BUNKER HOLDING
GROUP

ANNUAL REPORT 2015/16

The Annual Report was presented and adopted at the Annual General Meeting on 4 July 2016

Chairman of the meeting Michael Keldsen

Financial year: 1 May 2015 – 30 April 2016
Strandvejen 5, DK-5500 Middelfart, company reg. no. 75 26 63 16

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Highlights of the Year

Volume growth of 31%

No. of employees grown from 625 to 685

Solvency ratio reached 35 %

Undrawn bank facilities of more than USD 400 million

Positive operating cash flow of USD 40 million

Statement from the CEO

2015/16 was another profitable year in our 32-year history and a year where we took some important steps in shaping our future in the bunker industry.

After a couple of years with modest growth in our volume we have achieved a 31% volume growth and are now clearly one of the biggest bunkering companies in the world.

Our growth has been split between our traditional trading business and our fairly new physical operations. In addition we managed to add a brokering arm to our Group which has been a long term target to also cover that part of the industry. With this new and broader market approach we are well equipped for maintaining and expanding our market position.

Being represented in 27 countries we have broad market coverage and consider our people amongst the best in the industry. In our industry people are the most important resource in order to be successful and our strong efforts in training and developing our employees pays off and gives us a strong belief in the future for our Group. Our number of employees during the year is 685; a growth of ten percent from last financial year.

In July 2015 we entered into a new 3-year committed financing facility with our existing banks as well as new banks. I am proud of this and see it as a strong acknowledgment from our bank relations to achieve such huge long term credit facilities without giving pledge in our trade receivables. It is not common for companies in the bunker industry to have a track record strong enough to achieve such conditions.

Our need for competitiveness is continuously being challenged due to many strong existing players and new players entering the market. I do, however, feel confident that our strategic initiatives, increasing volume and an adjusted market approach put us in a position to meet the competition in the years to come.

Keld Rosenbæk Demant
CEO


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Key Figures and Financial Ratios

Five-year development

	2015/16	2014/15	2013/14	2012/13	2011/12
	USD '000	USD '000	USD '000	USD '000	USD '000
Profit					
Revenue	5,652,042	8,370,200	10,911,596	10,500,069	12,412,423
Profit before financial income and expenses	66,662	82,319	69,897	64,246	80,893
Net financials	(7,097)	7,972*	(7,013)	(5,214)	(4,507)
Profit before tax	60,563	91,198*	63,293	59,559	76,927
Net profit for the year	47,932	68,108*	52,277	47,687	63,043
Balance sheet					
Balance sheet total	779,398	895,206	1,176,541	1,097,253	1,108,455
Equity	271,207	295,223	258,437	224,055	206,205
Cash flows					
Cash flows from:					
- operating activities	39,908	138,893	45,728	1,271	(19,606)
- investing activities	(22,339)	(7,197)	(10,143)	(2,487)	(19,118)
hereof investment in property, plant and equipment and intangible assets	(26,949)	(8,063)	(11,417)	(3,612)	(20,607)
- financing activities	(70,506)	(28,973)	(19,673)	(31,838)	(25,539)
Change in cash and cash equivalents for the year	(52,937)	102,723	15,913	(33,054)	(64,263)
Ratios					
Gross margin	4.0 %	3.0 %	1.9 %	2.1 %	1.9 %
Profit margin	1.2 %	1.0 %	0.6 %	0.6 %	0.7 %
Return on equity	16.9 %	24.6 %	21.7 %	22.2 %	34.1 %
Liquidity ratio	1.45	1.44	1.25	1.22	1.19
Solvency ratio	34.8 %	33.0 %	22.0 %	20.4 %	18.6 %
Number of employees	685	625	539	537	538

For definitions, see Accounting Policies

** Includes a non-recurring financial income of USD 12,800k before tax (USD 10,600k after tax) from a legal case.*

Management's Review

ACTIVITIES

The main activities of the Group comprise the purchase, sale, mediation and supply of bunkers and lubricating oil for ships as well as various naturally related services. Trade takes place on a worldwide basis with suppliers and customers within the shipping industry.

"In all aspects the Group has a very strong focus on risk management and has strong procedures and culture for observing risks and mitigating risks"

The main object of the Parent Company is as a holding company to hold shares in the subsidiaries and to contribute to the continued development of these.

DEVELOPMENT IN THE YEAR

Earnings before tax amounted to USD 60.6 million which is to be compared with last year's result of USD 78.4 million excluding the one-off income from legal case won last year. The equity amounted to USD 271.2 million at year-end corresponding to 35 % of the total assets, the highest ever for the Group.

Revenues fell from USD 8,370 million to 5,652 million year-over-year. The lower revenues was merely a consequence of the lower average oil price seen during the year as the total number of tonnes of bunkers handled by the Group saw a growth of 31 % from last year.

During the latest two years the Group has established physical operations in niche areas as well as sourcing entities in the main bunkering ports in the world. These entities have given the Group a strong competitive edge and access to new customer segments. We will continue this path to increase our competitiveness and pave the way for additional market shares despite the tough market situation. In the financial year 2015/16 physical activities account for 10 % of the total volume handled by the Group.

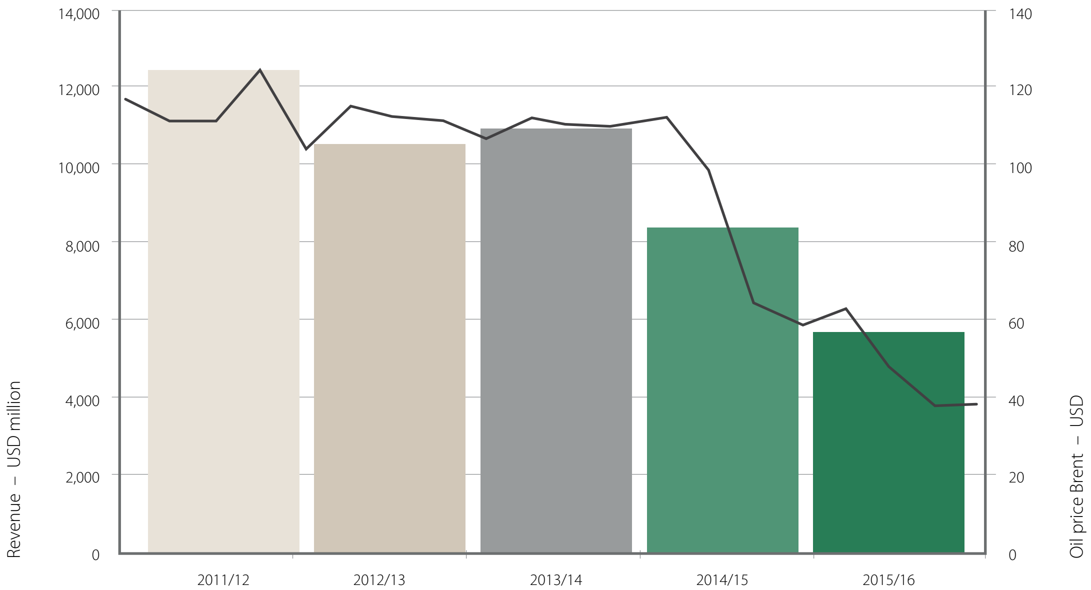
Back-to-back trading is still the corner stone in the Group's business but during the year an additional unit operating as a bunker broker was added to the activities. The trading and brokering businesses are operating independently and are serving different customer segments in the bunker market. With the addition of brokering activities the Group is now serving the main sales channels: Trading, brokering and physical deliveries.

