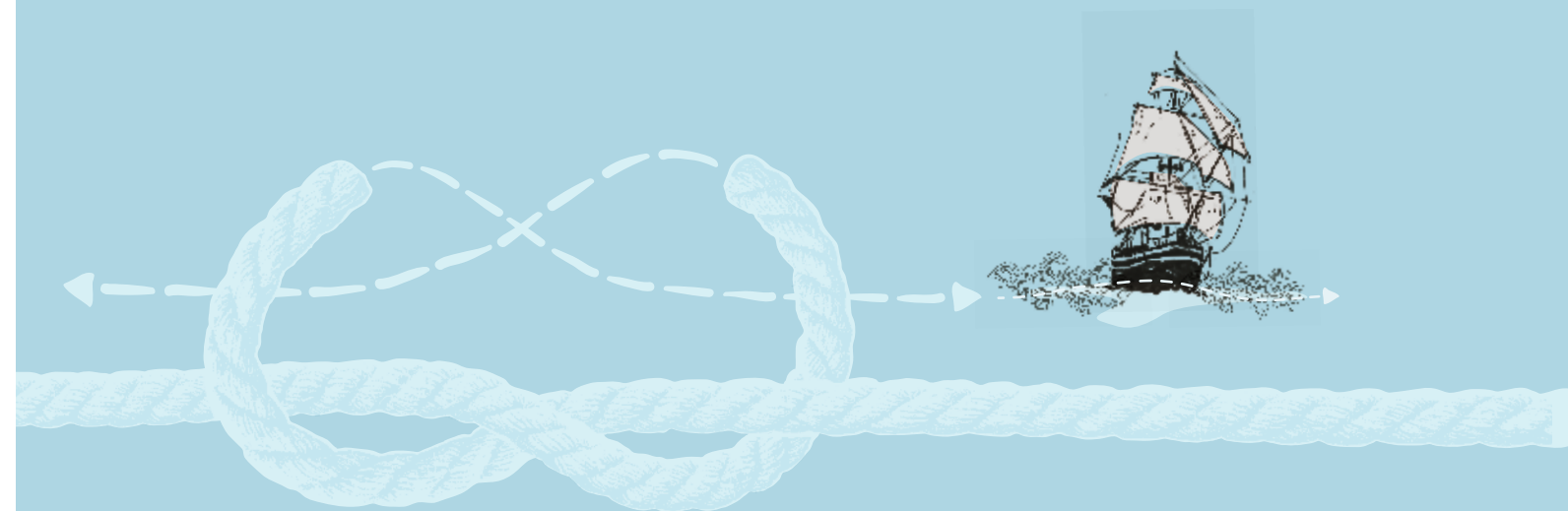


## *Transport Routes*

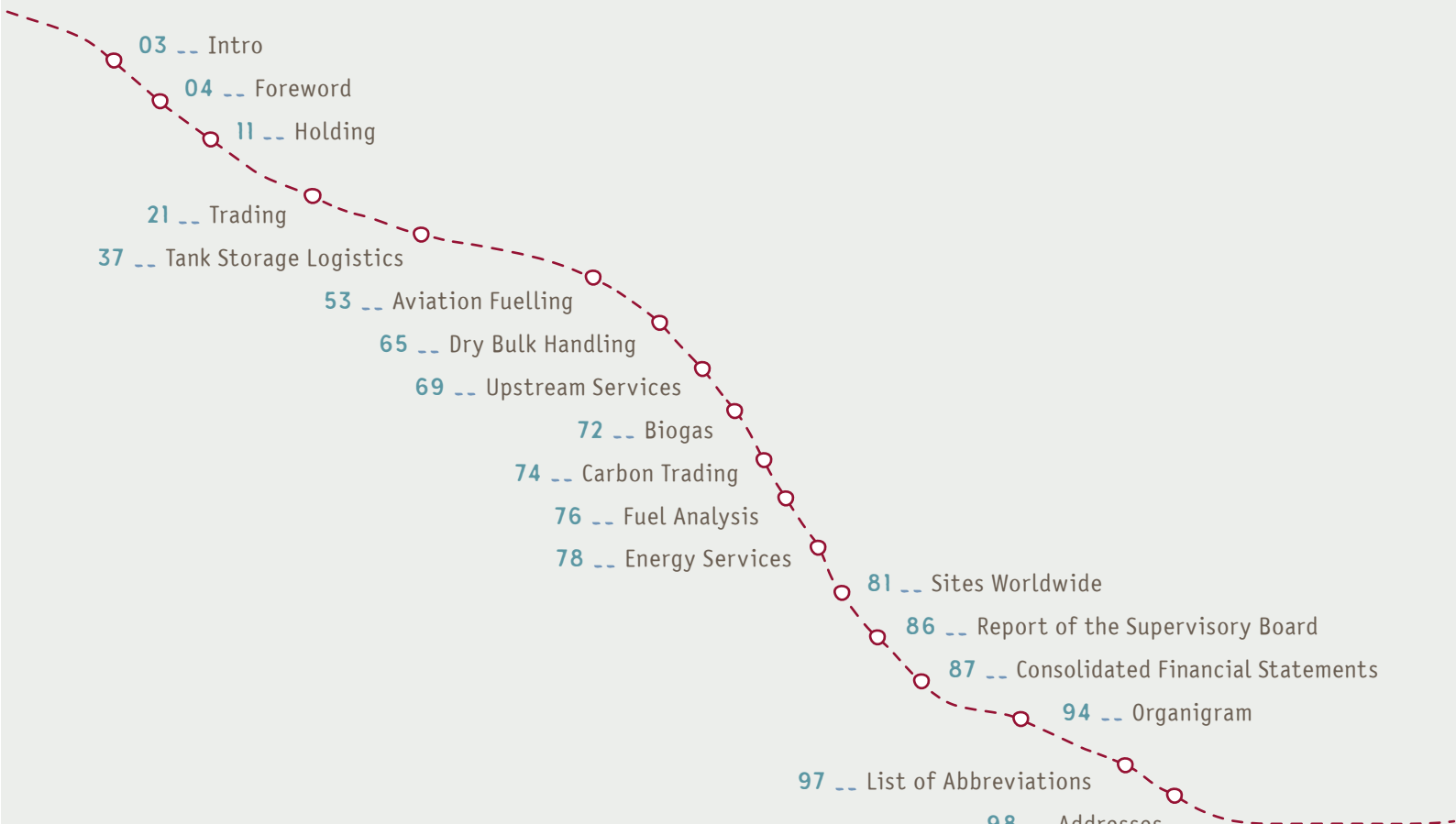
- are as diverse as they are fascinating, connect people, businesses and countries, enable exchanges of goods, information and ideas, transcend borders, obstacles and distances, give rise to development and change, to new perspectives and a broad horizon.  
At Marquard & Bahls as elsewhere ...

## Group Figures 2016

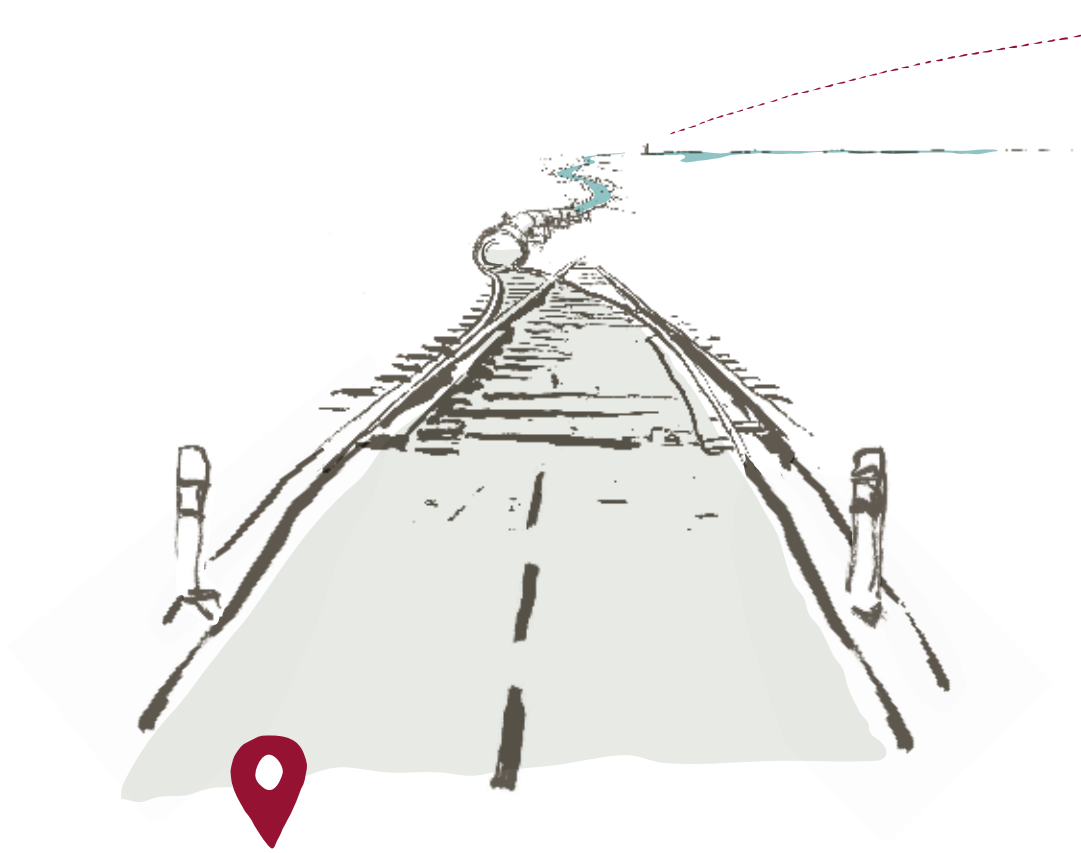
<b>MARQUARD &amp; BAHL'S</b>	
– Consolidated revenues in million € (including energy taxes)	11,546
– Employees	8,081
<b>MABANAFT</b>	
– External sales in million t	24.8
<b>OILTANKING</b>	
– Tank capacity in million cbm	21.0
– Throughput in million t	156.8
<b>SKYTANKING</b>	
– Throughput in million cbm	15.8
<b>UBT</b>	
– Throughput in million t	8.8
<b>NEWSCO</b>	
– Directional drilling distance in m	2,465,779



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## *Between Continuity and Change*

Transport routes play a decisive role in the performance of our business activities. They not only connect people, products and ideas – they also ensure movement and progress in a more figurative sense.

Our ability to optimally position ourselves for current and future challenges is key to our success. Transport routes are an indispensable prerequisite for this. They stand both for continuity – to continue along proven paths – as well as for change and the willingness to keep setting forth for new shores.

As the newly elected Chairman of the Marquard & Bahls AG Supervisory Board, it is important to me to continue governing the company in our family tradition. This means progress, not stagnation. Every day, we have to set forth and pursue our goals with persistence and courage. We are a strong company – and as such, we will keep evolving into the future.

HAMBURG, MAY 2017

  
DANIEL WEISSER  
CHAIRMAN OF THE SUPERVISORY BOARD



## *The Journey is the Destination*

— Marquard & Bahls has always been in constant motion. As a multinational with a focus on energy supply, trading and logistics, we have our finger on the pulse of business. Transport links are both a prerequisite and a result of this – around the world, and around the clock.

Entrepreneurship and determination are core values for Marquard & Bahls. We analyze the dynamics of our relevant markets and search for solutions – continuously, and always with a view to the future. We are guided by our desire for growth and development.

### *Looking back on a good year*

In 2016, we further expanded our core business areas – trading, tank storage logistics and aviation fuelling – and continued the operational successes of previous years:

- 📍 **Mabanaft** continued the positive trend, with very few exceptions. In addition to Mabanaft's trading activities in Germany, Hungary and the United Kingdom, the German end-user business was particularly successful. The Mabanaft Bunkering business unit once again had a difficult year with intensive predatory competition and low margins, which ended with a significantly negative overall result. With the goal of becoming even more customer-oriented in future and simultaneously more efficient, at the end of the year we decided to focus the bunkering activities on four hubs in Hamburg, Houston, Singapore and Dubai. The Mabanaft group's sales volume totaled 24.8 million tons, up 17 percent year-on-year.
- 📍 **Oiltanking** once again achieved an excellent result, with all regions contributing, particularly Asia, Europe and Latin America. The Karimun tank terminal in Indonesia was successfully put into operation, as was the Açú Port transshipment terminal in Brazil. Key investments included the purchase of the Antwerp Gas Terminal (AGT), and the acquisition of industrial building land in Texas City, which is to be used to expand the neighboring Oiltanking tank terminal. In addition, the shareholding in Oiltanking Odfjell



Terminals Oman was increased to around 52 percent. At year-end, Oiltanking was operating 81 tank terminals in 23 countries with a total capacity of 21 million cbm. IOT's EPC (Engineering Procurement Construction) business was reoriented and ended the year with a slightly positive result.

- 📍 **Skytanking** had another good business year and achieved an operating result above the previous year's level. Europe, Asia, and Africa all saw higher throughputs totaling 15.8 million cbm of jet fuel. Major developments included the expansion of the network in India and the founding of a joint venture for the supply of aircraft-fuelling personnel in Turkey. Skytanking currently operates at 68 airports around the world.
- 📍 **United Bulk Terminals** was impacted by a globally difficult coal market. While there was no revival of coal exports in the U.S. market, petcoke transshipments showed positive development. In order to permanently lower costs, the decision was made to reduce the storage area. The management and infrastructure measures begun earlier are beginning to show results and will be continued in 2017. The product and services portfolio is also to be further diversified.
- 📍 **Newsco** was faced with a continuing difficult market for directional drilling services due to persistently low crude oil prices and a significant drop in drilling activity, resulting in a loss. In view of the market's unsatisfactory development and the goal of particularly concentrating on the core businesses of trading, tank terminal logistics and aviation fuelling as part of its overall strategy, Marquard & Bahls sold the Upstream Services business in March 2017.
- 📍 In the renewable energy sector, **Mabagas** is focusing on its activities in India, in order to further increase the productivity and profitability of the biogas plant in Namakkal. In carbon trading, **Carbonbay** strengthened its business model. The company currently manages a global portfolio of 49 climate protection projects in the wind, water, biomass and solar energy sectors.
- 📍 The **GMA** mineral oil analysis company had a good year. **natGAS**, our holding in the gas business, also had a good financial year, further expanding its market position.

A special highlight in 2016 was the move to our new "home port". At the end of August, we moved into the new Marquard & Bahls company headquarters in Hamburg's HafenCity. All our Hamburg based companies have been re-united under a shared roof since then.





### *Around the world*

Marquard & Bahls has operations in 36 countries through its subsidiaries. Data pathways are essential for communication. Video, email, telephone and websites are used around the world, for exchanges between Hamburg and Singapore and other locations.





## *To preserve existing values, one must venture into new territory*

Even the ancient Greeks understood that: “panta rhei” (everything flows). Our company, which began with a handful of employees seven decades ago and is now a global Group of companies, is no exception. Tradition gives us support and security, but can hinder innovation and change. In order to resolve this in a positive way, as a company we have to keep reinventing ourselves if we want to be successful in the future.

With this in mind, in late 2015 we launched our Strategy 2020 process, which defines the future direction of Marquard & Bahls. It centers on our core business of trading, tank terminal logistics and aviation fuelling, which we intend to continue expanding in a targeted manner. This includes remaining open to opportunities in our core markets as well as emerging markets.

Our strategy process also focuses on achieving a more balanced distribution of profit contribution among our business areas, and active portfolio management designed, among other things, to initiate a turnaround in economically difficult business areas.

Another key topic is strengthening our organizational structure, with the aim of better supporting the operative business in the future. By the middle of 2016 we had equipped the project teams with the necessary resources – and the projects have picked up considerable momentum since then. We are confident that we will be able to swiftly advance the ongoing process of change and will have completed a good part of the journey by the end of 2017.

## *Movement at all levels*

Politically, 2016 was a year of surprises. A year that taught us that what may have been accepted as true yesterday no longer applies to today – and that surveys seldom accurately consider all variables. Reliable values are indispensable in such an environment. Living by values and upholding them is a universal mandate and our company is no exception.

We are also seeing a lot of movement in the energy markets, which are subject to permanent change. Many countries have now come to recognize the implications and dangers of climate change – as well as the resulting need for countermeasures. The new global climate treaty, which took effect on November 4, 2016, includes commitments for all industrialized, newly industrializing and developing countries to drastically reduce CO<sub>2</sub> emissions. While this gives a strong boost to the development of renewable energies, it by no means heralds an end to fossil fuels.



The fact is that fossil fuels currently account for almost 80 percent of world energy consumption. This mix will change. The importance of fossil fuels will gradually decline, but they will continue to form the backbone of global energy supply for the next few decades. This recognition confirms our resolution to continue focusing on our core business areas of trading, tank terminal logistics and aviation fuelling, while also pursuing renewable energies and the opportunities offered in adjacent areas with an entrepreneurial view to the long term.

### *Boldly exploring new paths*

Our tradition commits us to long-term thought and action. New tasks lie ahead, new ideas and new goals. This calls for dedicated employees who make logical plans and energetically put them into action. This applies to everyone – our management as well as our about 8,000 employees in 36 countries around the world. We would like to take this opportunity to thank all of them for their hard work, dedication and joint achievement.

We would also like to thank our shareholders, who attentively support our development with their own experience and inspiration. A special thanks goes to Hellmuth Weisser, who after 46 years of commendable service, including 14 years as Chairman of the Supervisory Board, after 18 years as Chairman and CEO of the Marquard & Bahls AG Executive Board, left the company at his own request in March 2017 in accordance with long-laid plans. Daniel Weisser, who has been a member of the Supervisory Board since 2015, has been appointed as the new Chairman of the Supervisory Board, having previously held various management positions in the company.

We would also like to thank our customers and business partners worldwide for their trust and loyalty.

All of them contribute to our ability to take our own path from a strong position –

*independent, sound, individual.*

HAMBURG, MAY 2017



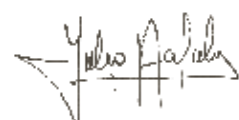
CHRISTIAN FLACH  
CHIEF EXECUTIVE OFFICER



CLAUS-GEORG NETTE  
CHIEF FINANCIAL OFFICER



ANKE SCHOUTEN  
CHIEF CHANGE OFFICER



JULIO TELLECHEA  
CHIEF OPERATING OFFICER



LOCAL TIME MUMBAI

2:29 pm

*Real-time Communications*



09:59 am

LOCAL TIME HAMBURG





## *Endless streams of data*

Despite their sometimes enormous length, data cables are still the fastest way to transmit data. At Marquard & Bahls company headquarters, they have a total length of around 140 kilometers.

