

## 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 and chemicals; process and pollution control equipment and technologies; minerals; fertilizers; polymers and fibers; commodity and financial trading and services; and forest and consumer products. Koch companies have a presence in nearly 60 countries and employ about 70,000 people.

More than 35 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, Koch companies have expanded their trading operations to include dozens of other commodities and financial instruments, as well as sophisticated risk-management tools. Trading interests in these instruments position Koch companies and their customers to take advantage of 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, South America, Europe, Asia 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; natural gas and gas liquids; gas, power and emissions; steel; industrial metals; energy; and other commodities and financial instruments. 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 affiliates are among the world's largest dry-bulk commodity handlers, marketing and trading more than 40 million tons annually. **Koch Carbon, LLC** and its affiliates trade and transport petroleum coke, coal, sulfur, cement, and other related commodities. As part of this trading business, these companies employ 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 Exploration Company, LLC** and its affiliates trade oil and natural gas properties.
- **Koch Fertilizer, LLC** and its affiliates trade anhydrous ammonia, Urea, and UAN globally. The company owns or has interests in nitrogen fertilizer plants in the United States, Canada, Trinidad and Tobago, and Venezuela. The company and its affiliates, including Koch Fertilizer Trading, Sarl, Koch Fertilizer Products SAS, and Koch Nitrogen Company LLC, have the capability to manufacture, market and distribute more than 9 million metric tons of nitrogen 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  Intermediate <u>feedstocks</u> naphtha vacuum gasoil  Group II base lube oils	Electricity  Emissions  Natural gas  Power	Fertilizer anhydrous ammonia Urea UAN  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	<u>Base            Metals</u> OTC and futures  Physical  <u>Steel</u> Financial & physical	Tanker  Barge  Bulk  Dry bulk ocean