The Group's risk management unit, offering fixed price hedging instruments to counter parties, has shown good growth in the year just ended. This business unit is offering its counter parties hedging of price fluctuations in oil and related products. The services are delivered on a back-to-back basis where the Group eliminates its exposure with counter parties.

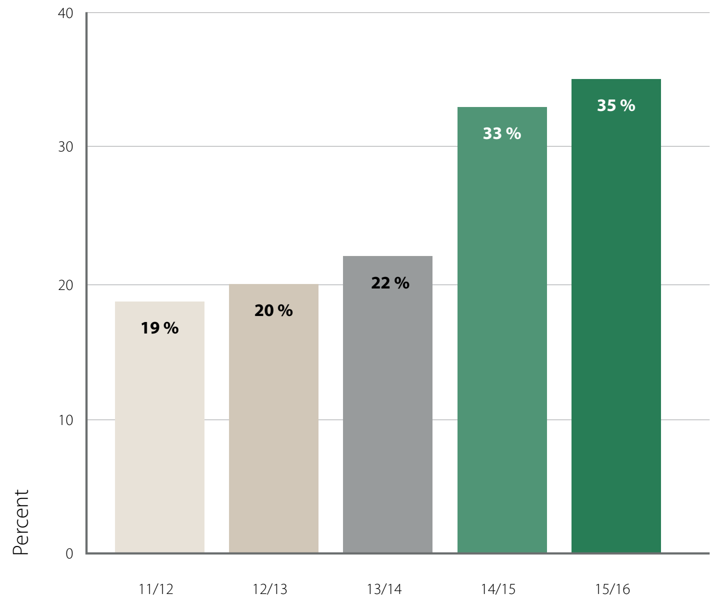
In all aspects the Group has a very strong focus on risk management and has strong procedures and culture for observing risks and mitigating risks. As an example, the falling oil price during the last two years has not influenced the earnings of the Group as market risks including oil stocks are hedged. Position taking is not a source of income for the Bunker Holding Group.

During the year the cash flows have been very positive despite the growing volume sold. The increased volume has requested additional working capital but the falling oil prices have been counter balancing the effect of the volume growth.

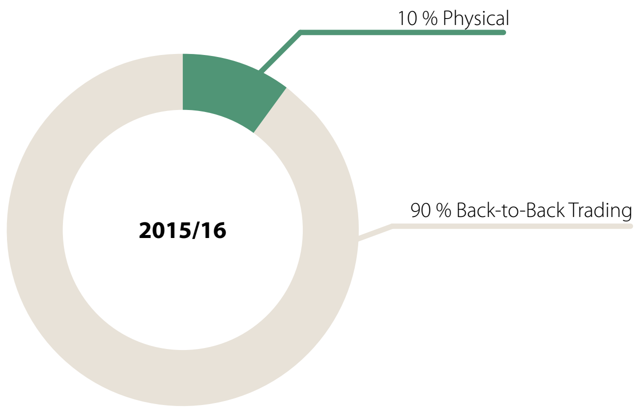
Revenue declined due to the lower oil price



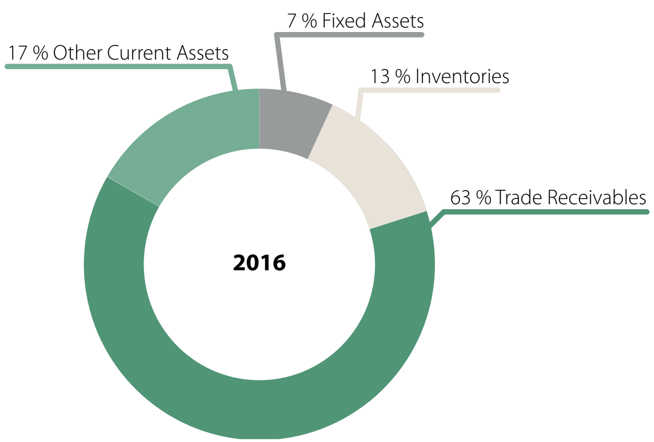
Solvency ratio



Physical vs. trading



Asset split 30 April 2016



The Group maintained a very high nominal equity and increased the solvency ratio to 35 % of the total assets end of the year. Due to this continued solid and robust financial position of the Group we maintain a very strong position with our suppliers in terms of credits. Despite the latest year's turmoil in the bunker industry, the Bunker Holding Group has continued holding double digit US-million-dollar credit lines with more suppliers. And in July 2015 a new three-year syndicated loan facility was entered into with a group of eight international banks, of which the Group has worked with some for more than 25 years. The strong credit worthiness of our Group is underlined by the fact that this long term committed loan facility is achieved on a non-secured basis meaning that we, opposite the general tendency in the industry, do not pledge our trade receivables to the banks.

End of the financial year the Group possesses undrawn committed loan facilities of more than USD 400 million and is therefore financially empowered for growth in terms of volume increase as well as absorbing the effect of increased oil prices should this be the future.

STRATEGY AND OBJECTIVE

The Bunker Holding Group's vision is to be a global and leading supplier of bunkers, lubricating oil and related products and services.

Bunker Holding will on a continuous basis develop its business in line with the customers' wishes and requirements. The Group wants to be known for its high quality in a wide sense, and deliveries must follow the highest international standards as regards both trade and quality.