They connect to external data paths via various interfaces, and ensure connections across national boundaries and time zones.





## *Holding*

— The Marquard & Bahls Group looks back on a good year, during the course of which we expanded our core business areas – trading, tank storage logistics, aviation fuelling – and further strengthened our organizational structure. By the end of the year, our activities had generated pre-tax profits of 203 million euros, based on Group revenues (including energy taxes) of 11.5 billion euros.



What drives our company forward? It is our knowledge and ideas – in short: our employees. Being successful in the market also requires loyal customers and business partners, a sound financial structure and an environment that presents sufficient opportunities for entrepreneurial activities. All of these factors were in place last year as well.

Our business model, which is based on a balanced mix of risks between the long-term investment business – mainly tank terminal logistics– and the more short-term-oriented trading business, proved itself again. In our core areas, we continued the successes of recent years in 2016 and in many areas we were able to significantly increase profitability.

## *Markets*

The oil markets had a turbulent year in 2016. At the beginning of the year, oil prices fell to below 30 U.S. dollars a barrel, but then picked up again. Towards the end of the year, oil prices fell below the 40 U.S. dollar per barrel mark once more, whereupon OPEC members agreed to cut production in 2017. As a result, oil prices stabilized at above 50 U.S. dollars per barrel.

Marquard & Bahls achieved a good result in this volatile environment, which was largely attributable to our core business areas. In the trading division, the positive trend continued, based on the physical trading business, which was backed by stringent risk management. In tank storage logistics, an excellent result was achieved once again and aviation fuelling also improved on the previous year's good result.

One of the key priorities for 2016 was to strengthen Marquard & Bahls' organization with the aim of updating the processes and systems to do justice to the current size of the Group and enable additional growth. One important topic in this context is a standardization of processes related to financial accounting, budgeting and reporting. Projects related to this were further advanced in 2016 and are to be largely completed in 2017.

As in the previous year, one of the Finance Function's key tasks last year was to ensure a sufficient financial framework and close relationship management with our banks, not least in order to support the growth plans of the individual divisions.

We will continue to be faced with economic and political uncertainties in future. For Marquard & Bahls, this means constantly analyzing the markets and financially positioning ourselves in such a way that we can continue to act flexibly. We will use our solid financial position to further advance our growth, both nationally and internationally.



## Employees

In recent years, the number of employees has continuously increased, in line with the strong growth in Marquard & Bahls' operations. 2016 was different: At the end of the year, our Group had 8,081 employees in 36 countries. This represents a slight decline compared to the previous year and was due to adjustments in some areas, such as the EPC and bunkering businesses. However, the trend across the Group as a whole is towards growth, with many companies hiring new employees.



### EMPLOYEES by company 2016



3.6 %	Marquard & Bahls
25.8 %	Mabanaft
49.2 %	Oiltanking
17.6 %	Skytanking
3.8 %	UBT, Newsco, Mabagas, Carbonbay, GMA

**8,081** TOTAL

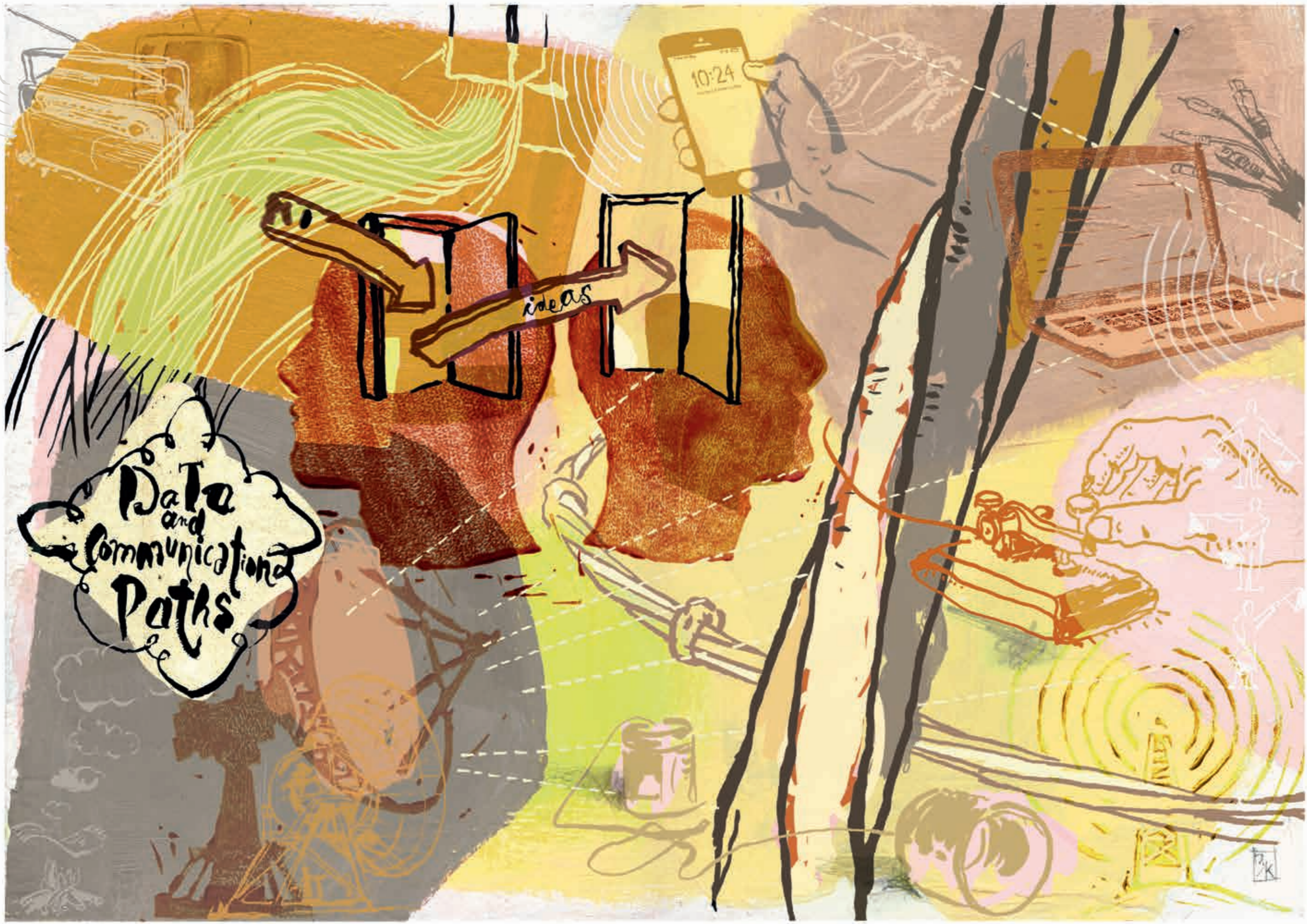


### EMPLOYEES by region 2016



20.3 %	Germany
34.0 %	Europe (*)
28.4 %	Asia / Pacific
4.0 %	Middle East & Africa
4.5 %	North America
8.8 %	Latin America
	(*) excl. Germany





Data  
and  
Communication  
Paths

People communicate. They have always interacted using language and signals. Only the technology, pace and degree of connectivity vary. Today, communication and data paths are important for all areas of life – and the world is “closer together” than ever before.





Once again, the key task of the Human Resources Function was to support the operating divisions in all personnel-related matters. For this reason, the HR Function works closely with the operating divisions worldwide. With the aim of more firmly anchoring HR as an integrated part of the business, last year the Function began implementing key projects developed as part of the HR strategy and rolled them out to important regions.

Another focus was on leadership development, as well as employee development programs, which were expanded together with HR's worldwide employee information system. The development of employees through international assignments, which increased by 35 percent compared to the previous year, was another key aspect. Other projects included the acceleration of the company-wide FUEL trainee program and the dual-study program.

Our growing Group of companies presents HR with a wide range of tasks and new challenges. One key task in this connection last year was to strengthen Marquard & Bahls' organizational capabilities. This process of change, which continues in 2017, is actively supported by HR. Providing the necessary resources and competencies in the form of qualified and motivated employees will continue to be one of HR's most important focus in the future.

## *HSSE – Health, Safety, Security and Environment*

As a company that is aware of its responsibilities, Marquard & Bahls is committed to the safe and efficient operation of all its business activities. We promote a proactive safety culture throughout the Group, with a view to preventing accidents, injuries and occupational damage to health and to protecting the environment. To achieve this, we develop Group-wide guidelines and minimum requirements, define targets, and monitor their implementation.

Key HSSE indicators showed significant improvement last year, with a decline in both the frequency and severity of workplace accidents. The number of product releases and fires also decreased, although the total product volume increased slightly.





To be able to respond to developments in HSSE indicators even faster in the future, a dashboard application that provides daily data and allows even more detailed analyses is currently being programmed for all divisions.

On March 22, 2017, Oiltanking held its first worldwide Safety Day with a view to further boosting the company's in-house safety culture. Films, presentations, discussions and practical exercises helped to increase employee awareness for HSSE issues.

In this context, the new "Golden HSSE Rules" were also presented in the respective national languages.

At Skytanking, "Golden Safety Rules" had already been introduced in 2016 as part of an HSSE leadership campaign.

## *Sustainability*

Marquard & Bahls is closely monitoring both the challenges and the progress achieved in the field of sustainability. Our strategic action areas comprise responsible corporate governance, sustainable growth, environmental protection, our employees, occupational health & safety and charitable work. The results were published in our sixth Sustainability Report in July 2016. The report was prepared in accordance with the guidelines of the Global Reporting Initiative (GRI G4 Core) and can be downloaded on the Marquard & Bahls website, along with earlier reports.

Another of the Marquard & Bahls sustainability team's key tasks was to develop an extensive Sustainability Strategy 2025 that also reflects the results of a stakeholder survey. This strategy is to be finalized and put into action in the 2017 financial year.

We also analyzed the environmental and social challenges of the oil and gas value chain and described them in detail in the Sustainability Report. A total of 2,624 tons of CO<sub>2</sub> emissions from air travel by all employees of Marquard & Bahls AG and Oiltanking GmbH in 2015 were offset by Certified Emission Reductions (CERs) from a gold standard certified wind-power project in the portfolio of our Carbonbay subsidiary.

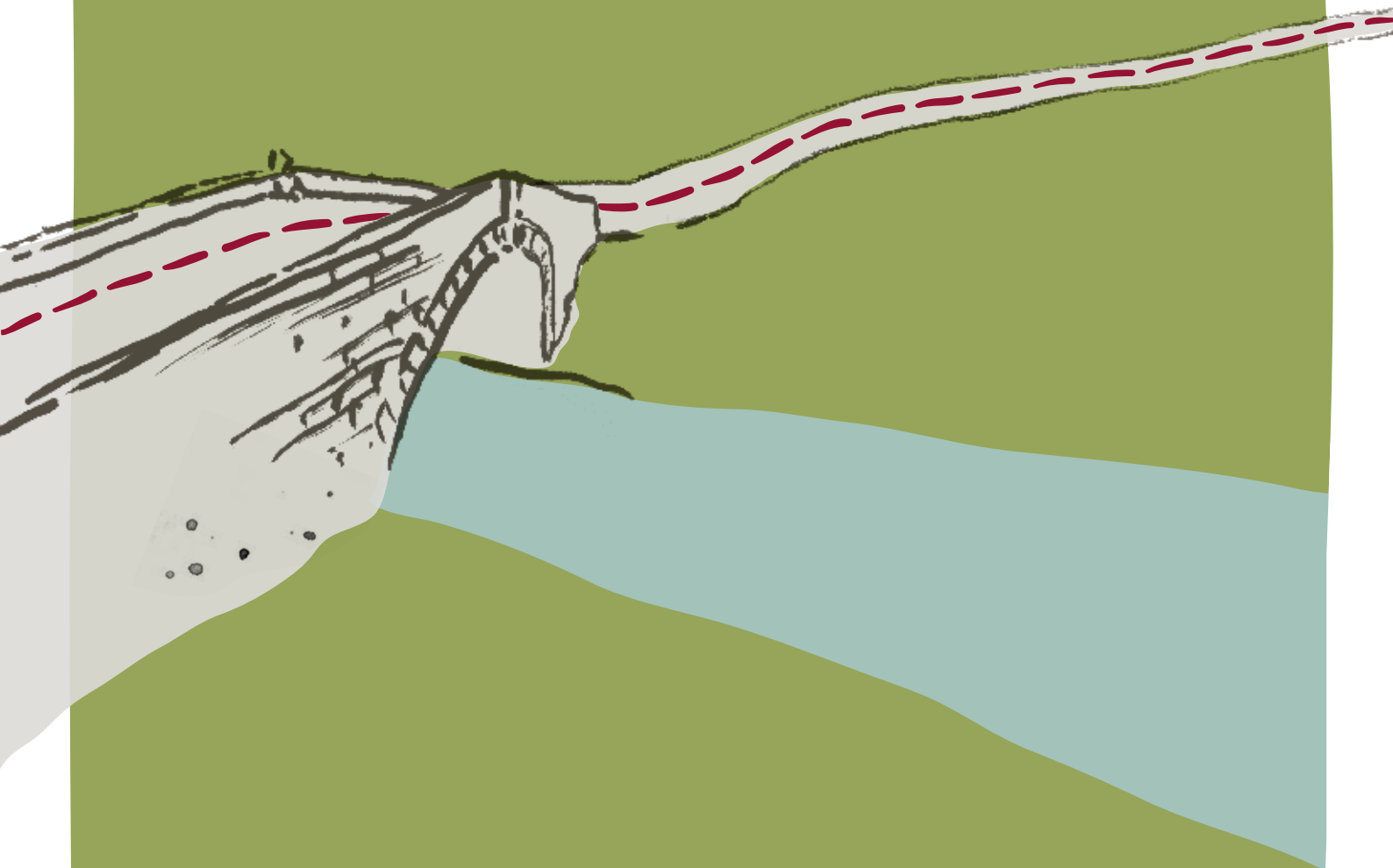


In keeping with a cherished tradition, Marquard & Bahls made a corporate donation of 100,000 euros to an international aid project at the end of 2016, thereby securing the annual funding for an SOS Children's Village in Alibaug, south of Mumbai, India. We have had close ties to India for many years through our subsidiaries IOT Infrastructure & Energy Services, IndianOil Skytanking, IOT Mabagas, Matrix Bharat and Newsco.

Marquard & Bahls will continue to be actively involved in the issue of sustainability in the future.



# *Overcoming Obstacles*





## *Road, river, rail*

Consummate connections – flexible, smooth, fast –  
are the be-all and end-all in the international exchange of goods.  
Mabanaft traders use a wide range of transport options when planning  
logistics. Mineral oil products reach customers  
by road, rail, river, and sea.





## Trading

— The Mabanaft group continued the positive trend in trading and retail in 2016, while the bunker business fell short of expectations. The trading companies maintained their focus on physical trading, supported by resolute risk management.



As in the previous year, the oil market in 2016 continued to be affected by an over-supply of crude oil, keeping prices at a relatively low level. Towards the end of the year an OPEC agreement to limit production in 2017 – also joined by some non-OPEC producers – resulted in more stable prices. Despite a pronounced contango situation for much of the year, strong competition as well as political and economic uncertainties had an impact on trading performance. However, even in this challenging environment Mabanaft's trading companies managed to uncover and exploit market opportunities and deliver a strong result. At the end of the year, sales volumes totaled approximately 24.8 million tons, 17 percent higher than in the previous year.

In a year with a good overall result for the trading group, the three business units Mabanaft Trading, Mabanaft Retail and Mabanaft Bunkering experienced varying degrees of success. Mabanaft Trading achieved a very good overall result, with the German business exhibiting its traditional strength. Excellent results were also achieved in the U.K. and Hungary. Singapore posted a satisfactory result and made important decisions that will pave the way for further development of its trading activities.

Mabanaft Retail was successful once again: The Petronord group recorded one of its most successful years ever, with service station network operator OIL! Tankstellen also posting a strong result.

Meanwhile, in the shipping industry, a market currently dominated by predatory competition and low margins, Mabanaft Bunkering ended the year with a significant loss. Although some companies recorded positive development the overall result was negative. In order to reduce costs and boost efficiency while also becoming more customer-oriented, at the end of 2016 it was decided to focus the Bomin network around four key sales hubs in Hamburg, Houston, Singapore and Dubai.

## *Mabanaft Trading*

Mabanaft operated several regional and wholesale trading companies across Europe, Asia and North America during 2016. The year saw pleasing increases in sales volumes, particularly for heavy fuel oil and liquefied petroleum gas (LPG), but also for heating oil and diesel.

### **Mabanaft Pte.**

Mabanaft Pte. operates its trading business from Singapore, one of the world's largest oil trading and transshipment hubs. The company's 2016 result was positive, and a significant improvement over the previous year. At the same time, Mabanaft Pte. broadened its activities, setting a base for planned expansion in the years ahead.



Middle distillates and LPG trade both made a good contribution to results. The company increased its cooperation with sister companies Bomin, Omanoil Matrix, Matrix Marine and Oiltanking.

With a view to significantly expanding the liquefied-gas activities in line with the Marquard & Bahls growth strategy, the position of Director of Gas was newly created at Mabanaft in fall 2016. The trading team for LPG and other gases was also expanded. In 2017, in addition to the trade in middle distillates, Mabanaft Pte. will focus primarily on expanding the gas business and physical bunkers supply.

#### **Mabanaft International**

Since 2015, Mabanaft International has concentrated on trading in the countries around the Mediterranean, with a focus on supplying its sister company Bomin. Due to Bomin's strategic withdrawal from Spain at the end of 2016, the management decided to discontinue Mabanaft International's operations, with remaining trading activities integrated into Mabanaft Deutschland.

#### **Mabanaft Deutschland**

Mabanaft Deutschland continued its long history of success in 2016, once again achieving a good result despite a complex market characterized by falling demand. Deep market knowledge and experience allowed the trading team to positively counter the effects of national and international developments on the market. Mabanaft Deutschland once again profited from the strong competitive advantage it has as a result of access to significant tank capacity at strategic locations.

