

## TRADING FACTS

Based in Wichita, Kan., Koch Industries, Inc. is one of the largest private companies in America according to *Forbes* magazine. It owns a diverse group of companies involved in refining, chemicals and biofuels; process and pollution control equipment and technologies; minerals; fertilizers; polymers and fibers; commodity trading and services; forest and consumer products; and ranching. Koch companies have a presence in nearly 60 countries and employ about 67,000 people. Since 2003, Koch companies have invested about \$45 billion in acquisitions and other capital expenditures.

More than 40 years ago Koch companies began trading crude oil, a business that has grown to include daily trades of about 50 types of crude around the globe. Today, they have expanded their trading operations to include dozens of other commodities and sophisticated risk-management tools, positioning Koch companies and their customers to respond to ever-changing global markets. Koch companies have traders or originators in Wichita, Houston, New York, Canada, Cayman Islands, France, India, the Netherlands, Singapore, Switzerland, and the United Kingdom. They also move products through hubs in the United States, Canada, Mexico, South America, Europe, Asia, Australia and the Middle East.

### **The purpose of trading**

Trading operations increase marketplace efficiencies by bringing buyers and sellers together – domestically and around the globe – and providing for liquidity in key commodity and financial markets. In addition, Koch companies that offer risk management tools and other products help commodity buyers and sellers manage their financial exposure in these markets.

### **Trading approach**

Traders employed by Koch companies are students of the marketplace, bringing a disciplined, strategic approach to the business. They emphasize market analysis, and are centered on knowledge systems and customer relationships. Using decades of commodities trading experience, traders employed by Koch companies are growing the trading businesses and expanding into new products.

### **Koch-affiliated trading companies**

- **Koch Supply & Trading** companies around the world trade and provide risk management services in crude oil; refined petroleum products; gas liquids; natural gas, power and emissions; industrial metals; and other commodities. One of the companies owns a refinery in Rotterdam, the Netherlands.
- Trading performed by **Flint Hills Resources** companies focuses on ensuring supplies of feedstock for its refineries in Alaska, Minnesota and Texas.

- **Koch Minerals, LLC** and its subsidiaries are among the world's largest dry-bulk commodity handlers, marketing and trading more than 40 million tons annually. **Koch Carbon, LLC** trades and transports petroleum coke, coal, sulfur, cement, and other related commodities. As part of this trading business, the company employs a network of bulk import/export terminals in the United States and Europe. **Koch Pulp & Paper Trading** trades pulp, paper, recycled paper products and lumber products.
- **Koch Fertilizer, LLC** and its subsidiaries trade anhydrous ammonia, potash, phosphates, urea, and UAN globally. The company owns or has interests in nitrogen fertilizer plants in the United States, Canada, and Trinidad and Tobago, and cover global demand through terminals in the U.S., Canada, Brazil, Mexico, Australia, France and the United Kingdom. The company and its affiliates, including Koch Fertilizer Trading, Sarl; Koch Fertilizer Products SAS; and Koch Nitrogen Company LLC; have the capability to market and distribute more than 13 million metric tons of fertilizer products annually.

**Products traded by Koch companies:**

PETROLEUM & CHEMICALS	ENERGY	MINERALS & FERTILIZERS	FINANCIAL TRADING	STRUCTURED PRODUCTS	METALS	FREIGHT
<u>Petrochemicals</u> paraxylene orthoxylene metaxylene cumene pseudocumene toluene benzene styrene mixed xylenes  <u>Crude oil</u> Synthetic crude  <u>Fuels</u> gasolines diesels jet fuel residual fuels ethanol methanol  Intermediate <u>feedstocks</u> naphtha vacuum gasoil  Group II base lube oils	Emissions  Natural gas  Power	Minerals: petroleum coke, coal, sulfur, pulp and paper products, magnetite, cement, salt  Fertilizer anhydrous ammonia Urea UAN potash phosphates  Petroleum coke  Coal  Sulfur  Pulp and paper products  Magnetite  Cement  Salt	Foreign exchange  Interest rates  Financially traded <u>commodities</u> crude oil refined products crack spreads spark spreads ethanol steel base, precious & industrial metals power natural gas coal freight	Risk management  Derivatives  Cross-commodity derivatives  Hedging products	Base <u>Metals</u> OTC and futures  Physical	Tanker  Barge  Bulk  Dry bulk ocean