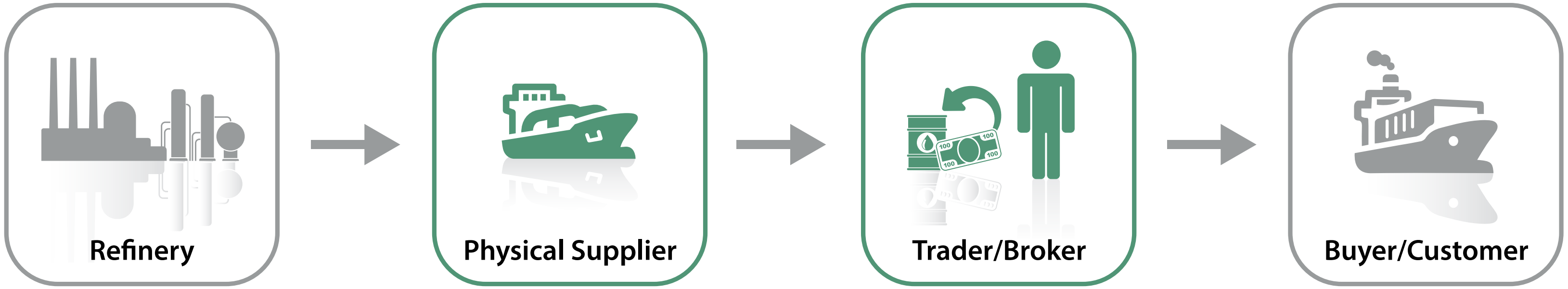
The Group's strategy plan contains clear objectives for Bunker Holding as a whole and for the individual enterprises of the Group to support growth in activities and earnings. Current follow-up is made on the realisation of the goals set. Bunker Holding focuses on strong organic growth, but is ready to enter into strategic alliances and make acquisitions should the opportunities arise.

FINANCIAL AND OPERATIONAL RISKS

Foreign exchange risks The Group hedges against commercial foreign exchange exposure on a current basis and moreover assesses the need to hedge against foreign exchange exposure of future cash flows. Hedging mainly takes place by means of forward exchange contracts. Future expected cash flows are hedged for a maximum period of the first succeeding 12 months.

Credit risks The Group is exposed to credit risk relating to its customers, and all customers and other business partners are credit rated regularly in accordance with the Group's policy for assuming credit risks. Thorough internal procedures are in place to minimise the credit risks and the international conventions for obtaining maritime lien for bunker deliveries mitigates the negative impact from defaulting payers. In addition, the Group insures the credit risk

Value Chain



Bunker Holding's main business (90 %) is trading/brokering of bunkers.

The remaining 10 % is the Group's physical supply of oil.

on certain receivables where considered adequate due to the credit worthiness of the counter party or the size of the credit exposure.

Interest rate risks The Group's interest-bearing debt is mainly based on variable interest rates, and therefore earnings are affected by any changes in the level of interest. The Group monitors and assesses on a current basis the financial consequences of interest rate changes and hedges the interest rate risk if considered adequate.

Oil price risk The Group's trading activities are back-to-back trading, where sale and purchase are done simultaneously and thus without any open positions. As for the physical activities, the Group possesses stocks but as the oil price risk is hedged, the Group has almost no exposure to deviations in the oil price. When the Group enters into fixed price agreements the oil price exposure from such contracts is also hedged to reduce the price risk.

Trading risks The Group's trading activities are widely spread on the various shipping segments and no single customer or supplier has a significant part of the Group's sales or purchases. Deliveries take place widely spread over the world and as such geographical or political uncertainty in specific parts of the world should not affect the Group's activities significantly.

CORPORATE SOCIAL RESPONSIBILITY

(cf. Section 99 a of the Danish Financial Statements Act)

Bunker Holding Group's CSR policy focuses on 5 main areas.

- *Health & Safety*
- *Staff Development*
- *Environment*
- *Community Engagement*
- *Human Rights*

Health & Safety

Everywhere in the Group, we seek to create satisfactory and optimum working conditions for our employees. In 2015/16 we have continued to plan and perform our work with the highest possible consideration and care for their well-being. Routines ensuring the health and safety of our employees are continually developed and improved with the aim of attaining the best possible foundation for happy, healthy and productive staff.

In 2015/16 the Group has avoided any kind of work related accidents and strive to maintain that performance for the coming years.

Staff Development

The Group emphasises open and honest communication internally in the Group as well as with all other stakeholders of the Group. Trust is essential in every aspect of our business and helps create the kind of work environment, cooperation and business relationships that inspire, motivate and add true value.

To ensure the welfare, job satisfaction and motivation of our employees, we provide ample opportunity for them to continually develop their professional and personal competencies through internal and external education and training programs.

The management considers staff development a key factor in the further development of our Group, and employees are encouraged and expected to seek out courses and training that keep their professional and personal skills sharp and up-to-date at all times to the overall benefit of the Group and the employees themselves.

In the actual financial year the Group has conducted more than 12,000 hours of internal training for more than 50 % of the total workforce. The training has been conducted both as part of our internal Bunker Holding Academy as well as in the individual offices around the world.

To make sure that our employees are following the optimal career path, we are also measuring that they all have minimum one yearly appraisal talk with their manager. In the actual financial year 96 % of our employees have had their appraisal.

Environment

Being a Group specialising in oil trading, we do whatever in our capacity to reduce the impact on the environment.

A particularly important area of focus in our line of business is prevention of oil spill and we take all necessary measures to avoid causing harm to nature. We are constantly looking for ways to improve environmental and operational performance.

Our subsidiaries have in 2015/16 continued to be actively engaged in projects to lower Sulphur emissions, and we recycle and seek to reduce power consumption wherever and whenever possible with the aim of protecting our surroundings and the climate from human-induced harm and hazards.

In the terms of developing and supporting alternative fuels for the shipping industry in the Northern part of Europe we are in the absolute forefront. In 2015/16 we have been stakeholder in a project developing the availability to LNG as bunker fuel.

Community Engagement

Our focus on the individual human being reflects our own organisation with subsidiaries across the globe actively engaged in community projects of various kinds.