The increase in sales volumes was mostly achieved with middle distillates and heavy fuel oil. As in the previous years, the heavy fuel oil business developed positively and the supply of bunker fuel was further expanded in close cooperation with Bomin Deutschland. The growing diesel business in Spain, previously part of sister company Mabanaft International, also made a positive contribution.

Mabanaft Deutschland will continue to pursue its growth strategy.







### **Mabanaft Ltd.**

London-based Mabanaft Ltd. further strengthened its overall position in the market and ended 2016 with a very good result. This is a particularly notable achievement as the country's oil market is fiercely competitive and suffers from physical oversupply. Highlights included results from diesel trading and the expansion of the jet fuel business.

During the year, investment was made in the existing IT trading system, improving controls and providing a strong base for efficiency gains, which is a good basis for further development. In 2017, the company is aiming for further growth, including a continuing focus on increasing jet fuel sales.

### **Mabanaft Hungary**

Mabanaft Hungary had a great 2016, with results easily exceeding budgeted targets. This was a very strong performance from the Budapest-based company, operating as it does in a market overwhelmingly dominated by one market participant. The result was due to increases in both sales volumes and margins, as supply remained stable. The service station business was relatively stable, with 40 franchised stations trading under the OIL! brand at year end.

The goal for 2017 is to further expand both the sales strategy and the service station business.

### **Mabanaft Moldova**

The situation in Moldova continued to be impacted by a weak economy in 2016. In this context, Chisinau-based Mabanaft Moldova once again experienced a challenging fiscal year that ended with a balanced result. The company's future prospects depend strongly on the country's future economic development.

### **B.W.O.C.**

B.W.O.C. had one of its best years ever in 2016, with the Weston-super-Mare-based company enjoying excellent results, to which several sections contributed despite the competitive U.K. market. A clear highlight was the gain generated from the sale of the majority of its fuel cards business customer base early in the year.



Pleasingly, by year end B.W.O.C had already made substantial progress in rebuilding card volumes. The company also made substantial progress in improving its market position for the future by establishing a new trade brand, LYNX Fuels, which is now operating out of three locations including B.W.O.C.'s first fuel depot.

Because B.W.O.C. is well positioned and has a flexible business model, the outlook for 2017 is also positive.



### *On track*

Nearly a fifth of all goods are transported to their destinations in Germany via the rail network.

Mabanaft Deutschland also sends some of the mineral oil products it trades by railcar – about 400,000 tons last year, in more than 6,000 railcars.



### **Mabanaft Coal Trading**

Mabanaft Coal Trading, founded around two years ago and based in Houston, Texas, strengthened its market position in an increasingly quiet market environment. However, its prospects remain uncertain for the time being. With this in mind, Mabanaft decided to discontinue the U.S. subsidiary's business in the first half of 2017.

## *Mabanaft Retail*

Mabanaft operates in the end-consumer sector in Germany, Austria, Switzerland, the United Kingdom and Moldova. Most of the group companies enjoyed another strong business year in 2016, making a significant contribution to the Mabanaft group's overall result. Including all holdings, around 30 companies are currently active in the fuel oil, diesel, lubricants, gas, bitumen, and, now electricity, as well as service station and pool station (automatic service stations for commercial trucking fleets) business areas.

### **Petronord**

The Petronord group, currently comprising 27 end-consumer companies in Germany and Austria, achieved another record result in 2016. Nearly all of the companies recorded good growth in sales volumes and earnings. During the year, three companies were acquired: two smaller companies were integrated into existing ones, while Kiessling, a company based in northern Bavaria, now operates as a separate company under the Petronord umbrella.

Due to the mild winter of 2015/2016, demand for heating oil was low, as expected, but earnings were nevertheless satisfactory. Good margins led to good results for the pool stations, and the lubricants trade continued to grow its volumes. The bitumen business generated notable success. At year-end 2016, a joint venture between Petronord's Mabanol Bitumen and a refinery was established with the aim of selling bitumen and bitumen components in a more targeted way. Operations will commence in the first half of the year 2017, pending approval by antitrust authorities.



In 2017 Petronord will pursue continued growth through the targeted expansion of activities as well as further acquisitions. While the trading group will focus on the pool station business, it will also continue to expand in other areas.

### **Thomas Silvey**

The Bristol, U.K.-based company Thomas Silvey achieved a very good result in 2016 despite mild weather and a fiercely competitive market. Extraordinary income was generated by the sale of a large portion of the customer base in the fuel-card business, with successful rebuilding subsequently started. In contrast, trade in lubricants and bulk sales was less satisfactory. However, the company is countering such challenges with cost-cutting programs and improved process management. Thomas Silvey expects another positive performance in 2017.

### **OIL! Tankstellen**

The OIL! Tankstellen organization again recorded a very good result in 2016. Although prices were low at the beginning of the year, business later stabilized. Sales developed positively, with good margins, and the shop business once again made a good contribution to the overall result. A flagship convenience store was opened at the new Marquard & Bahls head office in Hamburg's HafenCity.

In the course of the year, OIL! acquired five new service stations in Germany and integrated them into its existing network. The company also invested in shop fittings and new fuel dispensers at a number of locations. Looking ahead, OIL! is optimistic about continued expansion of its network. Two new locations were integrated at the beginning of 2017, and further acquisitions are expected over the course of the year.





📍 The variety of transport routes and methods is as big as the world itself. Depending on the circumstances and composition, goods can be transported by rail or road or by overland pipeline. And the possibilities of combining individual legs of the journey with each other are almost endless.

*Many ways to get there*



In Denmark, a highly competitive market with a high density of service stations, organizational changes initiated in the previous year began to show results. At the end of 2016, rebranding of the Haahr Benzin stations as OIL! tank & go commenced, and is due to be completed in the first half of the year 2017. Including a newly acquired station in Bornholm, the service station network now comprises 45 sites. Thanks to cost savings, OIL! is confident of being able to achieve improved results in Denmark in future.



### *On the move*

Fuel is transported to OIL! service stations on highways and roads.

The distance from the Oiltanking tank terminal in Hamburg to OIL! service stations in Schleswig-Holstein is often less than 100 kilometers, but the total distance covered in Germany, Austria, Switzerland and Denmark each year comes to millions of kilometers.



In Austria, the service station business recorded a slight increase in sales in 2016, and with good margins however, achieved a result that was slightly below budget but still above the previous year. The company made several investments in new shops and fuel dispensers. One station was acquired and integrated into the existing network. Thanks to a very loyal partner base, the company assesses the further development in Austria as stable despite a nascent market consolidation.

The OIL! service station business in Switzerland achieved a satisfactory result in 2016. This came after the cost of fuel increased considerably following the unpegging of the Swiss franc from the euro in the previous year. The resulting lower volumes could not be increased in 2016, either. OIL! invested in the addition of vapor recovery systems for all fuel dispensers, and is now fully compliant with all newly mandated legal requirements. Further development of the Swiss market is assessed as positive.

#### **Tirex Petrol**

The service station organization Tirex Petrol, operating a network of around 100 service stations in Moldova, achieved a positive, slightly below-budget result in 2016. The company invested in shop and sanitary facilities in many locations with tanks and fuel dispensers also replaced at some stations. Given the good market reputation and service orientation of the Tirex Petrol service stations, the outlook continues to be good.

### *Mabanaft Bunkering*

The crisis-riddled times for the shipping industry continued in 2016. In the context of continued predatory competition and low margins, Bomin achieved a disappointing result, with the business performance varying widely between the regions. While business remained difficult in Northwest Europe, the Mediterranean and Middle East & Africa, North America, Latin America and Asia-Pacific achieved satisfactory or even good results.

At the end of 2016, Bomin decided to realign its business, to ensure cost efficiency and that the customers' requirements can be met. The company has established four regional hubs located in Hamburg, Houston, Dubai and Singapore. They support the company's offices and operations across Europe, the Americas, Middle East & Africa and Asia-Pacific. The new structure will take effect from the beginning of 2017 and ensures global alignment, highest service quality and cost-effective bunker fuel supply solutions.



With the new set-up, Bomin is well prepared for future developments, particularly the challenges of the upcoming IMO Regulations (International Maritime Organization) in 2020, which mandate the use of bunker fuel with a lower sulphur content. Bomin will also collaborate even more closely with Mabanaft in the future, so that the group can better exploit the advantages of an integrated bunker business.

### **Northwest Europe**

The European bunker market in 2016 was characterized by strong competition and aggressive pricing strategies. Due to the difficult market constellation and extremely low margins, it was a loss-making year for most companies. Bomin Deutschland, however, managed to double its sales volumes.

Following the new organizational structure, one of four regional hubs will be established in Hamburg in 2017. The customers previously handled by the closed offices in London, Madrid, Athens and Tallinn are now being served from the Hamburg hub.

### **Mediterranean**

In an intensely competitive market, the companies were not very successful and ended the year with considerable losses. Following the reorganization, the business will now be run from Hamburg. The aim for the future is to take advantage of business opportunities by occupying specific niches in the Mediterranean region.

### **Asia/Pacific**

Overall, Bomin in Singapore, the world's largest bunker hub, and the other locations in the Asia-Pacific region achieved satisfactory results in 2016. Bomin Bunker Oil, Singapore, expanded its physical bunker supply operation, and intensified collaboration with its sister companies Matrix Marine Fuels and Mabanaft. Bomin Hong Kong and Matrix Bharat achieved good results. Although competition will remain fierce, the outlook is positive. From 2017, Singapore serves as the regional hub for the entire Asia-Pacific region.

### **North America**

In the U.S., the market was characterized by aggressive competition and pricing once again. Nevertheless, the region achieved a good result, thanks especially to the high margins of the ex-pipe business in Houston, and overall higher sales volumes. The operations in Panama and Norfolk also contributed to the good results. In 2017, North America and Latin America customers will be handled by the Houston hub.





**Latin America**

Political and economic instability in much of Latin America during 2016 created a difficult market environment for bunkering. Although nearly all sites fell short of expectations, the region overall delivered a positive result. In contrast, the business in Brazil was disappointing, and consequently the office in Rio was closed at the end of the year. The bunker business in Latin America will be managed from Houston from now on.

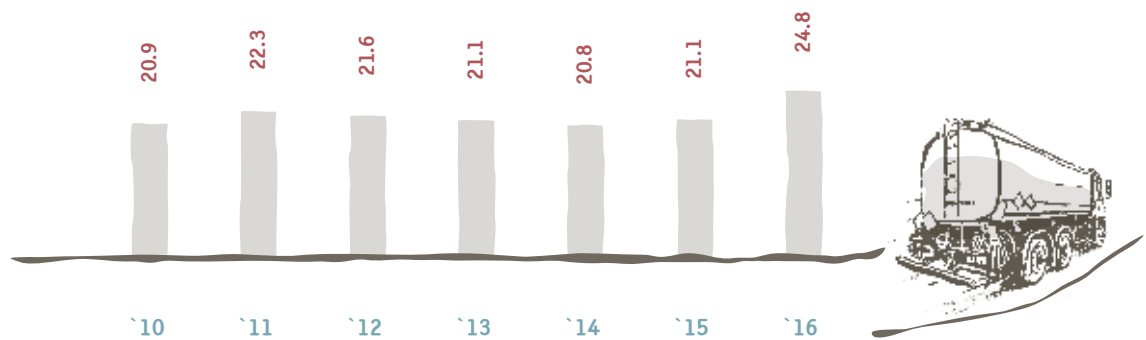
**Middle East & Africa**

The Sohar and Fujairah locations also had a disappointing year in 2016, with low margins. Nevertheless, the market is promising, as the most important shipping routes run through it. To strengthen Bomin's position in this growing and important region, a new site at Port Louis, Mauritius, was opened at mid-year. The business will be managed from the hub in Dubai starting in 2017.

The Africa business that was previously handled by London will also be coordinated from Dubai in the future.



**EXTERNAL SALES 2010-2016 in million t**



### **Bomin Linde LNG**

Since its establishment in 2012, Bomin Linde LNG, which until October 2016 was a joint venture between Bomin group and Linde AG, has worked to build liquefied natural gas (LNG) infrastructure for marine shipping in Northwest Europe. However, demand for LNG has remained well below expectations and because no real improvement is expected going forward, Bomin sold its shares to Linde AG in October 2016.

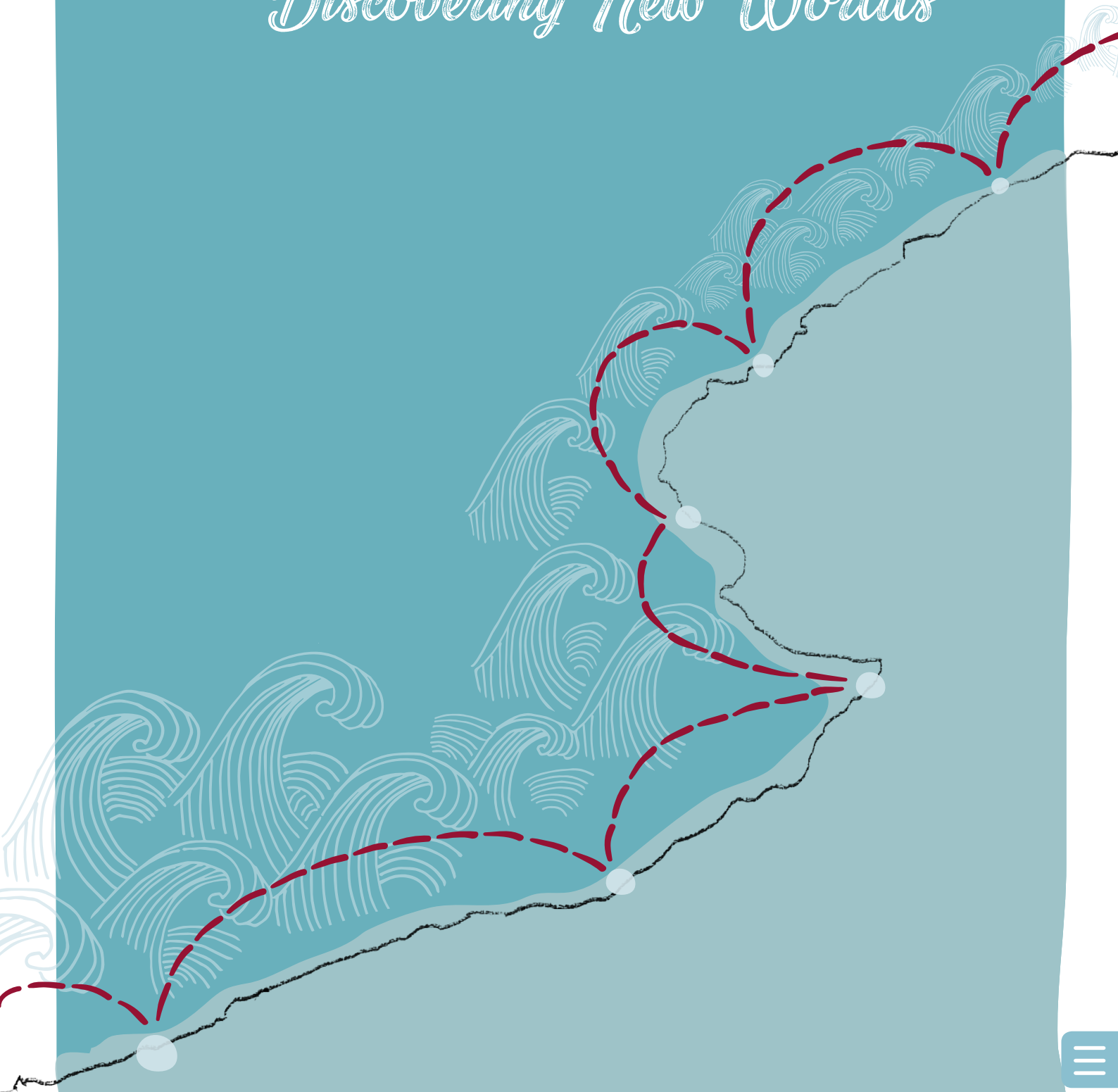
Bomin will now focus on other alternative products that meet the new emissions requirements. It is of fundamental strategic importance for the company to find suitable solutions here.

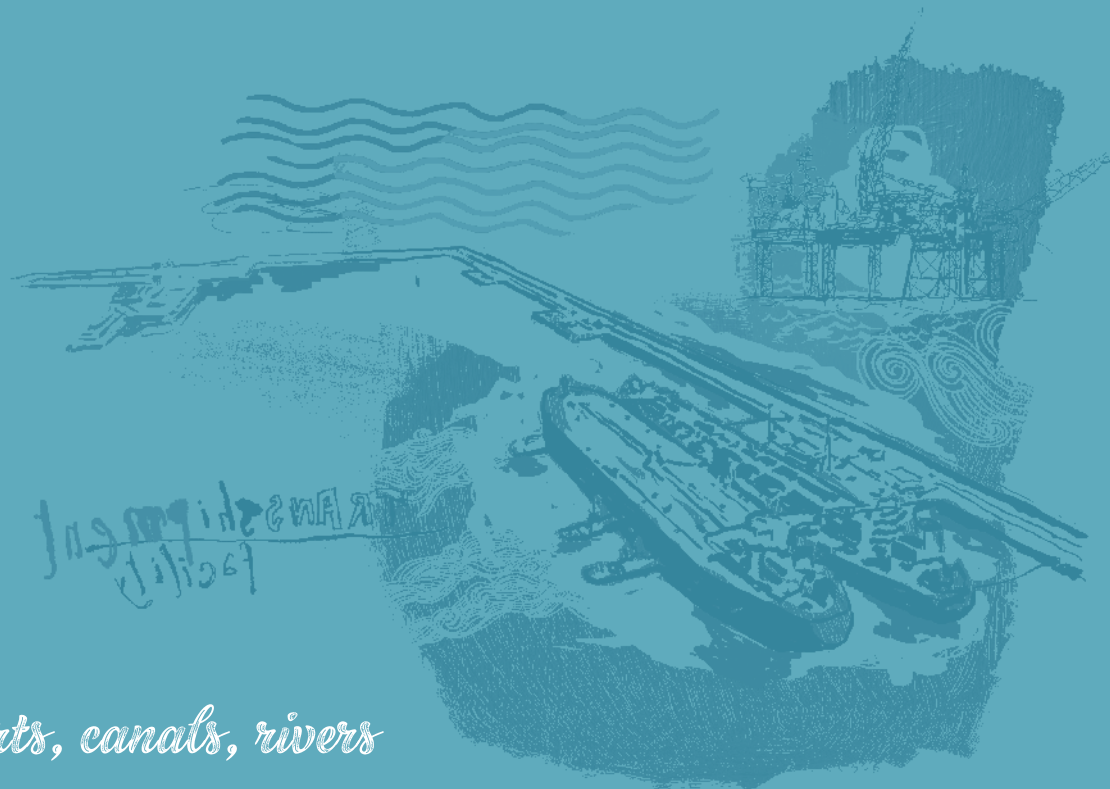
### *Outlook*

Mabanaft expects the market environment to continue to be challenging in 2017. The company will continue its clear focus on physical oil trading in the years ahead, while also practicing resolute risk management. In addition, the gas business will be systematically expanded, and the infrastructure extended. In conjunction with a stronger leveraging of synergies among the group's companies, these activities are aimed at generating growth, both in the traditional business areas and in adjacent ones.



# *Discovering New Worlds*

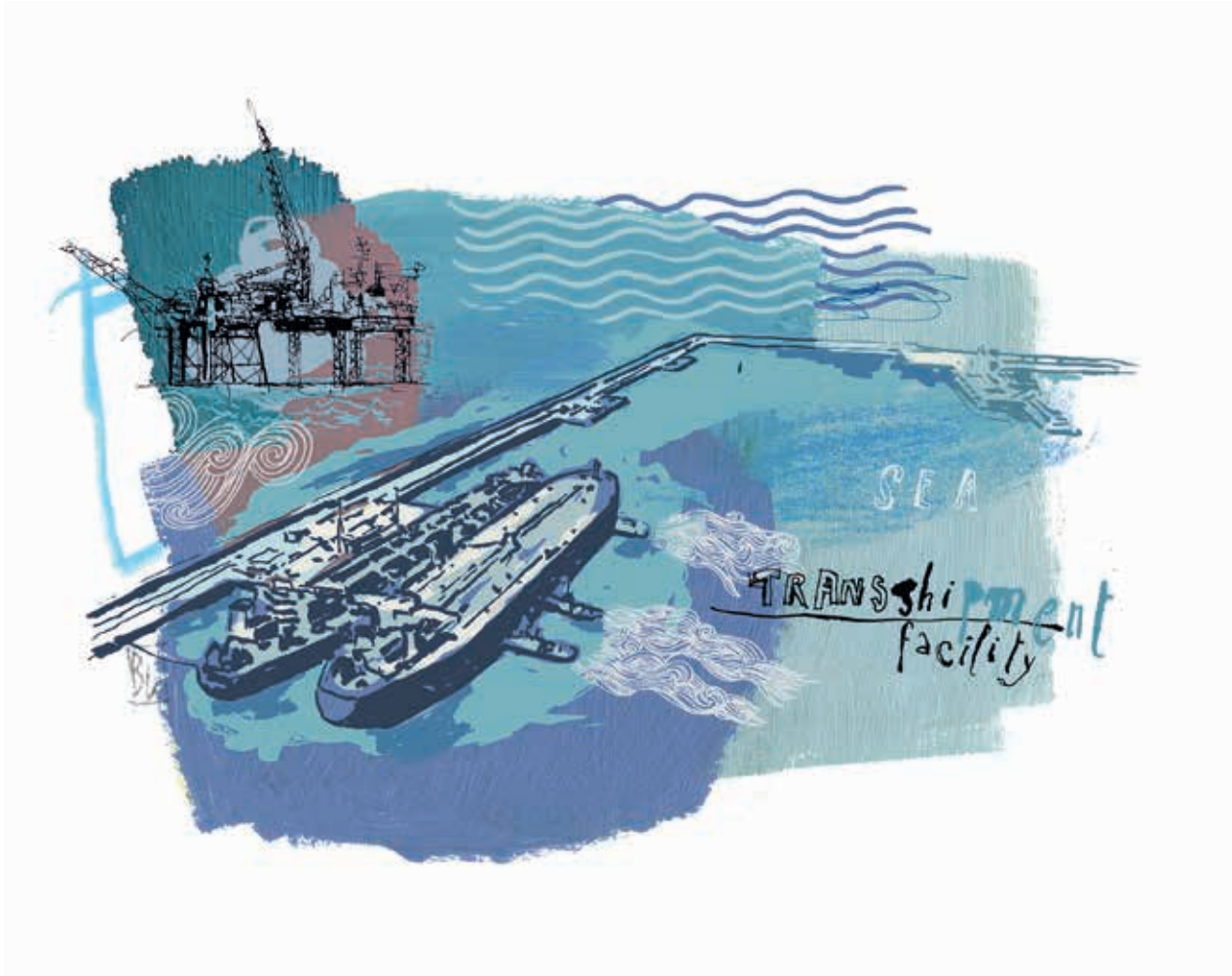




## *Ports, canals, rivers*

Along the world's waterways and shipping routes, Oiltanking provides tank capacity for storing and handling mineral oil, gas and chemicals. This makes tank terminals important hubs in the global product streams that link producers with consumers.





## Tank Storage Logistics

— Oiltanking achieved a strong operating result in 2016 thanks to excellent capacity utilization and high throughput volumes. In addition, the company expanded its business in the pressurized and refrigerated gas sector.



The newly constructed tank terminal on the Indonesian island of Karimun was successfully put into operation, as was the new transshipment facility at Açu Port in Brazil. In line with its strategy to expand its gas activities, Oiltanking acquired Antwerp Gas Terminal (AGT), one of the leading independent gas tank terminals in Northwest Europe, in mid-2016. Other important acquisitions included the purchase of approximately 89 hectares of industrial land with access to water in Texas City to expand the existing Oiltanking tank terminal, and the acquisition of a neighboring tank terminal on a Danish island in Copenhagen in September 2016.

In India, the efforts of the past two years to restructure the EPC business began to bear fruit, which also led to a positive result at IOT Infrastructure & Energy Services.

At the end of 2016, Oiltanking operated 81 tank terminals in 23 countries with a total capacity of 21 million cbm.

## Europe

### Germany

Despite a constantly maturing market and strong competition, Oiltanking Deutschland delivered pleasing results in 2016, on par with the previous year. In Hamburg in particular, the demand for tank capacity was strong and the Oiltanking Deutschland network was able to gain new customers at various locations. The former Bomin tank terminals based in Kiel and Bremerhaven were sold with effect from January 1, 2017. Oiltanking Deutschland profited from the renewal of all key contracts, resulting in through-put at a consistently high level. In addition, the company concluded an O&M contract (Operation & Maintenance) for five tank terminals. Investments in the infrastructure are planned for 2017 to form a good basis for the terminals' continued competitiveness.

### Belgium

Oiltanking Stolthaven Antwerp had a very good year in 2016. The tank terminal expanded its position as an important transshipment center for chemicals, extended existing contracts, and secured new customers. Investments in automation in combination with continuous process improvement resulted in a reduction in the turn-around time of ships and tank trucks. Despite an expected increase in competition, the prospects for 2017 are very positive.



The Antwerp Gas Terminal (AGT), which Oiltanking acquired in the middle of 2016, performed in line with expectations and its integration into the Oiltanking tank terminal network is making good progress. Further expansion opportunities for the facility are being developed.

Oiltanking Ghent achieved a good result in 2016. The ongoing contango market as well as an expanded portfolio of products and services led to full capacity utilization and an increase in additional business. Lower usage fees for the Central Europe Pipeline System (CEPS), to which the terminal is connected, also increased demand for tank capacity for Jet A1 aviation fuel. In addition to investments in fire protection systems, two new vapor recovery units (VRU) were installed for gasoline and naphtha storage. Given the stable market situation and in conjunction with the expansion of the product portfolio, the prospects for Oiltanking Ghent are positive.



### *Through the pipeline*

Like veins, pipelines form networks that transport liquids to their destination over large and small distances. Oiltanking is not only connected to many of these networks, but also operates its own pipelines.



### **Netherlands**

High capacity utilization and the strong increase in ship-to-ship transshipment led to an exceptionally good result at Oiltanking Amsterdam in 2016. As competition in the ARA region (Amsterdam Rotterdam Antwerp) is expected to remain strong due to a shrinking market, the terminal is currently reviewing the development of alternatives to the storage of fossil petroleum products, such as restarting the biodiesel factory located on their premises.

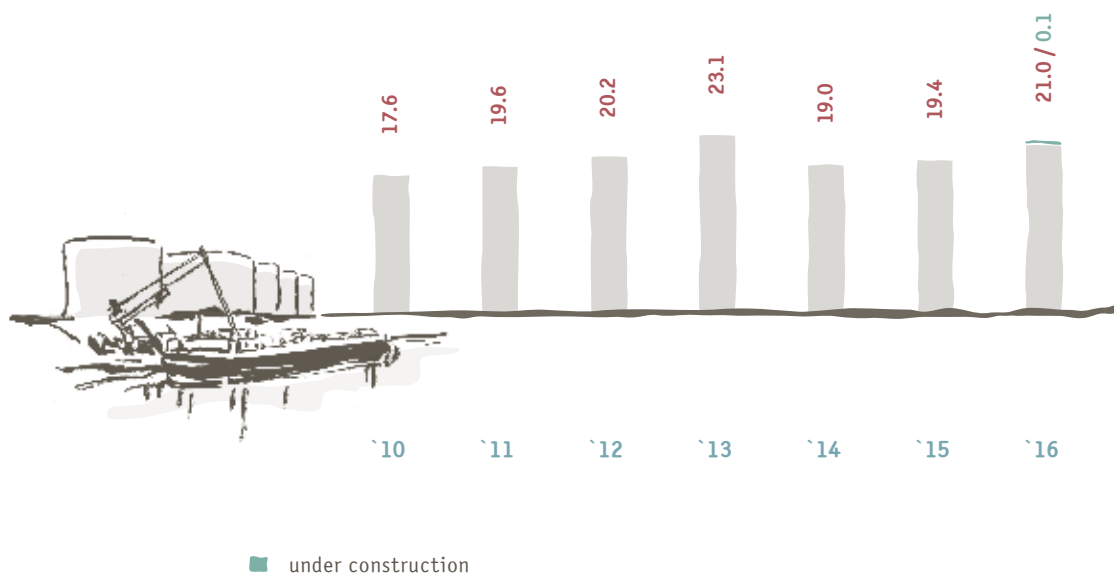
Oiltanking Terneuzen experienced a combination of full occupancy with lower throughput volumes during 2016. The decennial inspection program for the chemical part has been successfully completed.

### **Hungary**

Oiltanking Hungary's result was well above expectations in 2016. A new customer was secured and the throughput volumes of existing customers remained satisfactory. Continued solid earnings are expected for 2017.



TOTAL TANK CAPACITY 2010-2016 in million cbm





### 📍 Finland

Stable chemical transit volumes from Russia in combination with a full occupancy led to a good result at **Oiltanking Sonmarin**. The upgrading of the operational control system at the terminal was successfully completed.

Results at the tank terminals for petroleum products and chemicals purchased by **Oiltanking Finland** in 2015 were also in line with expectations. During 2017, the integration of both locations into the Oiltanking network will be continued. Combined with the positive market development, this leads to a promising outlook.

### 📍 Estonia

**Oiltanking Tallinn** achieved a good result despite the competitive market environment. With tank utilization at over 90 percent, throughput rates also increased, partly because of the strong business performance of its sister company **Bomin**.

### 📍 Denmark

Thanks to an improved tank utilization and throughput, **Oiltanking Copenhagen's** result was in line with expectations. The acquisition of a neighboring tank terminal which is connected via pipeline with the Copenhagen Airport was successfully completed in September 2016.

### 📍 Malta

**Oiltanking Malta** achieved a positive result during 2016 due to full utilization in combination with various successful margin improvement initiatives. The strategy to switch product focus anticipating changing market flows starts to bear fruit. This strong performance of the facility is expected to continue throughout 2017.

### 📍 Bulgaria

Despite the persistently difficult market environment, **Oiltanking Bulgaria** marginally improved its result year on year. Negotiations are ongoing with a key customer and possibilities for expanding the product portfolio are being actively explored.





More than 9,000 years ago, people began to use floating means of transport to move to new shores. From the Greek Argonauts on rowing boats to Viking ships and the first ocean steamers, it was a long journey to the modern Very Large Crude Carriers (VLCC), which supply crude oil to refineries worldwide with a capacity of up to 320,000 DWT.

*A sea of possibilities*



## North America

### USA

Despite a decline in throughput, Oiltanking Texas City managed to repeat the previous year's good results. Tank capacity utilization was above 90 percent, and various initiatives kept costs within budget. The company's mid-2016 purchase of 89 hectares of industrial land with access to water enables an expansion of the existing tank terminal and the growing demand for diesel and gasoline from Mexico creates further new business opportunities.

As part of the purchase of industrial land, Oiltanking also acquired a chemicals tank terminal in Texas City. Preparations for its takeover were successfully concluded at the beginning of the year and Oiltanking Galveston County began operations on April 1, 2017.

Oiltanking Joliet ended 2016 with a balanced result. Most of the infrastructure modernization initiated in 2015 was completed and had already begun to have a positive effect at the end of the year. The site's progress is closely linked to an efficiency-boosting program. The tank terminal is planning to expand its existing product and service portfolio in the chemical sector beyond its current specialization.

## Latin America

### Argentina

As cost savings compensated for the decline in earnings, Oiltanking Ebytem's 2016 results were in line with expectations. Although throughput rates and offshore services were impacted by the economic situation in Argentina, capacity utilization at the two tank terminals in Puerto Rosales and Brandsen exceeded expectations by about 30 percent. Extensive maintenance work was also successfully completed during the year. If the economic upturn materializes as forecast, the company expects another significant increase in throughput in 2017.

### Brazil

Oiltanking Terminais' capacity was fully utilized in 2016, leading to a positive result that exceeded expectations. All contracts were extended for the medium-term and some construction to improve the infrastructure was completed. The tank terminal is negotiating the operation of further jetties and is reviewing the possibility of expanding the tank terminal.



The facility for ship-to-ship transshipment of crude oil in **Açu Port**, in which Oiltanking acquired a 20-percent stake in August 2015, was successfully put into operation in August 2016. The opening of the oil fields for other investors is expected to result in increased activity.

Last year, the **Oiltanking Logística Brazil** joint venture began operating a tank terminal in Açu Port. The results of the site, which Oiltanking operates under an O&M contract, were in line with expectations.

### **Peru**

In Peru, Oiltanking looks back on a very successful year with good results. In Callao and the north of the country, five tank terminals are operated by **Terminales del Peru**, a consortium with a local joint venture partner. The construction of four tanks in Callao is also well underway, and they are expected to go into operation in mid-2017. The five tank terminals in the south of Peru are operated by **Consorcio Terminales**. The new tanks for sodium hydrogen sulfide, which have been operated at **Logística de Químicos del Sur** since the end of 2015, were well utilized. 2016 was a good year for the **Camisea Marine Platform** in Pisco as well; its profits were in line with expectations. Against the backdrop of continuing high demand for tank space, the prospects for the Peruvian network for 2017 are positive.

### **Colombia**

Despite rising energy costs and high expenses for the repair of a damaged jetty, Oiltanking **Colombia** in Cartagena achieved a satisfactory result in line with expectations.

The revenues of the tank terminal in **Puerto Bahia**, which Oiltanking has operated under an O&M (Operation & Maintenance) contract since mid-2015, were above budget. An expansion of the product portfolio in October 2016 is expected to lead to a continuing rise in throughput rates in 2017.

### **Panama**

2016 was dominated by increasing competition, which put strong pressure on rates, so that results at **Colón Oil and Services (COASSA)** remained below expectations despite full utilization. The bunker business declined and throughput rates were also down year on year. Despite some signs of a recovery in demand and an increase in the diesel business, the outlook for 2017 is cautious.



## Middle East

### 📍 Oman

High capacity utilization led to a good result for Oiltanking Odfjell Terminals Oman in 2016, above that of the previous year. However, the continuing increase in tank capacities in Fujairah combined with the declining contango market resulted in tougher competition, which put pressure on the rates for storage space last year. The partial lifting of sanctions against Iran only had a slight positive effect on the market. To best meet the requirements of the changing market, the site has started a terminal optimization program which includes investments in new pipeline connections to the jetties and another loading arm.



### *Direct connection*

For 147 years, the Suez Canal has linked the Mediterranean to the Red Sea, saving ships the long journey around Africa. The 193-kilometer-long shortcut is used by around 17,500 ships annually. The largest among them are deep-sea tankers of the "Suezmax" class.



### 📍 **United Arab Emirates**

At Star Energy Oiltanking in Dubai, the throughput of gasoline blending also exceeded expectations and led to a markedly positive result. Despite the continued tank storage capacity increase in the region, the terminal was well utilized due to contract extensions. The tank terminal is investing in the construction of ten new tanks for chemical storage. This project provides the tank terminal with the opportunity to diversify its portfolio toward chemicals' storage and lease out the new capacity on a long-term basis.

## *Africa*

### 📍 **South Africa**

Despite the drought in South Africa, the vegetable oil and molasses volumes handled at Oiltanking Grindrod Calulo's Cape Town terminal were relatively stable in 2016. Consequently, the tank terminal's result was slightly above target. Developments in the vegetable oil market offer good opportunities for expansion in this sector.

In Durban, the tank terminal managed a slightly positive result due to cost savings. Growing demand for the storage of chemicals and base oils offers new business opportunities.

In December 2016, Oiltanking Grindrod Calulo signed a BOOT (Build Own Operate Transfer) agreement for the construction of a tank terminal in Coega. The FEED (Front End Engineering Design) study is already underway and the construction start is scheduled for the second half of 2017. The terminal will initially have a storage capacity of 150,000 cbm for various petroleum products and LPG.

The joint venture Oiltanking MOGS Saldanha started preliminary work on the construction of the crude-oil storage project in Saldanha Bay. The first tanks are scheduled to begin operation in the second half of 2018.

### 📍 **Mozambique**

The terminal in Matola in which Oiltanking acquired a shareholding in December 2015 is scheduled to begin operating in the second quarter of 2017 with a capacity of 51,000 cbm. Due to the fast-growing demand for fuels in Mozambique and surrounding countries, further capacity expansion is expected.