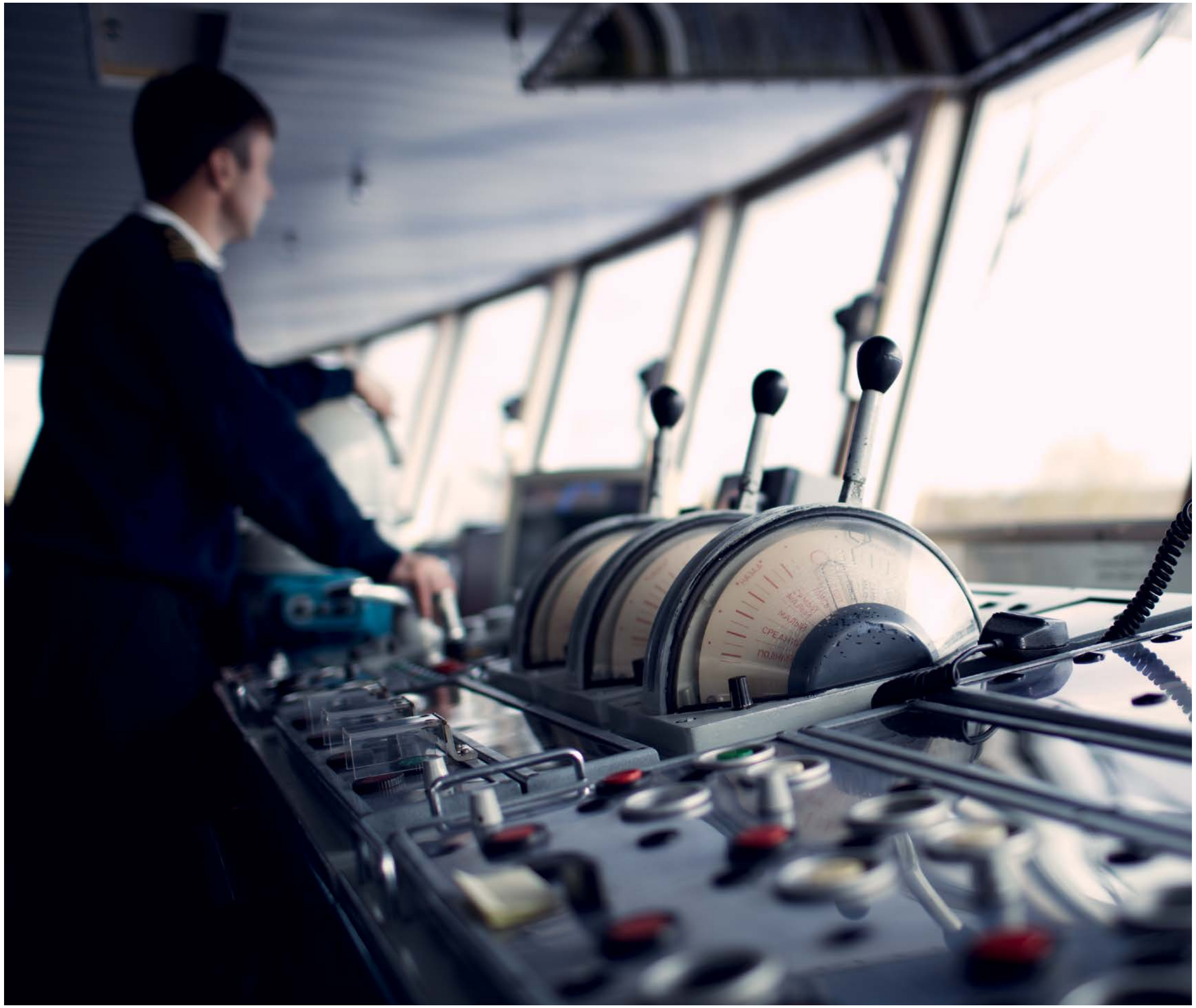
The Group has been engaged in various non-profit projects throughout 2015/16. We aim to support development in areas of the world were the social standards are not at the same level as in the developed countries. Some of the initiatives we have supported in the financial year 2015/16 are:

- *Fundraising campaigns for vulnerable groups*
- *Economical support to street kitchens in India*
- *Economical support to a kindergarten in South Africa*

Human Rights

Bunker Holding Group does not have a separate policy on human rights.

From the kindergarten in South Africa



"... with business partners across the globe it is not just a great advantage to be represented by employees with different cultural backgrounds and nationalities. It is an absolute must"

REPORT ON GENDER COMPOSITION IN MANAGEMENT

(cf. Section 99 a of the Danish Financial Statements Act)

Targets for the under-represented gender on the board of directors

Bunker Holding's Board of Directors is the supreme management body in the company and currently consists of 7 members. Today the percentage of female members of the board elected by the shareholder's committee is zero. The target for the under-represented gender is set as 20 % for 2017 and 35 % for 2019.

The gender composition in the Board of Directors did not change in 2015/16 as the members were reelected at the general assembly.

In an effort to achieve the target, Bunker Holding will ensure to have the under-represented gender on the list of candidates. Bunker Holding does, however, reserve the right to decide on the most qualified candidate regardless of gender.

Policy for the under-represented gender at other management levels

We recruit reliable, respectful and competent professionals of any orientation.

Our policy is that all employees, irrespective of gender, nationality, skin colour, sexual orientation and religion, must have equal career and management opportunities. This philosophy is supported by our open-minded, unprejudiced culture which allows each individual employee to make the best possible use of his/her skills. Likewise, Bunker Holding's internal management training programs are available to anyone with the right skills.

When recruiting new colleagues, we evaluate the professional and personal skills of candidates. In our view, gender says nothing about a person's competencies, level of commitment or ability to cooperate with others which is why it is no decisive factor for us. In the Bunker Holding offices across the world, our highly skilled staff – male and female – works together in making the most of their talents.

The industry in which we operate is characterised by a high degree of multiplicity – and so is Bunker Holding. We believe that as an international group with business partners across the globe it is not just a great advantage to be represented by employees with different cultural backgrounds and nationalities. It is an absolute must.

During 2015/16 we have implemented a mobility program for all our employees. The program ensures that employees with the best skills always are hired for right positions, no matter of gender, nationality, skin colour, sexual orientation and religion.

COMPLIANCE

At Bunker Holding Group, we know that every lasting business relationship is based on mutual trust and respect. We also know that trust is earned and should not be taken for granted. Keeping promises and meeting expectations are keys to building a trustful relation where two parties can rely on each other.

Quality, proactivity and attention to detail must characterise everything we do. This means that we always strive to create value for our customers and suppliers in any way that we can, and that we aim to avoid unnecessary bureaucracy and obsolete routines. We set high standards for our employees and expect initiative from all, while at the same time displaying a high degree of humanity and compassion.

Competition & Anti-corruption

It is a fundamental principle that Bunker Holding Group must act in full compliance with applicable competition laws and anti-corruption laws. Due to the global nature of our activities, it is imperative that Bunker Holding Group complies with all relevant rules and legislation in those countries where the Group operates.

Bunker Holding Group's activities are subject to a number of anti-corruption laws, i.a. the Danish Criminal Code, the UK law against corruption (the UK Bribery Act) and the American anti-corruption law (the U.S. Foreign Corrupt Practices Act).