*Asia*

**Singapore**

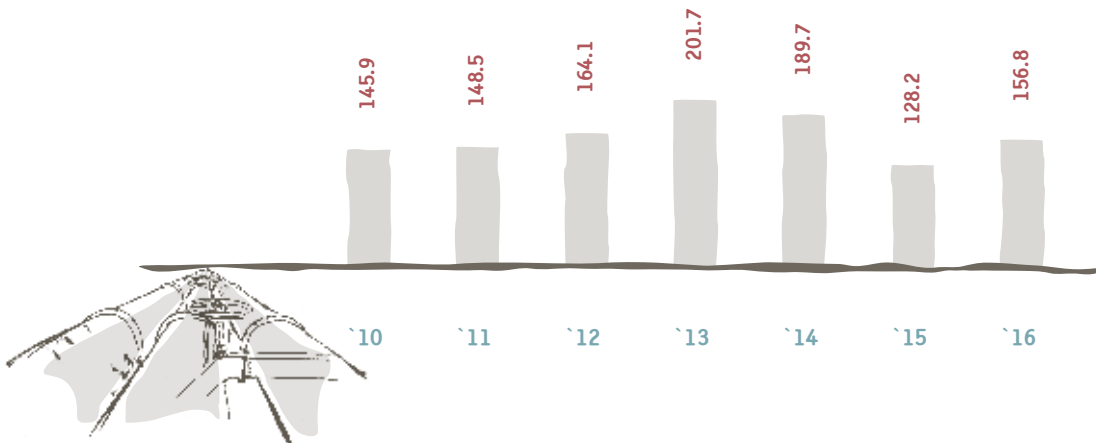
The result of Oiltanking Singapore exceeded expectations in 2016 due to high throughput volumes and tank utilization. The construction of a new jetty, which is scheduled to be operational in mid-May 2017, will serve to meet growing demand.

Oiltanking Odfjell Terminal Singapore also achieved a good result, despite the competitive market environment. The tank terminal was able to consolidate its position in the storage of MTBE (Methyl-tert-butylether) which, through pipeline connectivity between both terminals, is a complementary feed to the gasoline pool at Oiltanking Singapore.

Throughput levels and demand for additional services at Oiltanking Helios Singapore reached record levels in 2016. This led to an excellent result. The terminal is currently undergoing permitting for the construction of mounded bullets with a total capacity of 6,400 cbm for the storage of propane gas.



**GROUP THROUGHPUT 2010-2016 in million t**



At the end of 2015, Jurong Port Pte. Ltd. and Oiltanking Singapore formed a joint venture with the aim to building a new tank terminal in Jurong Port. It will cater to growing demand for tank capacity in Singapore and the industry hub on Jurong Island with an initial capacity of 231,000 cbm. Construction of the tank terminal for the storage of light petroleum products and chemicals is expected to begin in the first half of 2017.

### **China**

The China region ended 2016 in line with expectations. At Oiltanking Nanjing the challenging market circumstances negatively impacted the spot business, but this was partly offset by a reduction in interest costs. The expansion of the tank terminal by an additional 53,000 cbm for the storage of ammonia is progressing well and is scheduled for completion in the second quarter of 2017. This, in combination with the expansion of the product portfolio and the construction of another jetty, will have a positive impact on Oiltanking Nanjing's business in 2017.

Oiltanking Daya Bay achieved a good result. The capacity was well utilized thanks to the ongoing long-term contracts and additional spot business related to several turnarounds in the neighboring petrochemical complex. As the tank terminal is located in one of China's largest petrochemical centers the outlook continues to be good. Three hectares of land were purchased for future expansion.

Oiltanking Daya Bay Public Pipe Rack Company, which operates pipelines in Huizhou harbor, achieved a positive result in line with expectations.

### **Indonesia**

Oiltanking Karimun's 760,000 cbm tank storage facility successfully went into operation in June 2016. The terminal's utilization rates to date have been satisfactory. The result remained below expectations, due to the delayed start-up, an increase in the construction costs and tank rental rates which are still rather low in this initial phase.

## *India*

### **Tank storage**

High capacity utilization and increasing throughput at all tank terminals led to a positive result for the tank storage division of IOT Infrastructure & Energy Services (IOT) in 2016. The terminals in Navghar and Raipur were profitable thanks to increased capacity utilization. The LPG tank terminal in Chennai and the gas bottle filling plant were stable and the tank terminal in Goa increased its revenues significantly.





The crude oil and petroleum products tank terminal that IOT Utkal Energy Services operates for a refinery in Paradeep under a BOOT agreement also achieved a positive result. Beyond this, capacity utilization at the 14 tank terminals that the company operates under O&M agreements was also good. IOT will concentrate more on its traditional terminalling business again in the future.

#### EPC

Although investment in gas and oil remained subdued in 2016 as a result of the low oil price, the EPC business of IOT saw a slow recovery thanks to restructuring measures that had been initiated back in 2015. This led to a slightly positive result. Some projects, including Karimun and Kalimantan, were successfully completed while others were behind schedule. Despite the difficult political situation in Turkey, which led to the loss of a contract partner, construction of a refinery terminal is expected to be completed on schedule in July 2017. As part of the restructuring measures, IOT sold all its shares in the EPC company, IOT Anwasha Engineering & Construction Limited. In addition to developing promising projects in Oman, IOT's EPC business will focus on projects within IOT such as the construction of the Indian tank terminals in Tatanagar and Borkhedi.

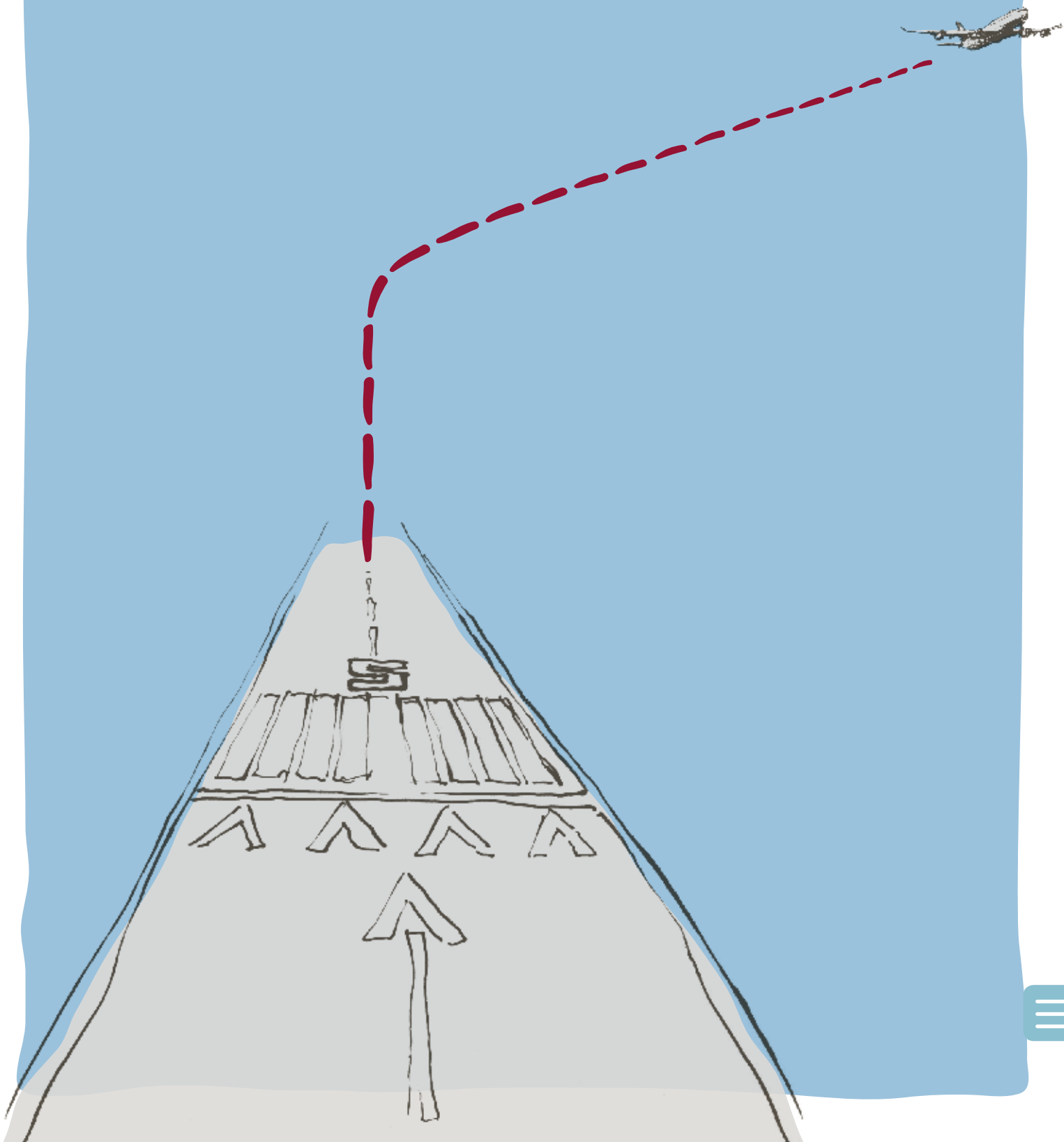
#### Outlook

Ongoing high demand for tank capacity is expected to lead to high utilization rates at many locations in 2017 as well, especially in Europe and Asia. However, due to the rising number of competitors and an increase in tank storage capacity, tank rental rates, particularly in the Middle East, are expected to remain under pressure. In addition, the regulatory environment will lead to increasing infrastructure investments in some locations.

Oiltanking's strong market position across all regions provides an excellent basis for continuing its growth path. To additionally leverage growth opportunities and synergies across the entire Marquard & Bahls Group, Oiltanking is also pursuing projects in close cooperation with other divisions in the Group.



# *Taking Flight to New Horizons*





## *Exploring the skies*

Air routes connect people and markets.

With the expansion of globalization and mobility, there is a corresponding increase in air traffic. Meanwhile, Skytanking remains grounded. As a provider of aviation fuelling services, the company primarily uses apron roads, pipelines and data paths.





## Aviation Fuelling

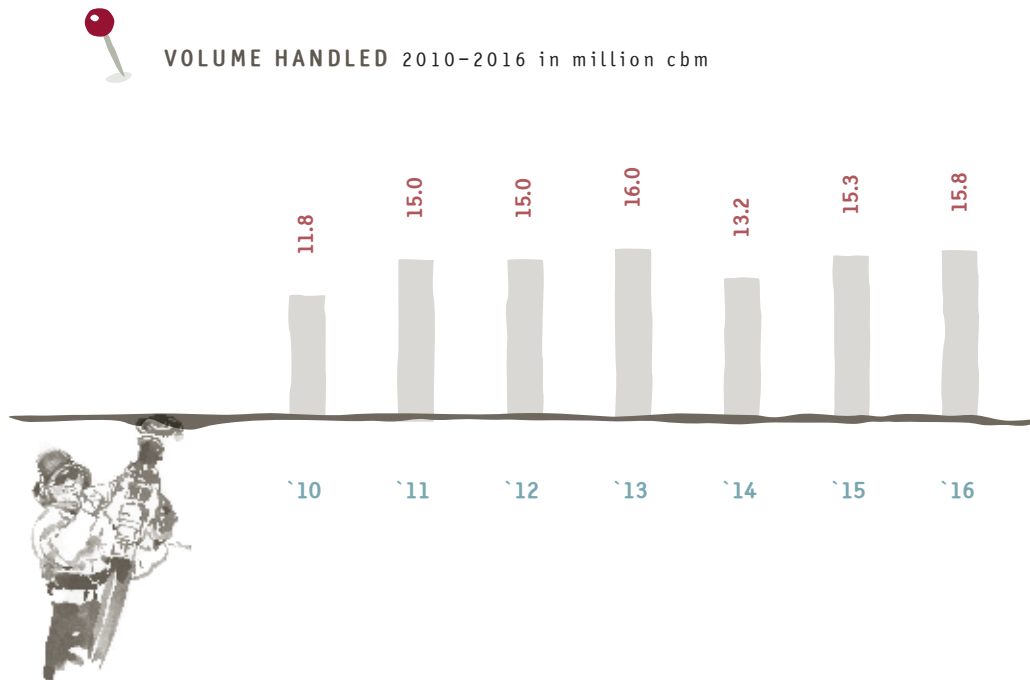
— Skytanking had another good financial year in 2016. Throughput increased in all regions – Europe, Asia, and Africa. Among the most important developments were the expansion of the network in India and the founding of a joint venture for the provision of fuelling personnel in Turkey.



The aviation industry once again posted record revenues in 2016 and has had the three most successful consecutive years in its history. An increase was seen both in passenger numbers – the International Air Transport Association (IATA) estimates that there were 3.8 billion air passengers worldwide in 2016 – and in freight volumes. Industrial action and terrorist attacks created some uncertainty, but had no major impact on the business.

Skytanking had a good financial year overall. The sites in Germany, Austria, Switzerland, Belgium, Luxembourg, France and the U.K. generated good to excellent results, with throughput volumes on the rise. The only unsatisfactory results were seen at a few sites in Italy. Appropriate adjustments were made here, which are expected to lead to improvements in the years ahead. In Turkey, Skytanking teamed up with a Turkish company to set up a joint venture that provides personnel for aircraft fuelling at a total of 18 airports in the country.

Good results were achieved again in India, where IndianOil Skytanking was able to expand its network by three additional sites in 2016. Ten years after the company was founded, it now has operations at ten sites. Throughput volumes were also significantly increased in Durban, South Africa.



At the end of 2016 – including the three new sites in India and the 18 sites newly added in Turkey – Skytanking was represented at 68 airports around the world. The company had around 1,500 employees, who fuelled 1.4 million aircraft and handled 15.8 million cbm of jet fuel during the year.

## Europe

### 📍 Germany

In Germany, where the company operates at four of the largest airports – Frankfurt, Hamburg, Munich and Stuttgart – Skytanking had a good year. Increases in aircraft and passenger traffic led to a positive development in Munich and Stuttgart, while Frankfurt also achieved a good result, but fell short of expectations. At the Hamburg site, the volumes handled continued to increase, but the result remained unsatisfactory. The most important task in Hamburg will be to continue expanding the customer portfolio.

Based on its good reputation in the market, Skytanking expects its business development in Germany to remain positive. The company is evaluating further business opportunities and is expecting to grow.

### 📍 Austria

Skytanking's business at the three Austrian airports Vienna, Linz and Klagenfurt went well in 2016, exceeding expectations. At Vienna International Airport, by far the largest site in Austria, passenger volumes increased slightly once again. Skytanking was able to expand its business there while also keeping costs down. At Linz and Klagenfurt, on the other hand, aviation traffic was lower, resulting in lower throughput volumes. Both sites, however, met expectations.

Skytanking expects its business performance to remain positive in 2017.

### 📍 Switzerland

Into-plane services in Zurich closed 2016 with a positive result, but did not meet the high expectations set in previous years. After increasing by 50 percent from 2014 to 2015, throughput volumes rose only slightly in 2016, with the cost of handling also increasing in 2016.

The prospects for Skytanking at Switzerland's largest airport remain promising. Skytanking expects throughput volumes to increase again in 2017.



### **Belgium**

The Brussels site, where Skytanking is represented with two companies – Skytanking NV and Hydrant Refuelling System NV – did very well again in 2016. Despite week-long flight cancellations, the terrorist attacks of March had less of an impact on volumes than was initially expected.

Skytanking NV benefited from strong throughput volumes and lower costs in into-plane services, which led to a good result.

Hydrant Refuelling System operates the tank terminal and hydrant system at Brussels Airport and is majority owned by Skytanking. Hydrant Refuelling System recorded a reduction in throughput due to the terrorist attacks. However, its result was still good.

The business of Skytanking Ostend was sold to an oil company in March 2016. The business had never recovered from the loss of the largest cargo airline at Ostend airport in 2014. The decline in volume could not be compensated for in the two following years, so Skytanking decided to withdraw from the business.

In 2017, Skytanking expects the market situation to continue to be stable and results at Brussels Airport to be good again.

### **Luxembourg**

Luxfuel in Luxembourg, in which Skytanking holds a 30-percent stake, achieved a good result in 2016, significantly above the target. The company, which also operates the tank terminal in addition to providing aviation fuelling services, was able to significantly expand its throughput thanks to a two-digit rise in passenger and cargo volumes.

The plan is to replace the existing fuel facilities in the next few years. Skytanking is negotiating with the airport operator regarding its future business orientation. The company expects continued good development in Luxembourg, which is one of the most important airfreight hubs in Europe.