Bunker Holding Group has introduced a compliance program to ensure that the Group has adequate procedures to prevent fraudulent behavior among individuals within the Group or persons associated with the Group.

Compliance Programs

It is Bunker Holding Group's policy that all board members, managers and employees must have a general understanding of competition and anti-corruption laws and possesses the tools and knowledge necessary to ensure that Bunker Holding Group acts in full compliance herewith. Furthermore, it is our policy that all board members, managers and employees must demonstrate proper business ethics and code of conduct.

To realise this goal, Bunker Holding Group strengthens the knowledge of competition law and anti-corruption law by having a so-called 'competition law compliance program' and an 'anti-corruption law compliance program'. The programs each consist of a compliance manual (available on the company intranet) and recurring training of relevant managers and employees in competition law and anti-corruption law matters. Furthermore, each employee is to complete a compliance e-learning once every year.

Bunker Holding Group's management assists in ensuring that we act in compliance with competition law and anti-corruption law. Employees must always report to management both in clear-cut cases and cases of doubt. Employees are encouraged to consult management with any questions or grey-zone matters.

EXPECTATIONS FOR THE YEAR AHEAD

The Group's level of activity, revenues and earnings are affected by a number of external factors, such as the development on the global freight market, the oil price development and the general structure of the oil market.

In the financial year 2016/17, management expects further growth in volumes sold, whilst a decline is expected in earnings due to the current market conditions with fierce competition amongst the market participants due to the imbalance in supply/demand.

SUBSEQUENT EVENTS

No significant events affecting the assessment of the Annual Report have occurred after the balance sheet date.

Geographical location of Bunker Holding offices

Board of Directors

Torben Østergaard-Nielsen
Chairman

Born in 1954.
Board member since 1994 and Chairman since 2014.
CEO, founder and owner of the USTC Group (A/S United Shipping & Trading Company).

Special competences
Extensive background and global experience within the shipping industry.

Other directorships
Chairman and member of the boards in several USTC Group companies. Chairman of the board in Middelfart Bycenter A/S. Member of the boards in H.J. Hansen Holding A/S, Fayard A/S, Fiberline A/S, Gottfred Petersen Holding A/S and Angel Holding ApS.

Other
German Honorary Consul since 1988, member of Corps Consulaire since 1988. Member of Nykredit Regionsråd and member of Danske Bank Erhvervsråd.

Klaus Nyborg
Vice Chairman

Born in 1963.
Board member since 2012 and Vice Chairman since 2014.
Professional board member and investor.

Special competences
Global experience with management of listed shipping companies incl. CEO of Pacific Basin Shipping, Hong Kong. Strategic and financial expertise as well as in-depth knowledge of risk management.

Other directorships
Chairman of the boards in A/S United Shipping & Trading Company, Norden A/S and Bawat A/S. Vice Chairman of the board in Uni-Tankers A/S. Member of the boards in Odfjell SE, Karen og Poul F. Hansens Familiefond and DFDS A/S.

Education
Msc in Business & Law, Copenhagen Business School supplemented with management courses at London Business School and IMD.

Morten H. Buchgreitz
Board member

Born in 1967.
Board member since 2014.
Member of the Group Executive Management of DONG Energy A/S (Distribution and Customer Solutions).

Special competences
Extensive and in-depth knowledge and experience with economics and finance, including credit and risk management.

Other directorships
Chairman and member of the boards in several DONG Energy Group companies. Member of the boards in A/S United Shipping & Trading Company and Uni-Tankers A/S.

Education
MSc in Business Administration and Computer Science.

Peter Frederiksen
Board member

Born in 1963.
Board member since 2012.
Member of the Executive Board of Hamburg Süd (Sales & Marketing).

Special competences
Extensive experience within the shipping industry from leading global positions in liner shipping at A.P. Møller Mærsk for more than 25 years and Hamburg Süd for 8 years. Broad management and strategy skills as well as financial experience.

Other directorships
Chairman of the boards in Sund & Bælt Holding A/S, A/S Storebælt, A/S Øresund, Femern A/S and A/S Femern Landanlæg. Member of the boards in A/S United Shipping & Trading Company and Uni-Tankers A/S.

Education
Shipping education at A.P. Møller Mærsk supplemented with management training at INSEAD and Cornell University.

Torben Janholt
Board member

Born in 1946.
Board member since 2006.
Professional board member.

Special competences
Extensive background and global experience within the shipping industry, primarily through his 28 years with J. Lauritzen A/S, the last 14 years as CEO, and as chairman of the Danish Shipowners' Association from 2005-2009.

Other directorships
Chairman of the board in Otto Suenson A/S. Member of the boards in A/S United Shipping & Trading Company, Uni-Tankers A/S, Torm A/S and PostNord.

Education
Bachelor of Commerce supplemented with executive management training at IMD and IESE.

Michael Keldsen
Board member

Born in 1950.
Board member since 1994. Chairman of the board from 2005-2014.
Of Counsel, Kromann Reumert law firm, former partner.

Special competences
In-depth knowledge and experience within corporate and foundation/trust law as well as mergers and acquisitions and shipbuilding contracts.

Other directorships
Member of the boards in A/S United Shipping & Trading Company, Uni-Tankers A/S, Shipping Holding A/S, Iron Pump A/S, Nemco Machinery A/S, Autronica Fire & Security A/S, Stanley Nordic Aps, GW Sprinkler A/S and Better CPH A/S.

Education
LL.M. (Master of Law).

Peter Korsholm
Board member

Born in 1971.
Board member since 2014.
Professional board member and investor.

Special competences
Extensive experience from private equity and developing international companies, as well as mergers & acquisitions, financing and management of financial risks.

Other directorships
Chairman of the boards in Lomax A/S, GDL Transport AB, DSVM Renovation A/S and Nymølle Stenindustrier A/S. Member of the boards in A/S United Shipping & Trading Company, Uni-Tankers A/S, RebelPenguin Aps, DSV Miljø Holding A/S and certain subsidiaries.

Education
MBA from INSEAD, MSc from London School of Economics, BA from University of Copenhagen.

Keld R. Demant
Group CEO

Born in 1966.
Joined Bunker Holding in 1998.
Member of the Executive Board since 2004, appointed Group CEO in 2013.

Special competences
Substantial experience from leading positions in international companies. Strong operational competences and extensive knowledge within strategic management and marketing as well as substantial management experience.

Other directorships
Chairman and member of the boards in several Bunker Holding Group companies. Chairman of the board in Strib Idrætsefterskole. Member of the board in Tradepoint A/S.