### **France**

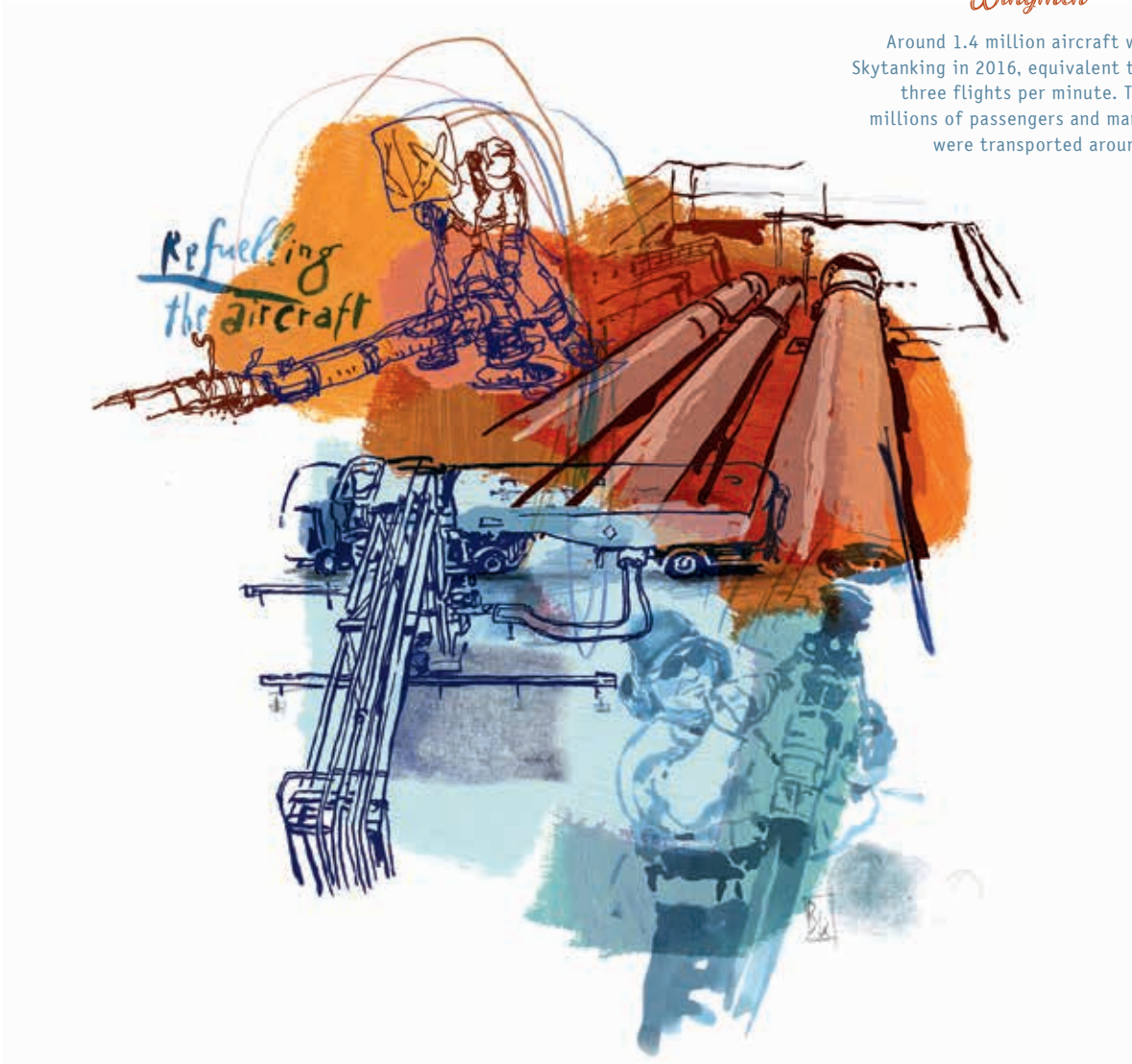
Skytanking achieved a good overall result at the three French airports Paris Charles-de-Gaulle, Nice and Bordeaux, slightly above target. Throughput decreased slightly due to the pilot strikes at Paris Charles-de-Gaulle Airport. This was partly compensated



for by cost reductions. Skytanking's previous customer at the Nice and Bordeaux airports sold its business to another company at the end of the year, and all contracts were successfully renewed. Due to the high volume of air traffic, the outlook in France remains positive.

### *Wingmen*

Around 1.4 million aircraft were fuelled by Skytanking in 2016, equivalent to almost three flights per minute. This allowed millions of passengers and many tons of cargo were transported around the world.







In the beginning there was the dream of flying, which became a reality, albeit with aids. Hot air balloons, gliders and wide-body planes – human “wings” are diverse and subject to constant change. Air routes, however, remain unchanged and almost unlimited, giving people and goods access to destinations all over the world.



### Italy

The Italian market recorded a less than satisfactory development for Skytanking in 2016. The result was positive but fell short of expectations. The number of air passengers increased slightly, but competition in aircraft fuelling also increased.

A new site was added with **Venice**, while Skytanking suspended operations at **Milan Linate** due to low throughput volumes. Skytanking continues to have operations at five airports in Italy. While the **Rome Fiumicino** site reported declining throughput, and the new Venice site did not yet meet expectations in the first months, **Milan Malpensa** and **Naples** significantly increased their throughput volumes and achieved good results. **Palermo** had a satisfactory year albeit below expectations due to lower throughput volumes.

To strengthen Skytanking's competitiveness in Italy, structural adjustments were made, which are expected to have positive effects for 2017. The company is also expecting throughput to increase at the new Venice site, which will have its first full financial year in 2017.

### United Kingdom

North Air, Skytanking's joint venture in the U.K., benefited from a growing market with rising passenger numbers. This led to another rise in throughput volumes. The result was affected by increased administration costs, however.

As one North Air client was unable to extend its contract with a customer at the Derby site, North Air lost one of its sites. However, the business was expanded in Manchester, the third-largest airport in the United Kingdom. Here, in addition to into-plane fuelling, North Air took over operation of the airport's tank storage and hydrant system.

The **North Air network** currently comprises 19 airports and is to be expanded with additional sites in the next few years.

### Turkey

At the end of 2016, Skytanking joined the Turkish company Ovenon in setting up **Skytanking Ovenon**, a joint venture that provides aircraft fuelling personnel to oil companies. The partner company has been providing aircraft fuelling staff at Turkish



airports for many years. The 18 airports at which the joint venture is represented include Istanbul, Ankara and Antalya.

## *South Africa*

King Shaka International Airport in the South African city of Durban recorded a 25-percent increase in air traffic in 2016 due to new long-haul flights. This resulted in a significant increase in throughput volumes and led to a correspondingly good, above-target result.

Skytanking expects a further positive development at Durban Airport. The possibility of acquiring further sites in South Africa is still limited.

## *India*

India's aviation industry is one of the fastest-developing aviation markets in the world. For example, in Bangalore, Delhi and Mumbai, the three largest airports on the Indian subcontinent, and where IndianOil Skytanking (IOSL) also has had operations since 2006, passenger numbers rose by up to 20 percent. IOSL also participated in this development and closed 2016 with a good, above-target result.

The Indian joint venture has been active in the country since 2006. After the network had already been extended by four additional sites in 2015, three more airports were added in 2016: Chennai, Trivandrum and Mangalore. Ten years after its establishment, including the new airports, IOSL is currently represented at ten sites.

Skytanking, which owns a 50 percent stake in IOSL, plans to continue expanding in the years ahead. Given the growth in passenger volumes that has been seen for years, India remains a promising market.



 *Outlook*

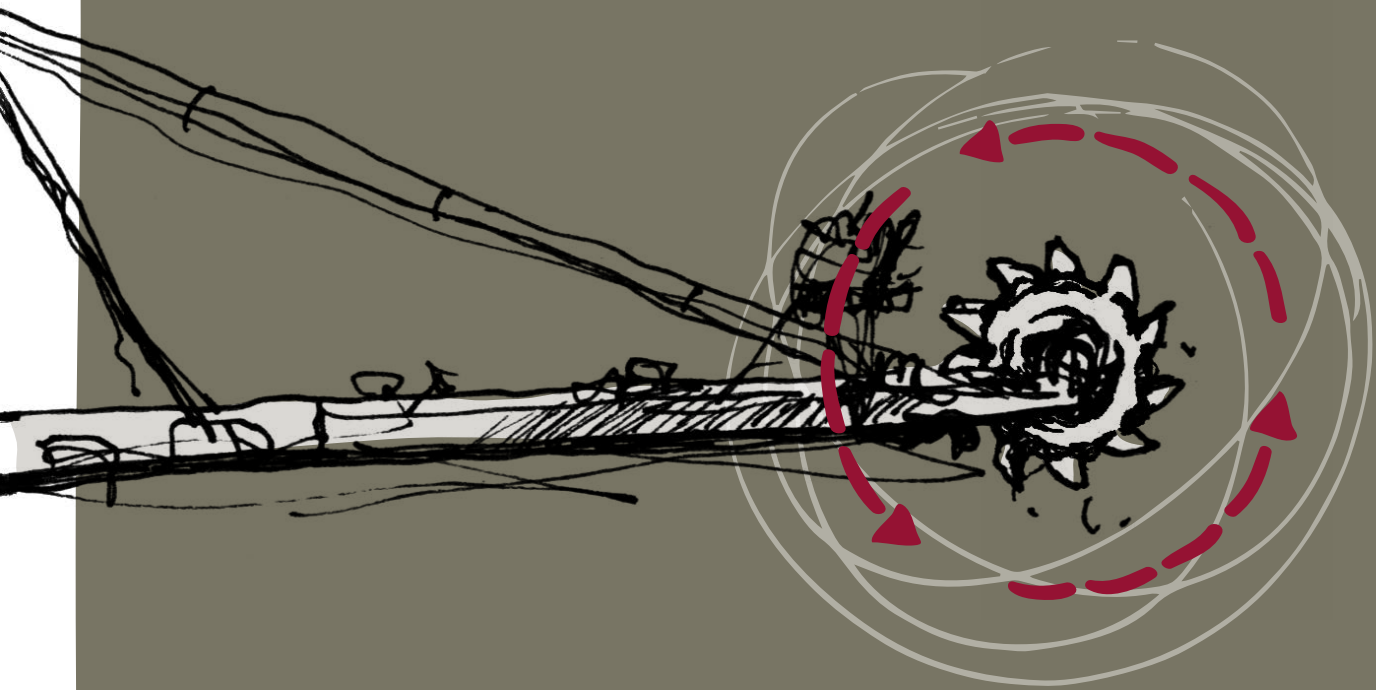
Prospects for the aviation sector remain positive for the years to come. In 2017, the International Air Transport Association (IATA) expects a further increase in passenger volume of around five percent to around four billion air passengers. Given the volatility of oil prices as well as political and economic uncertainties, IATA also expects stable or even slightly declining profits of airlines.

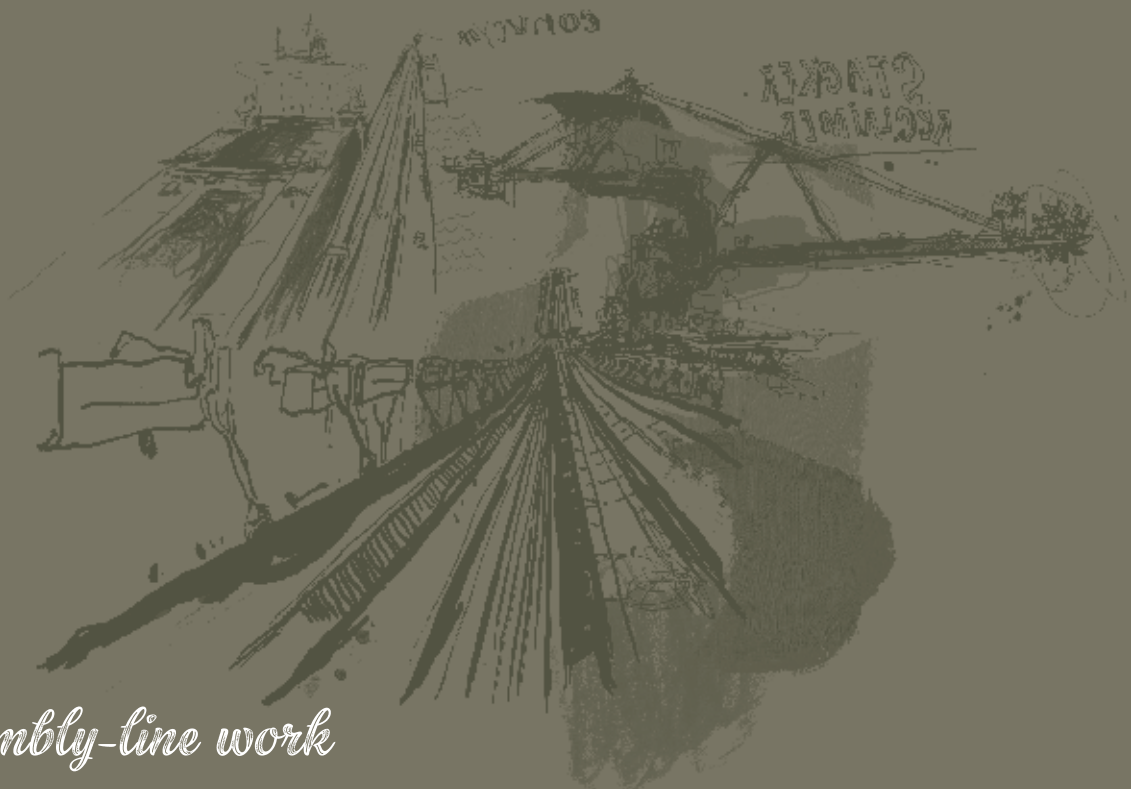
Increasing globalization, population growth, and other factors will also have an effect in future. Forecasts indicate that the number of air passengers will nearly double from four billion in 2017 to 7.2 billion a year in 2035.

In this overall promising market environment, Skytanking will pursue further growth. The goal is to achieve higher throughput rates at the existing sites and to continue expanding with acquisitions and joint ventures.



# *Constant Circulation*





## *Assembly-line work*

More than 2,700 meters of conveyor belts keep the dry bulk moving between the Mississippi jetties and the United Bulk Terminals dry bulk terminal in Davant. In 2016, the conveyor belts of the two stacker reclaimers transported more than seven million tons of coal and petcoke.





## *Dry Bulk Handling*

— 2016 was a challenging year for United Bulk Terminals (UBT), dominated by negative market developments. Against this backdrop, the company focused on strengthening relationships with existing customers, optimizing work processes and infrastructure, and further expanded its presence in the petcoke market.



Unlike the demand for coal, which stagnated at a weak level, the U.S. defended its position as the global market leader in the petcoke segment, with 50 percent of the world's exports.

In total, the company handled 8.8 million tons of dry bulk at its sites last year, making it one of the leading companies for the transshipment of coal and petcoke on the Gulf Coast.

#### **UBT Davant**

With the coal export market in continued decline, UBT Davant bulk storage facility in Louisiana posted a negative result in 2016. Although the company managed to retain its largest customers and expand its petcoke transshipment business, this was not sufficient to compensate for the negative performance in the coal export business. Beyond this, unscheduled write-downs were made. To lastingly lower costs, the storage area was reduced. Investments to improve efficiency, expand the product range and provide additional services are to help stabilize the site's business model.

#### **UBT Dupré Corpus Christi**

UBT Dupré Corpus Christi achieved a positive, above-budget result. Transshipment volumes of petcoke and sulfur remained at good levels. Because all its clients extended their contracts, the outlook for 2017 is positive.

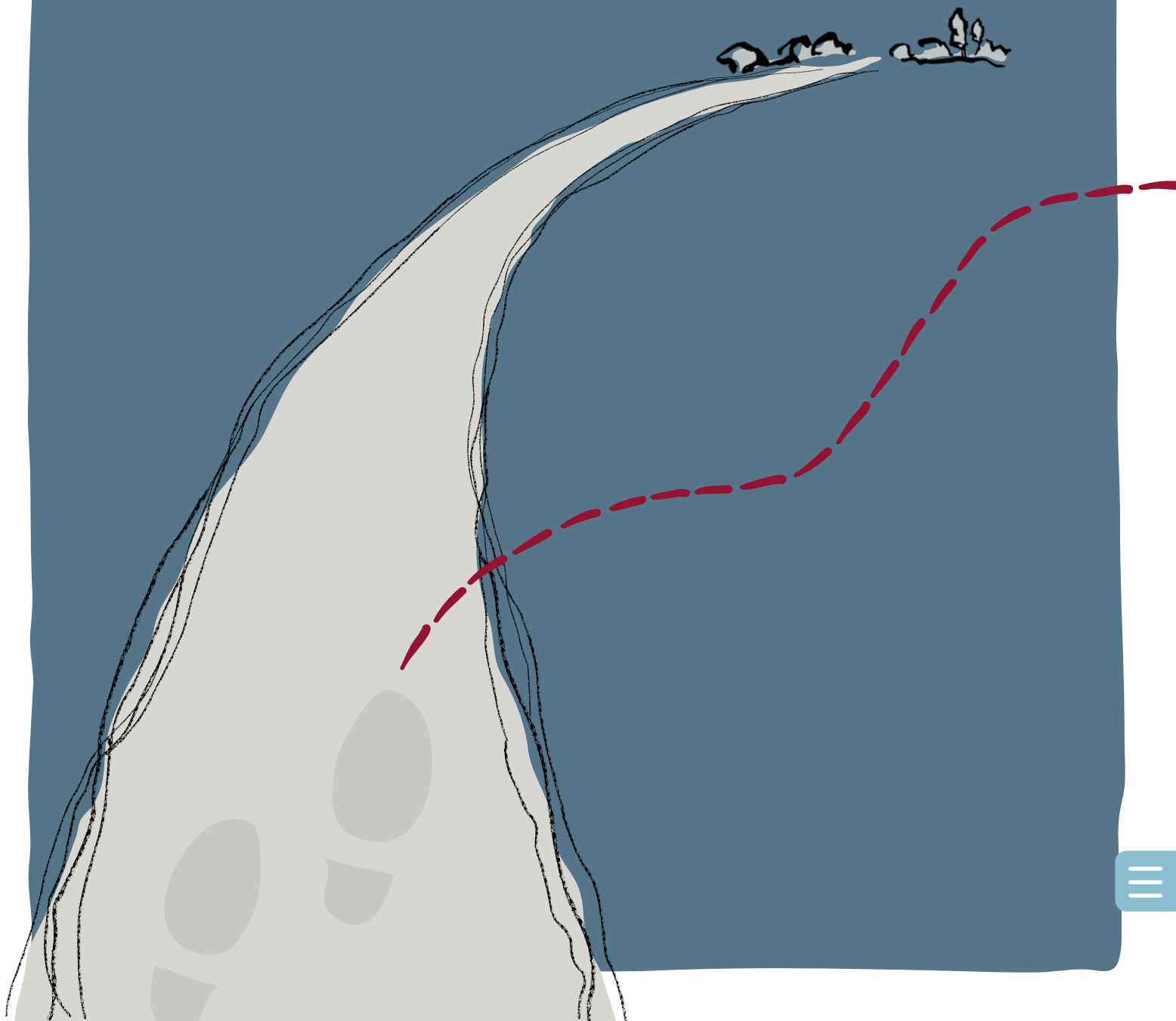
### *Outlook*

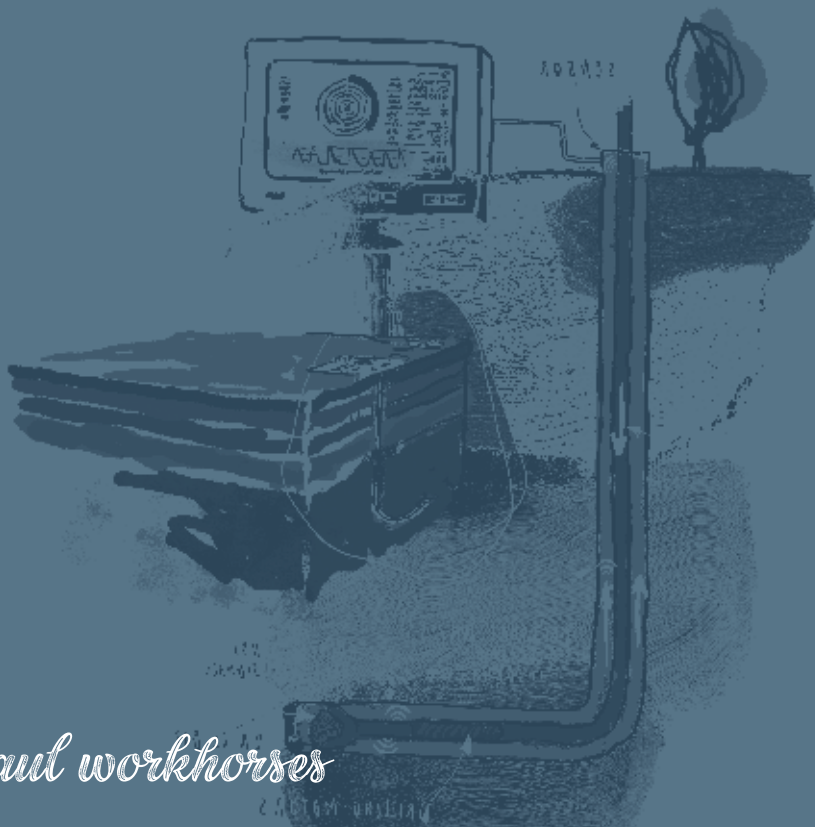
UBT expects to see positive business developments thanks to investments in infrastructure and technology at the dry bulk storage facility in Davant and the efficiency-boosting measures already introduced. A diversification of the product portfolio and customer-specific services for refineries will also help achieve this goal.