Education
Management training at INSEAD supplemented by shipping training at Oxford University and Lorange Institute.

Jesper Klokker Hansen
Group CFO

Born in 1964.
Joined Bunker Holding in 2004 as member of the Executive Board and Group CFO.

Special competences
Strong experience and in-depth knowledge within financial management, funding, risk management, IT and strategy.

Other directorships
Chairman and member of the boards in several Bunker Holding Group companies. Member of the boards in FJ Industries A/S and TOGT Ejendomsudvikling A/S.

Education
Holds a Diploma in Business Administration and Economics supplemented by executive management training at INSEAD and Columbia Business School.

Financial Statements 2015/16

Income Statement

1 May - 30 April

	Note	Group 2015/16 USD '000	Group 2014/15 USD '000	Parent Company 2015/16 USD '000	Parent Company 2014/15 USD '000
Revenue	1	**5,652,042**	**8,370,200**	**0**	**0**
Direct expenses		5,428,191	8,121,706	0	0
Gross profit		**223,851**	**248,494**	**0**	**0**
Other operating income		1,796	1,537	0	0
Other external expenses		55,955	68,901	198	199
Staff expenses	2	93,261	91,567	0	0
Depreciation and amortisation	3	9,769	7,243	0	0
Profit before financial income and expenses		**66,662**	**82,319**	**(198)**	**(199)**
Profit from investments in group enterprises and associates		998	907	47,905	66,394
Financial income	4	7,026	24,959	8,691	10,796
Financial expenses	5	14,123	16,987	8,391	7,880
Profit before tax		**60,563**	**91,198**	**48,007**	**69,111**
Tax on profit for the year	6	12,403	20,765	75	1,003
Profit before minority interests		**48,160**	**70,434**	**47,932**	**68,108**
Minority interests' share of profit in group enterprises		(228)	(2,326)	0	0
Net profit for the year		**47,932**	**68,108**	**47,932**	**68,108**

Distribution of profit

Proposed distribution of profit					
Proposed dividend				35,000	45,000
Extraordinary dividend				25,000	0
Reserve for net revaluation under the equity method				(21,375)	21,018
Retained earnings				9,307	2,089
				47,932	**68,108**

Balance Sheet

Assets at 30 April

		Group		Parent Company	
	Note	2016 USD '000	2015 USD '000	2016 USD '000	2015 USD '000
Software		1,586	1,389	0	0
Goodwill		32,974	18,129	0	0
Intangible assets	7	**34,560**	**19,518**	**0**	**0**
Land and buildings		15,080	13,386	0	0
Fixtures and fittings, tools and equipment		3,568	6,892	0	0
Property, plant and equipment	8	**18,648**	**20,278**	**0**	**0**
Investments in subsidiaries		0	0	239,727	251,667
Investments in associates		1,703	1,976	1,703	1,976
Securities and other investments		15	15	0	0
Fixed asset investments	9	**1,718**	**1,991**	**241,430**	**253,644**
Fixed assets		**54,926**	**41,787**	**241,430**	**253,644**
Inventories		**98,401**	**72,880**	**0**	**0**
Trade receivables		494,846	635,266	0	0
Receivables from group enterprises		3,006	6,273	230,027	214,738
Receivables from associates		97	1,179	0	0
Other receivables	10	88,005	88,703	364	1,772
Dividends receivable		1,786	600	1,786	600
Prepayments		0	127	0	0
Corporation tax		7,113	2,707	685	0
Deferred tax asset	13	1,641	7,535	0	389
Receivables		**596,494**	**742,388**	**232,862**	**217,499**
Securities		**117**	**309**	**0**	**0**
Cash at bank and in hand		**29,460**	**37,841**	**11,289**	**14,657**
Current assets		**724,472**	**853,419**	**244,151**	**232,156**
Assets		**779,398**	**895,206**	**485,581**	**485,800**

Liabilities & Equity at 30 April

	Note	Group 2016 USD '000	Group 2015 USD '000	Parent Company 2016 USD '000	Parent Company 2015 USD '000
Share capital		1,781	1,781	1,781	1,781
Reserve for net revaluation under the equity method		1,551	1,924	107,177	130,641
Retained earnings		232,875	246,519	127,249	117,801
Proposed dividend for the year		35,000	45,000	35,000	45,000
Equity	11	**271,207**	**295,223**	**271,207**	**295,223**
Minority interests	12	**351**	**157**	**0**	**0**
Provision for deferred tax	13	2,246	2,349	0	0
Provisions		**2,246**	**2,349**	**0**	0
Mortgage debt		4,950	6,057	0	0
Long-term debt	14	**4,950**	**6,057**	**0**	**0**
Short-term part of long-term debt		40	39	0	0
Credit institutions		148,677	102,821	85,453	31,922
Trade payables		264,132	401,716	0	0
Prepayments received		39,220	28,329	0	0
Payables to group enterprises		946	377	123,200	152,596
Payables to associates		280	183	0	0
Corporation tax		9,337	13,328	0	780
Other payables		38,012	44,627	5,721	5,278
Short-term debt		**500,644**	**591,421**	**214,374**	**190,576**
Debt		**505,594**	**597,478**	**214,374**	**190,576**
Liabilities and equity		**779,398**	**895,206**	**485,581**	**485,800**
Security and contingent liabilities	15				
Related parties	16				
Fee to auditors appointed at the general meeting	17				

Statement of Changes in Equity

Group 2015/16	Share capital	Reserve under the equity method	Retained earnings	Proposed dividend	Total
	USD '000	USD '000	USD '000	USD '000	USD '000
Equity at 1 May	1,781	1,924	246,519	45,000	295,223
Dividend paid*	0	0	(25,000)	(45,000)	(70,000)
Net profit for the year	0	(351)	13,283	35,000	47,932
Fair value adjustment of derivative financial instruments	0	0	(2,223)	0	(2,223)
Capital adjustments	0	(22)	297	0	275
Equity at 30 April	**1,781**	**1,551**	**232,875**	**35,000**	**271,207**

Group 2014/15	Share capital	Reserve under the equity method	Retained earnings	Proposed dividend	Total
	USD '000	USD '000	USD '000	USD '000	USD '000
Equity at 1 May	1,781	1,696	226,959	28,000	258,437
Dividend paid	0	0	0	(28,000)	(28,000)
Net profit for the year	0	184	22,923	45,000	68,108
Fair value adjustment of derivative financial instruments	0	0	1,370	0	1,370
Capital adjustments	0	43	(4,734)	0	(4,691)
Equity at 30 April	**1,781**	**1,924**	**246,519**	**45,000**	**295,223**