# *Exploring Unfamiliar Terrain*

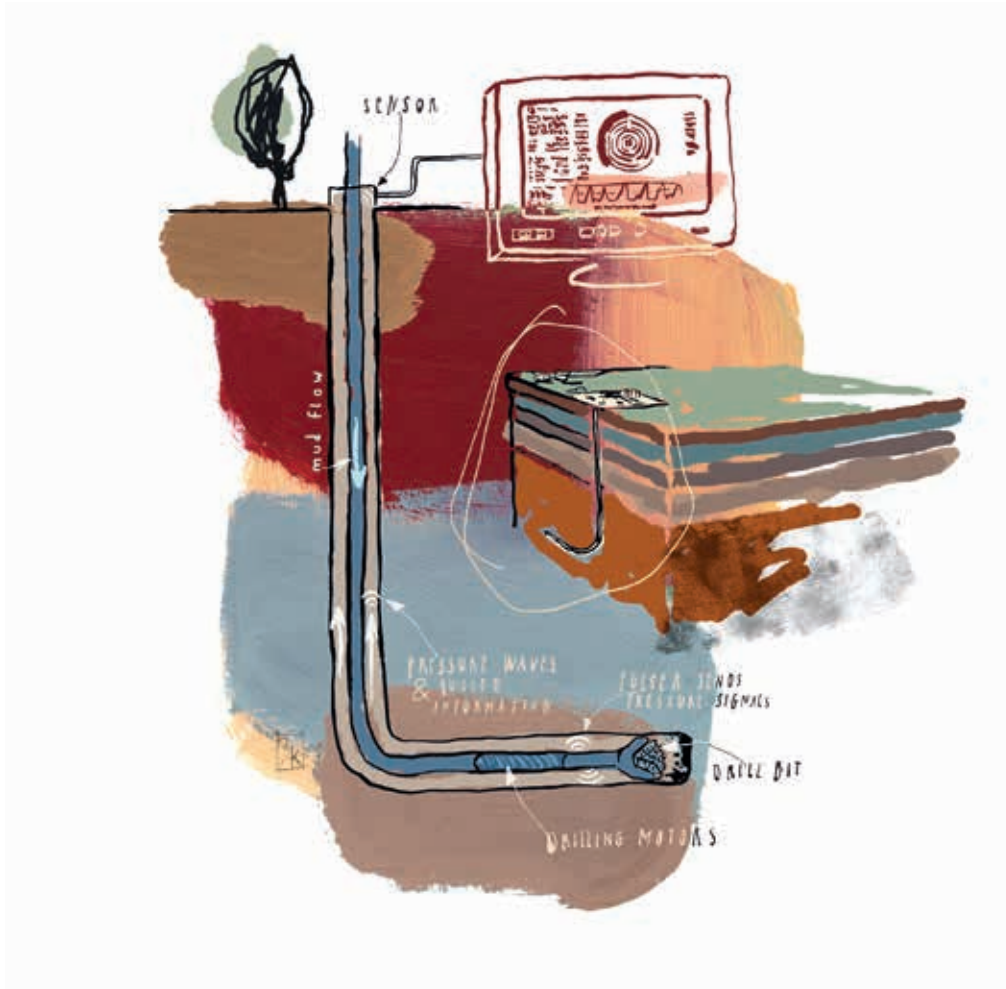




## *Short-haul workhorses*

At roughly three kilometers, the path data travels during an oil and gas exploration drilling operation is relatively short – but the prevailing conditions under the surface of the earth make it a major challenge. The pulsers that send the data to the surface have to withstand temperatures of up to 180 degrees Celsius, and violent vibrations.





## Upstream Services

— Due to the persistently low oil price, the market for directional drilling services remained very difficult last year. At the end of September 2016, OPEC agreed to reduce its production volumes, which could lead to an increase in global exploration activities during the course of 2017.



 **USA**

Despite a slight recovery in the last quarter of 2016, there was relatively little exploration activity in U.S. production areas. Results at Newsco in Conroe, Texas were therefore below expectations and necessitated further structural adjustments. Although Newsco grew its market share in the Rocky Mountains, the results in Casper, Wyoming were negative and remained significantly below target. With the increase in the crude oil price, both sites are preparing for an expected increase in exploration activities in 2017.

 **Canada**

As a result of the low oil price, Canadian production volumes fell to their lowest level since 1980. In this market environment, results at the Canadian subsidiaries Newsco and Telemetrix remained below their target. Both companies adjusted their organization and activities to the situation by optimizing their work processes and costs and preparing for a recovery in exploration activities.

 **India**

Results at Newsco International Energy Services in India were impacted by the poor market conditions and fell short of the target. Tough price competition in tenders made it even more difficult to succeed. The company did, however, manage to sign a two-year drilling contract in northern India, which will make a positive contribution to the company's results in 2017.

 **Peru**

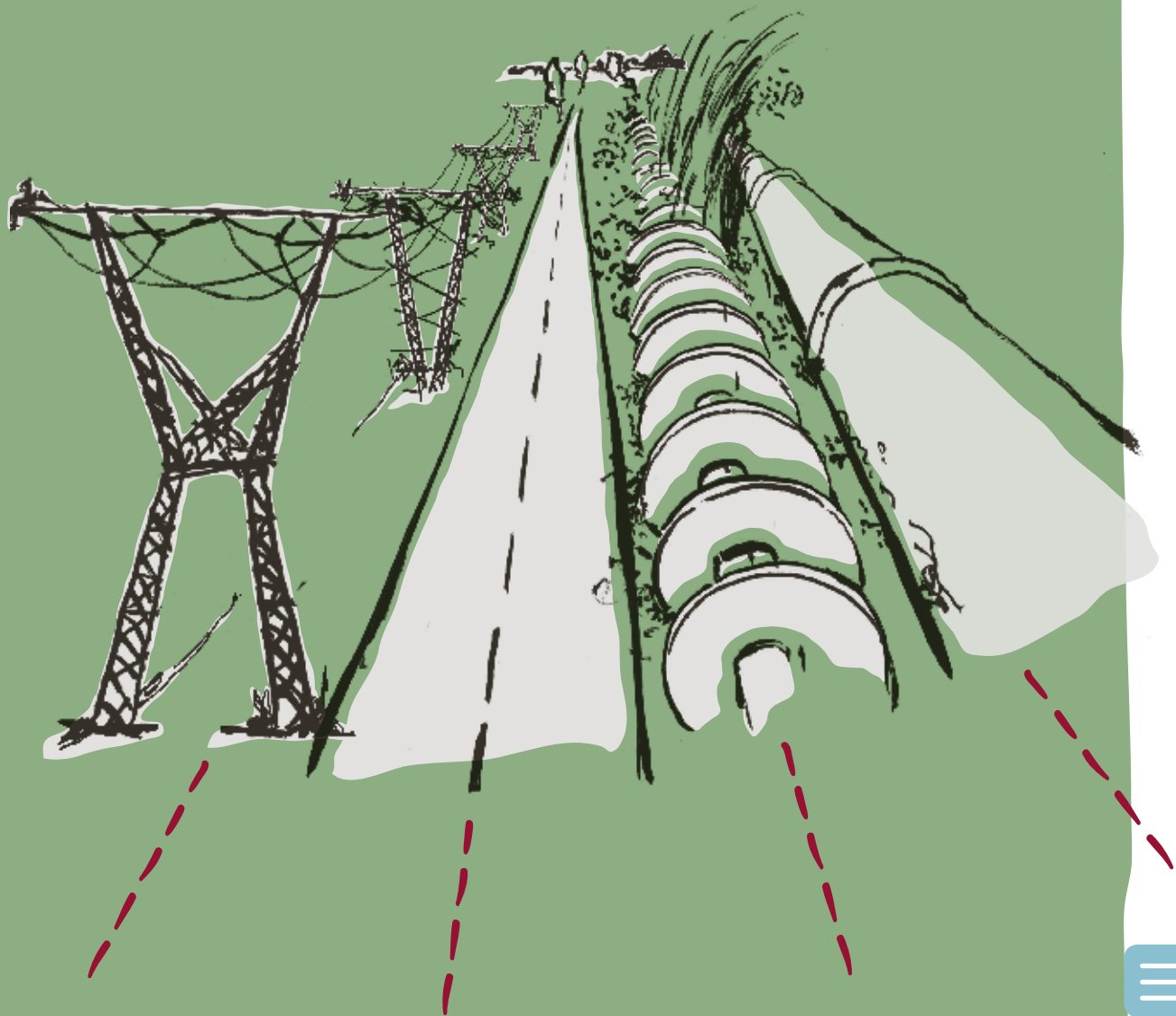
2016 was a slow year for Newsco Directional Drilling in Peru but towards the end of the year two new drilling contracts were concluded, which will guarantee profitability for 2017 and 2018.

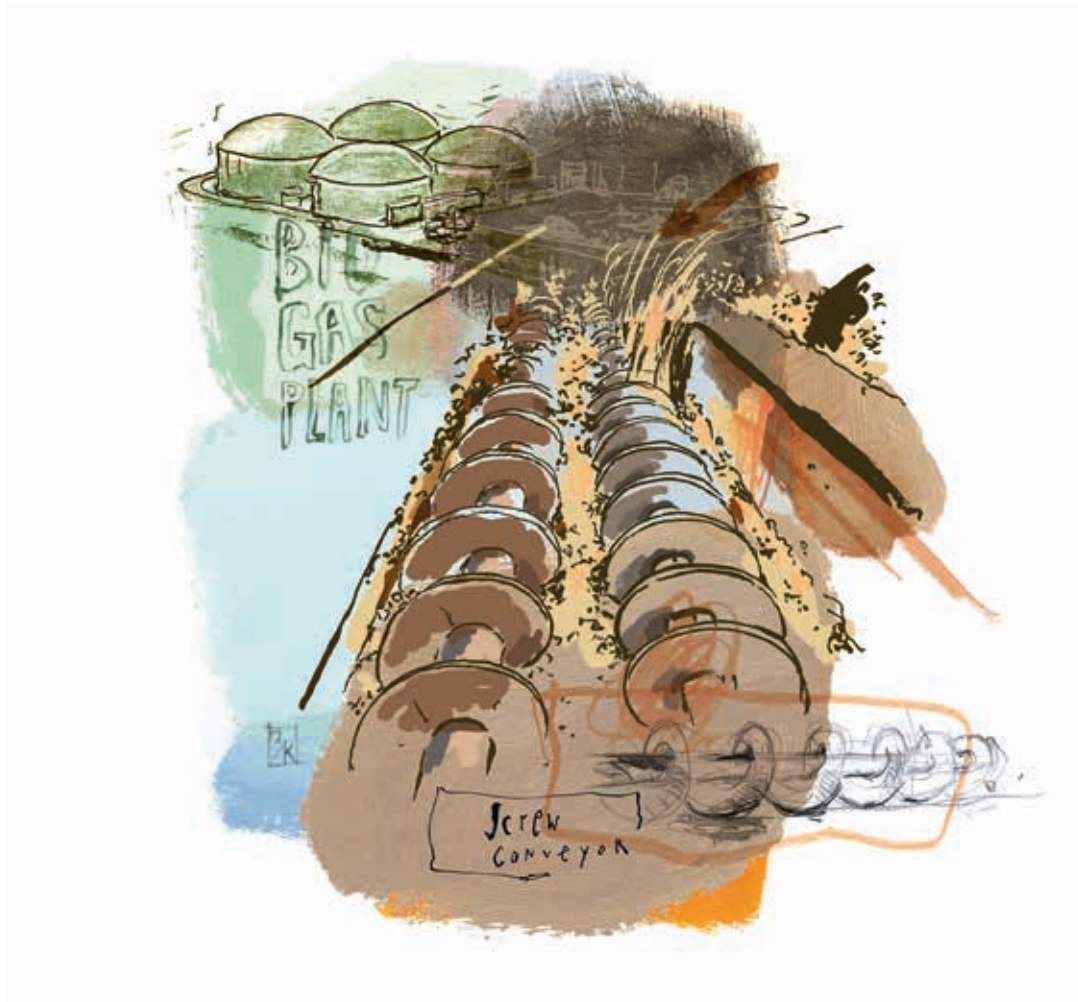
 **Outlook**

In view of the difficult market situation, all direct and indirect held shares in Newsco International Energy Services and its subsidiaries were sold with effect from March 21, 2017. The decision to sell the upstream business to a company well-established in this market was made in accordance with Marquard & Bahls' overall strategy.



# *Exploring Alternative Paths*





## *Empowered*

The bio-mix pumps at the IOT Mabagas waste biogas plant in Namakkal, India transported 14,710 tons of chicken dung last year. The biogas resulting from its fermentation was converted into electricity – which covers the energy needs of more than 3,000 households.



# Biogas

— Mabagas produces biogas from organic residues and waste. The focus is on operating the biogas plant in Namakkal, India. In addition, last year Mabagas, with the support of its sister company Oiltanking China, explored the possibility of entering the Chinese market.

Productivity at the biogas plant in Namakkal increased significantly and the 2016 result exceeded expectations. To increase both electricity and fertilizer production, Mabagas invested in increasing the efficiency of the gas engines and new feed-in technology for loading the fermenters.

Demand for renewable energy developed positively, so that biogas revenues were higher than planned. Demand for organic fertilizer, which is a by-product of biogas production, also rose. However, the planned sales volumes could not be achieved due to low levels of monsoon rainfall at the end of the year.

## Outlook

In 2017, Mabagas will continue to focus on optimizing the operation of the waste biogas plant in India. In this connection, it also plans to expand the sales channels for organic fertilizer. The company is additionally looking into new business opportunities in China and India.





## *Electrified*

Power lines are one of the most efficient ways to transfer energy over long distances. In Costa Rica, they supply electricity to many towns and cities.

In 2016, almost half of the electricity generated in the Central American country came from renewable energy sources. The Los Santos wind farm contributed 40,000 megawatt-hours to the energy supply, saving more than 13,000 tons of CO<sub>2</sub> emissions.





# Carbon Trading

— Carbonbay manages a portfolio of climate protection projects to generate emissions certificates. In 2016, the company was able to increase the number of certified emission permits issued. As Carbonbay's focus is on selling high-quality certificates, it was again able to sell its certificates above the market rate last year, despite the persistently difficult market situation.

The company further increased the annual emissions reductions of its portfolio. At the end of 2016, the total volume of CO<sub>2</sub> saved was 200,000 tons. The certificates traded on the market were generated from hydropower plants in Peru, the solar water heater program in India, the wind farm in Costa Rica, and – for the first time – the IOT Mabagas biogas plant in Namakkal, India. All these initiatives have been awarded the CDM Gold Standard (Clean Development Mechanism), a certification for projects with particularly sustainable development.

Another project that can potentially compensate for up to 60,000 tons of CO<sub>2</sub> emissions was integrated in the Indian solar water heater program which, like most of the initiatives, is operated as a Program of Activities (PoA). Carbonbay also improved the distribution of its certificates and now offers them for sale on an online platform. This enabled the company to enter the U.S. end-user market. To visualize the benefits of climate protection projects for its customers, Carbonbay also produced corporate videos about the main projects.

## Outlook

The Paris Agreement, which stipulates limiting global warming to less than two degrees Celsius above preindustrial levels, is having a positive impact on the trade in emissions certificates. There is uncertainty about the implications of the energy policy of the new U.S. administration on future sales of emissions certificates. Carbonbay will further expand its portfolio and drive forward the Gold Standard certification of further projects. Other important goals that Carbonbay will pursue in 2017 are the expansion of its marketing activities and direct-sales channels.





## *Quality on the move*

High quality standards are imposed on mineral oil products.

In Germany, GMA operates an accredited laboratory in Frankfurt.

Approximately 6,000 samples from sister companies and external customers are transported there by road, over short and long distances.



# Fuel Analysis

— Gesellschaft für Mineralöl-Analytik und Qualitätsmanagement (GMA) had another successful year in 2016 which ended with a good result, as expected.

During the course of the year, GMA carried out numerous analyses in its laboratory for both sister companies and external customers.

The additives business and the sales of markers for heating oil continued to develop well.

GMA was also active in national and international standardization bodies. By participating in the development of product standards and lab-testing processes, GMA is always up to date for its customers.

## Outlook

In 2017, GMA is confident that it will be able to continue its successful performance in a stable market environment.





## *Widely connected*

The German natural gas network has a total length of more than 530,000 kilometres, of which just under a tenth are long-distance pipelines that form the backbone of the gas supply.

Natural gas flows through the pipes that natGAS uses to supply its customers at speeds of 36 km/h.





## Energy Services

— The European gas and electricity market was subject to strong price fluctuations last year. Due to the low oil price, in mid-2016 the price of gas in Europe declined to a level it had most recently reached in 2009 during the financial crisis.

In this environment, natGAS successfully continued its transformation from a pure gas supplier to a European provider of energy services and supplies. As a long-standing and independent partner for gas and electricity supply, the company continues to support its industrial and energy sector customers with portfolio management solutions to optimize their energy procurement in spot and futures markets.