** Sale of own shares during the year, USD 27 million, has been deducted from dividend paid as the nature of the transaction dictates this.*

Parent Company 2015/16	Share capital	Reserve under the equity method	Retained earnings	Proposed dividend	Total
	USD '000	USD '000	USD '000	USD '000	USD '000
Equity at 1 May	1,781	130,641	117,801	45,000	295,223
Dividend paid*	0	0	(25,000)	(45,000)	(70,000)
Net profit for the year	0	(21,375)	34,307	35,000	47,932
Fair value adjustment of derivative financial instruments	0	0	0	0	0
Capital adjustments	0	(2,089)	141	0	(1,948)
Equity at 30 April	**1,781**	**107,177**	**127,249**	**35,000**	**271,207**

Parent Company 2014/15	Share capital	Reserve under the equity method	Retained earnings	Proposed dividend	Total
	USD '000	USD '000	USD '000	USD '000	USD '000
Equity at 1 May	1,781	113,041	115,615	28,000	258,437
Dividend paid	0	0	0	(28,000)	(28,000)
Net profit for the year	0	21,018	2,089	45,000	68,108
Fair value adjustment of derivative financial instruments	0	0	0	0	0
Capital adjustments	0	(3,418)	97	0	(3,321)
Equity at 30 April	**1,781**	**130,641**	**117,801**	**45,000**	**295,223**

** Sale of own shares during the year, USD 27 million, has been deducted from dividend paid as the nature of the transaction dictates this.*

Cash Flow Statement

1 May - 30 April

Group	2015/16	2014/15
	USD '000	USD '000
Profit before tax	60,563	91,198
Amortisation and depreciation	9,769	7,243
Changes in receivables	144,583	305,280
Changes in inventories	(25,521)	(25,067)
Changes in trade payables, other payables, etc	(131,559)	(225,415)
Exchange adjustments and other adjustments	(3,388)	384
Cash flows from ordinary activities	**54,447**	**153,625**
Corporation tax paid	(14,539)	(14,732)
Cash flows from operating activities	**39,908**	**138,893**
Business acquisition	(20,777)	(3,059)
Sale of subsidiaries and activities	2,268	0
Purchase of intangible assets	(771)	(1,368)
Purchase of property, plant and equipment	(5,401)	(3,636)
Sale of property, plant and equipment	2,342	866
Cash flows from investing activities	**(22,339)**	**(7,197)**
Change in debt to mortgage credit institutes	(1,106)	(1,473)
Transactions with owner	(70,000)	(28,000)
Dividend received from associates	600	500
Cash flows from financing activities	**(70,506)**	**(28,973)**
Change in cash and cash equivalents	**(52,937)**	**102,723**
Cash and cash equivalents at 1 May	(64,670)	(168,296)
Additions through acquisition	18	902
Sale of subsidiaries and activities	(1,511)	0
Cash and cash equivalents at 30 April	**(119,100)**	**(64,670)**

Cash and cash equivalents comprise cash at bank and in hand, securities and the portion of the item "bank loans" under short-term debt relating to operating activities.


MASTER

Notes to the Annual Report

1

Segment information

The Group's activities are considered one segment.

2

Staff expenses	2015/16	2014/15
	USD '000	USD '000
Group		
Wages and salaries	83,905	82,841
Pensions	4,097	3,397
Other social security expenses	5,259	5,330
	93,261	**91,567**
Number of employees	**685**	**625**
Salaries and remuneration to the Executive Board and Board of Directors amount to:		
Executive Board and Board of Directors	2,609	3,154
Parent Company		
Besides the Executive Board, the company has no employees.		

3		
Depreciation and amortisation	**2015/16**	**2014/15**
	USD '000	USD '000
Group		
Software	581	243
Goodwill	5,895	3,802
Buildings	1,486	849
Ships and equipment	0	107
Fixtures and fittings, tools and equipment	1,807	2,243
	9,769	**7,243**

4		
Financial income	**2015/16**	**2014/15**
	USD '000	USD '000
Parent Company		
Intercompany interest	**8,550**	**9,870**

5		
Financial expenses	**2015/16**	**2014/15**
	USD '000	USD '000
Group		
Intercompany interest	**10**	**12**
Parent Company		
Intercompany interest	**3,004**	**2,605**

6

Corporation tax

	Group		Parent Company	
	2015/16 USD '000	**2014/15** USD '000	**2015/16** USD '000	**2014/15** USD '000
Current tax for the year	9,492	18,941	135	938
Tax concerning previous years	(807)	(2,388)	(449)	(117)
Adjustment of provision for deferred tax	1,046	4,621	0	182
Deferred tax, previous years	1,973	5	389	0
Total tax for the year	**11,704**	**21,179**	**75**	**1,003**
Which is broken down as follows:				
Tax on profit for the year	12,403	20,765	75	1,003
Tax on equity transactions	(699)	414	0	0
Total tax for the year	**11,704**	**21,179**	**75**	**1,003**

7

Intangible assets

	Software	Goodwill
Group		
Cost at 1 May	2,130	39,037
Exchange adjustment	30	81
Additions for the year	771	20,740
Disposals for the year	(323)	(134)
Cost at 30 April	**2,608**	**59,724**
Amortisation at 1 May	741	20,908
Exchange adjustment	22	81
Amortisation for the year	581	5,895
Reversed amortisations of disposals of the year	(322)	(134)
Amortisation at 30 April	**1,022**	**26,750**
Carrying amount at 30 April	**1,586**	**32,974**

8

Property, plant and equipment	Land and buildings	Fixtures and fittings, tools and equipment
	USD '000	USD '000
Group		
Cost at 1 May	15,332	17,152
Exchange adjustment	239	(95)
Additions for the year	4,395	1,025
Disposals for the year	(1,402)	(6,140)
Cost at 30 April	**18,564**	**11,942**
Revaluation at 1 May	127	0
Exchange adjustment	(2)	0
Revaluation for the year	(125)	0
Revaluation at 30 April	**0**	**0**
Depreciation at 1 May	2,074	10,259
Exchange adjustment	3	(45)
Depreciation for the year	1,486	1,807
Reversed depreciation of disposals for the year	(79)	(3,647)
Depreciation at 30 April	**3,484**	**8,374**
Carrying amount at 30 April	**15,080**	**3,568**