The startup of the sales partner business model in France enabled natGAS to extend the services it already successfully offers in Germany, Belgium and Austria to the French market in 2016. Meanwhile the company also continued to focus on the further development of its business model. It plans to use energy supplies as a starter product to win over customers for further services in the energy logistical value chain.

The company also further expanded its activities in the renewable energies sector. natGAS now manages a growing number of biogas cogeneration plants that generate power from renewable energy at an optimized price; the electricity is then sold on the energy exchange. The company also added energy generated by wind and solar plants to its portfolio.

In total, natGAS supplied its customers with about 100 TWh of natural gas (the energy equivalent of about 8.7 million tons of gasoil) and about four TWh of electricity (equivalent to about 320,000 tons of gasoil) in 2016, and closed the financial year with a profit.





## Outlook

The high level of market liquidity, in conjunction with strong competition and low margins, will continue to require very innovative business models that are superior to traditional ones in the field of grid-bound energy. For many years, natGAS has been continuously adapting the supply and service products it offers to the shifting challenges of the energy revolution, developing benefits for its customers based on this. At the same time, the company is pursuing the automation of internal business processes by adapting its IT systems, workflows and organizational structures. As a result, natGAS is very well set up on the cost side and will continue to successfully hold its own in the market in the years to come.





*Connections Worldwide*



# 2016

SITES WORLDWIDE @ MARQUARD & BAHL'S



## *Home ports*

We are hard at work every day in 36 countries around the world and in 2016, too, new sites were added.

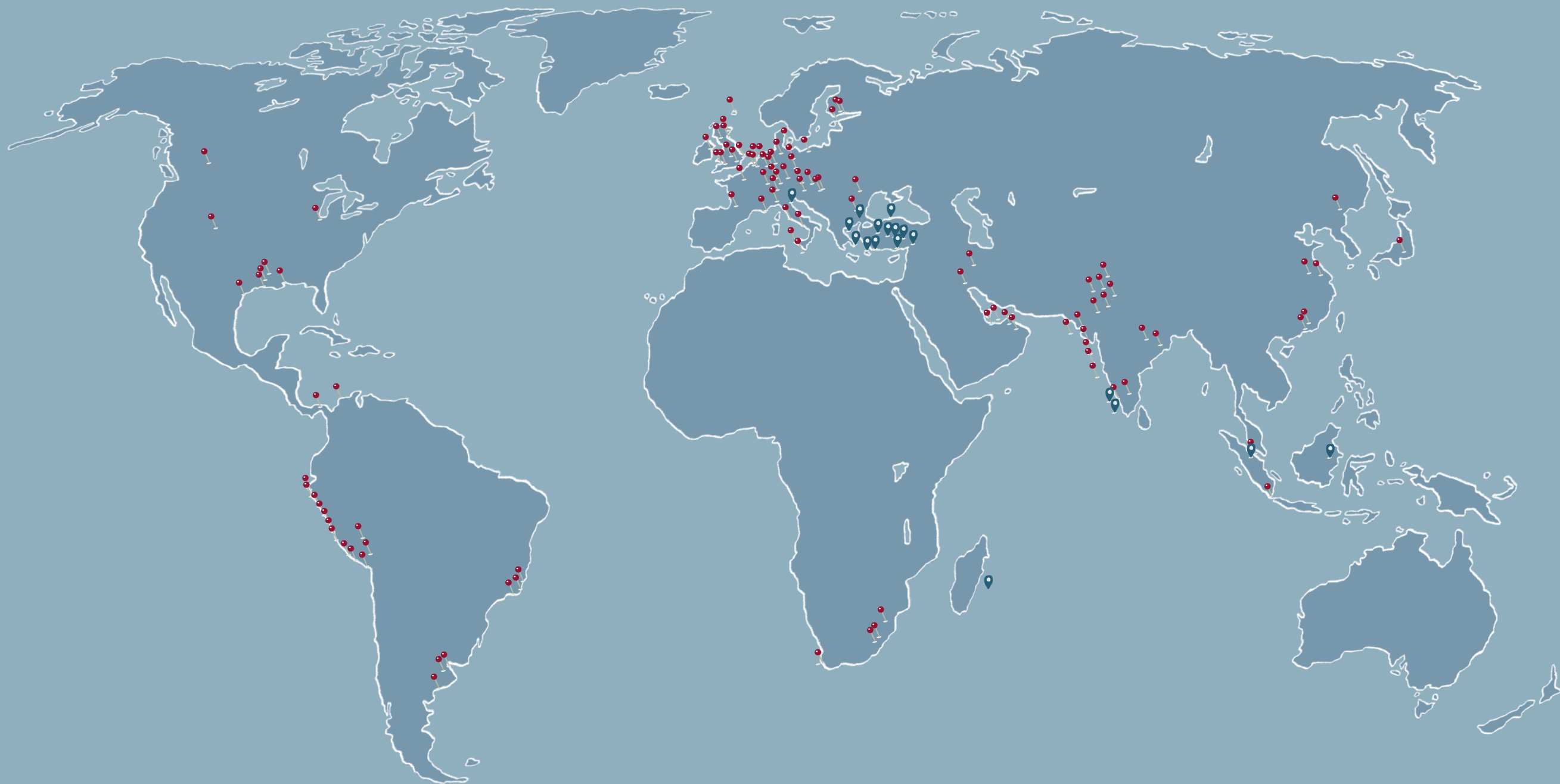
- 📍 **May 24, 2016** – **PETRONORD** acquires Kiessling companies in Lauterhofen / Northern Bavaria, Germany
- 📍 **June 6, 2016** – Successful commissioning of **PT OILTANKING KARIMUN** in Indonesia
- 📍 **July 6, 2016** – Oiltanking acquires 100 percent of shares in **ANTWERP GAS TERMINAL N.V.**, Belgium
- 📍 **July 11, 2016** – **BOMIN** launches physical operation in Mauritius
- 📍 **August 12, 2016** – **SKYTANKING** and a Turkish company establish joint venture to provide employees for aircraft refuelling in Turkey
- 📍 **August 24, 2016** – **PETRONORD** acquires Söder Brennstoffe GmbH in Hessisch Lichtenau, Germany
- 📍 **September 7, 2016** – **OILTANKING** acquires depot at Copenhagen Airport, Denmark
- 📍 **October 10, 2016** – **BOMIN** sells shareholding in Bomin Linde LNG
- 📍 **October 17, 2016** – **MARQUARD & BAHL'S** acquires additional stake in its Oman terminal co-owned by Oiltanking
- 📍 **November 28, 2016** – **PETRONORD** and a refinery found a joint venture for bitumen
- 📍 **December 6, 2016** – **BOMIN** realigns its business; concentration on four regional hubs

Discovering something new





 *Sites Worldwide*



 NEW SITES 2016

STATUS DECEMBER 31, 2016



## Report of the Supervisory Board

— During the 2016 financial 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 shareholdings. The Supervisory Board discussed all substantial issues with the Executive Board.

The auditing firm Roever Broenner Susat Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft audited the financial statements, as well as the report on the state of affairs of the company, and issued an unqualified audit opinion. The consolidated financial statements and the report on the state of the corporation and the group were issued in a joint audit by Roever Broenner Susat Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft. It issued an unqualified audit opinion. The financial statements, the consolidated financial statements, the report on the state of the company and of the group, and the auditors' reports, were submitted and explained by the auditors to the Supervisory Board. After having conducted its own review, the Supervisory Board had no objections and approved the results of the audit.

The Supervisory Board also approved the financial statements, the consolidated financial statements, and the report on the state of the company and of the group at its meeting on May 10, 2017. The financial statements have therewith been approved. The Supervisory Board concurs with the Executive Board's dividend proposal.

HAMBURG, MAY 10, 2017

THE SUPERVISORY BOARD



DR. DANIEL WEISSER  
CHAIRMAN



*Consolidated Financial Statements 2016*



88 -- Consolidated Statement of Financial Position

90 -- Consolidated Statement of Comprehensive Income

92 -- Auditor's Opinion



Assets (K€)

31.12. 2016

<b>A. Non-current assets</b>		
I.	Intangible assets .....	292,612
II.	Tangible assets .....	3,094,314
III.	Investments accounted for using the equity method .....	335,183
IV.	Other investments .....	1,428,948
V.	Deferred taxes .....	58,708
VI.	Non-current receivables and other assets .....	74,835
VII.	Derivative financial instruments .....	45,979
<b>SUBTOTAL Non-current assets</b> .....		<b>5,330,578</b>
<b>B. Current assets</b>		
I. Inventories		
1.	Inventories, raw materials and supplies .....	9,684
2.	Inventories, goods and finished products .....	686,462
3.	Advance payments .....	20,427
		<u>716,573</u>
II. Current receivables and other assets		
1.	Trade receivables .....	824,833
2.	Receivables – affiliated companies .....	16
3.	Receivables – associated companies .....	12,431
4.	Receivables – participating interests .....	395
5.	Current tax assets .....	95,781
6.	Other receivables and current assets .....	163,627
		<u>1,097,083</u>
III.	Derivative financial instruments .....	26,759
IV.	Treasury stock .....	0
V.	Cash and cash equivalents .....	291,326
<b>SUBTOTAL Current assets</b> .....		<b>2,131,741</b>
<b>C. Assets held for sale from discontinued operation</b> .....		<b>41,956</b>
<b>Total</b> .....		<b>7,504,275</b>

Minor differences in the disclosure of individual amounts may occur due to rounding.

## Liabilities and Shareholder's Equity (κ€)

31.12. 2016

<b>A. Equity</b>	
I. Share capital .....	250,000
II. Additional paid in capital .....	2,936
III. Revenue reserve .....	445,475
IV. Reserve for changes in value .....	-453,151
V. Reserve for revaluation .....	215
VI. Retained earnings .....	2,436,936
VII. Currency translation adjustments .....	182,476
VIII. Non-controlling interests .....	446,323
<b>SUBTOTAL Equity and minorities</b> .....	<b>3,311,210</b>
<b>B. Non-current liabilities</b>	
I. Non-current liabilities	
1. Non-current liabilities due to banks .....	335,813
2. Other non-current liabilities .....	766,609
	<u>1,102,422</u>
II. Non-current provisions .....	166,737
III. Derivative financial instruments .....	46,163
IV. Deferred taxes .....	899,335
	<u>2,214,658</u>
<b>SUBTOTAL Non-current liabilities</b> .....	<b>2,214,658</b>
<b>C. Current liabilities</b>	
I. Current liabilities	
1. Current liabilities due to banks .....	710,738
2. Trade accounts payable .....	595,132
3. Current liabilities due to affiliated companies .....	450
4. Current liabilities due to associated companies .....	4,142
5. Current liabilities due to participating interests .....	79
6. Current tax liabilities .....	148,812
7. Other current liabilities .....	219,452
	<u>1,678,805</u>
II. Derivative financial instruments .....	63,473
III. Current accruals	
1. Tax accruals .....	43,735
2. Other current provisions .....	166,244
	<u>209,978</u>
<b>SUBTOTAL Current liabilities</b> .....	<b>1,952,257</b>
<b>D. Liabilities from discontinued operations</b> .....	<b>26,151</b>
<b>Total</b> .....	<b>7,504,275</b>

Minor differences in the disclosure of individual amounts may occur due to rounding.

# Marquard & Bahls AG

IFRS Consolidated Statement of Comprehensive Income for the period  
from January 1 to December 31, 2016

(K€)

2016

1.	Revenues .....	11,545,951	
	less energy tax .....	<u>-1,441,647</u>	10,104,303
2.	Changes in stock of finished goods and work in progress .....		40
3.	Own work capitalized .....		6,248
4.	Other operating income .....		359,390
5.	Cost of sales		
	a) Cost of raw materials and supplies and purchased goods .....	-8,873,165	
	b) Cost of purchased services .....	<u>-218,404</u>	-9,091,569
6.	Personnel expenses		
	a) Wages and salaries .....	-298,419	
	b) Social Security .....	-49,058	
	c) Expenses for pension commitments .....	<u>-10,228</u>	-357,705
7.	Amortization and depreciation on intangible and tangible fixed assets .....		-301,433
8.	Other operating expenses .....		-577,603
9.	<b>Results from operations</b> .....		141,669
10.	Income from investments .....		26
11.	Income from fixed asset investments in securities and loans .....		81,264
12.	Other interest and similar income .....		1,867
13.	Amounts written off of financial and marketable securities .....		-1,937
14.	Interest and similar charges .....		-79,789
15.	Result from equity accounted investments .....		54,230
16.	Result from changes in value of derivative financial instruments .....		7,617
17.	<b>Financial result</b> .....		<u>63,278</u>
18.	<b>Result from continued operations before income tax</b> .....		204,947
19.	Income tax .....		-75,311
20.	<b>Result from continued operations</b> .....		<u>129,636</u>
21.	Result from discontinued operations .....		-2,277
22.	<b>Consolidated net income</b> .....		127,359
	thereof:		
	net income from continued operations attributable to equity holders of the parent .....		95,331
	net income from discontinued operations attributable to equity holders of the parent .....		-1,594
	net income from continued operations attributable to minority interests .....		34,305
	net income from discontinued operations attributable to minority interests .....		-683

(K€)

2016

22.	<b>Consolidated net income</b> .....	127,359
	<i>Items that may be reclassified subsequently to profit and loss</i>	
23.	Exchange differences on translating foreign operations .....	30,873
24.	Available-for-sale financial assets .....	74,105
25.	Cash flow hedges .....	4,215
26.	Share of other comprehensive income of associates .....	-430
27.	Income tax relating to components of other comprehensive income .....	-27,208
	<i>thereof arising from Cash flow hedges</i> .....	-1,076
	<i>thereof arising from associates</i> .....	73
	<i>thereof arising from available-for-sale financial assets</i> .....	-26,205
		81,554
	<i>Items that will not be reclassified subsequently to profit and loss</i>	
28.	Actuarial losses arising from defined benefit obligations .....	-8,952
29.	Income tax relating to components of defined benefit obligations .....	2,097
		-6,855
30.	<b>Other comprehensive income for the year</b> .....	74,700
31.	<b>Total comprehensive income for the year</b> .....	202,059
	<i>thereof total comprehensive income from:</i>	
	<i>continued operations attributable     to equity holders of the parent</i> .....	168,672
	<i>discontinued operations attributable     to equity holders of the parent</i> .....	-1,594
	<i>continued operations attributable     to minority interests</i> .....	35,664
	<i>discontinued operations attributable     to minority interests</i> .....	-683

Minor differences in the disclosure of individual amounts may occur due to rounding.



## *Auditor's opinion 2016*

— Above we published the preliminary Marquard & Bahls AG's consolidated financial statements as of December 31, 2016. The consolidated financial statements as of December 31, 2016, comprise 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 as of December 31, 2016, and the group management report for the financial year 2016 the annual auditor has issued the following auditor's opinion:

"We have audited the consolidated financial statements prepared by Marquard & Bahls Aktiengesellschaft, Hamburg, 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 to December 31, 2016. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to sec. 315a para. 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 sec. 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 from 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 sec. 315a para. 1 HGB and give a true and fair view of the net assets, financial position and results from operations of the group in accordance with these requirements. The group management report is consistent with the consolidated financial statements, complies with the legal requirements, 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 31, 2017

**ROEVER BROENNER SUSAT MAZARS GMBH & CO. KG**  
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT, STEUERBERATUNGSGESELLSCHAFT

**SCHARFENBERG**  
GERMAN PUBLIC AUDITOR

**DRIESCH**  
GERMAN PUBLIC AUDITOR



*Marquard & Bahls AG*

– Hamburg, Germany

*Mabanaft GmbH & Co. KG*

– Hamburg, Germany

**Trading**

- B.W.O.C. Limited  
Weston-super-Mare, Great Britain
- Mabanaft Coal Trading Inc.  
Houston, USA
- Mabanaft Deutschland GmbH & Co. KG  
Hamburg, Germany
- Mabanaft Hungary Kft.  
Budapest, Hungary
- Mabanaft International GmbH & Co. KG  
Hamburg, Germany
- Mabanaft Limited  
London, Great Britain
- Mabanaft Moldova SRL  
Chisinau, Moldova
- Mabanaft Pte. Ltd.  
Singapore

**Retail**

- Petronord GmbH & Co. KG  
Hamburg, Germany
- AUSTROLUB GmbH & Co. KG  
Vienna, Austria
- Benol Energieservice GmbH & Co. KG  
Frankfurt / Main, Germany
- Böttcher Energie GmbH & Co. KG  
Regensburg, Germany
- Deglmann Energie GmbH & Co. KG  
Weiden / Oberpfalz, Germany
- EAG Energie Abrechnungs- und Service GmbH  
Hiddenhausen, Germany
- Greiner GmbH & Co. KG  
Wabern, Germany
- Hartmann Energie GmbH & Co. KG  
Oberleichtersbach, Germany
- Hempelmann Wittemöller GmbH  
Hiddenhausen, Germany
- JB German Oil GmbH & Co. KG  
Wittenburg, Germany
- John Schmierstoff Service GmbH  
Altlandsberg, Germany
- Kaiser Söhne Mineralöle GmbH & Co. KG  
Arnsberg, Germany
- Keck Energieservice GmbH & Co. KG  
Brakel, Germany
- Keck Schmierstoffservice GmbH & Co. KG  
Brakel, Germany
- Kiessling Energie GmbH & Co. KG  
Lauterhofen, Germany
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Hong Kong, China
- Bomin Bunker Oil Pte. Ltd.  
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- Bomin Oil DMCC  
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– Potsdam, Germany

*Organigram*

Status December 31, 2016



## List of Abbreviations

- ARA** – Amsterdam Rotterdam Antwerp
- BOOT** – Build Own Operate Transfer
- cbm** – Cubic meters
- CDM** – Clean Development Mechanism
- CEPS** – Central Europe Pipeline System
- CER** – Certified Emission Reduction
- CNG** – Compressed Natural Gas
- EPC** – Engineering Procurement Construction
- FEED** – Front End Engineering Design
- HSSE** – Health Safety Security Environment
- IATA** – International Air Transport Association
- IMO** – International Maritime Organization
- LNG** – Liquefied Natural Gas
- LPG** – Liquefied Petroleum Gas
- MTBE** – Methyl-tert-butylether
- O&M** – Operations & Maintenance
- TWh** – Terawatt hours
- VLCC** – Very Large Crude Carrier  
*(Crude oil tankers with a capacity of 200,000 to 320,000 t deadweight tonnage)*
- VRU** – Vapour Recovery Unit

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