9

Fixed asset investments	Securities	Investments in associates
	USD '000	USD '000
Group		
Cost at 1 May	15	152
Exchange adjustment	0	0
Cost at 30 April	**15**	**152**
Value adjustments at 1 May	0	1,825
Exchange adjustment	0	(22)
Share of profit for the year	0	998
Dividend	0	(1,250)
Value adjustments at 30 April	**0**	**1,551**
Carrying amount at 30 April	**15**	**1,703**

	Investments in subsidiaries	Investments in associates
	USD '000	USD '000
Parent Company		
Cost at 1 May	121,276	1,727
Additions for the year	11,442	0
Disposals for the year	(192)	0
Cost at 30 April	**132,526**	**1,727**
Value adjustments at 1 May	130,391	250
Exchange adjustment	(2,067)	(22)
Disposals for the year	(2,178)	0
Share of profit for the year	46,907	998
Dividend	(65,852)	(1,250)
Value adjustments at 30 April	**107,201**	**(24)**
Carrying amount at 30 April	**239,727**	**1,703**

9 (continued)

The Parent Company's investments in subsidiaries comprise:		Place of reg. office	Votes and ownership
Name			
A/S Dan-Bunkering Ltd.	•	Denmark	100 %
Brilliant Maritime Services S.A. ApS	•	Denmark	100 %
A/S Global Risk Management Ltd.	•	Denmark	100 %
KPI Bridge Oil A/S	•	Denmark	100 %
Bunker Holding Estate A/S	•	Denmark	100 %
USTC Administration ApS	•	Denmark	100 %
KTB Oil Corporation Ltd. ApS	•	Denmark	100 %
Unioil Supply A/S	•	Denmark	100 %
Unioil Cargo A/S	•	Denmark	100 %
Scandinavian Bunkering AS	•	Norway	100 %
Topoil AB	•	Sweden	100 %
KPI Bridge Oil London Ltd.		UK	100 %
KPI Bridge Oil Greece IKE	•	Greece	100 %
KPI Bridge Oil Denizcilik ve Ticaret Ltd. Sti.		Turkey	100 %
KPI Bridge Oil Inc.	•	USA	100 %
Kristensons Petroleum Inc.	•	USA	100 %
Glander International Bunkering Inc.	•	USA	100 %
Dan-Bunkering (America) Inc.		USA	100 %
Unity Bunkering, Inc	•	USA	100 %
LQM Petroleum Services LLC	•	USA	100 %
LQM Holdings (Delaware) Inc.		USA	100 %
Dan-Bunkering (Chile) SPA		Chile	100 %
South American Bunkers S.A.	•	Argentina	100 %
Brilliant Maritime Services Ltd.		Marshall Islands	100 %
BMS United Bunkers Ltd		Marshall Islands	100 %
KPI Bridge Oil Ltd.	•	Cayman Islands	100 %

- *The enterprise is owned directly by Bunker Holding A/S. Other enterprises are owned indirectly.*

Moreover, the Group owns enterprises without any business activity which are not included in the list. With reference to section 127 of the Danish Financial Statements Act, companies have been omitted from the list for competitive reasons.

9 (continued)

The Parent Company's investments in subsidiaries comprise:		Place of reg. office	Votes and ownership
Name			
Glander International Bunkering DMCC	•	Dubai	100 %
Dan-Bunkering (Middle East) DMCC		Dubai	100 %
Australia Bunkering Pty Ltd.	•	Australia	100 %
KTB Oil Corporation Ltd.	•	British Virgin Islands	100 %
South African Bunkering & Trading Ltd.	•	British Virgin Islands	100 %
South African Bunkering & Trading Pty Ltd.	•	South Africa	100 %
Dan-Bunkering (Singapore) Pte. Ltd.		Singapore	100 %
BMS United Bunkers (Asia) Pte. Ltd.	•	Singapore	100 %
Scandinavian Bunkering (Singapore) Pte. Ltd.		Singapore	100 %
KPI Bridge Oil Singapore Pte. Ltd.		Singapore	100 %
Glander International Bunkering Pte. Ltd.		Singapore	100 %
Unimarine Pte Ltd.	•	Singapore	100 %
Unicore Fuel Pte Ltd.	•	Singapore	100 %
BMS United Bunkers (HK) Limited		Hong Kong	100 %
International Bunker Services Ltd	•	Hong Kong	100 %
Dan-Bunkering (Monaco) S.A.M		Monaco	100 %
KPI Bridge Oil Cyprus Ltd.	•	Cyprus	100 %
Bunkernet Ltd.	•	Cyprus	100 %
BMS United Bunkers (Cyprus) Ltd.		Cyprus	100 %
Canden Marine Fuel Services Ltd.	•	Canada	51 %
Glander International Bunkering do Brazil Ltda.	•	Brazil	100 %
Valhalla Marine Sarl	•	Switzerland	100 %
Unicore Fuel B.V.	•	Netherlands	100 %
Glander International Bunkering (India) Private Limited	•	India	100 %
Reniden S.A	•	Uruguay	100 %

• *The enterprise is owned directly by Bunker Holding A/S. Other enterprises are owned indirectly.*

Moreover, the Group owns enterprises without any business activity which are not included in the list. With reference to section 127 of the Danish Financial Statements Act, companies have been omitted from the list for competitive reasons.

10
Other receivables

Group

The item "other receivables" includes adjustment of derivative financial instruments to fair value by net USD 30,874k.
Stated on a gross basis, the asset amounts to USD 60,439k and the liability to USD 29,565k.
USD 204k of the gross receivables relates to group enterprises.

Parent Company

The item "other receivables" includes adjustment of derivative financial instruments to fair value by net USD (320k).
Stated on a gross basis, the asset amounts to USD 1,433k and the liability to USD 1,753k.
USD 135k of the gross payables relates to group enterprises.

11
Equity

The share capital consists of 100,000 shares of DKK 100 (equivalent USD 17.8) at the historical exhange rate of 5.6141 to USD 1,781k.

12

Minority interests	2016	2015
	USD '000	USD '000
Group		
Minority interests at 1 May	157	(2,169)
Exchange adjustment	6	(1)
Additions for the year	(40)	0
Share of profit/loss for the year	228	2,326
Minority interests at 30 April	**351**	**157**

13

Deferred tax	2016	2015
	USD '000	USD '000
Group		
Deferred tax at 1 May	(5,186)	(9,361)
Exchange adjustment	82	(445)
Change for the year	5,709	4,621
Deferred tax at 30 April	**605**	**(5,186)**
Deferred tax is recognised in the Annual Report as follows:		
Deferred tax asset	(1,641)	(7,535)
Deferred tax liability	2,246	2,349
Deferred tax at 30 April	**605**	**(5,186)**
Parent Company		
Deferred tax at 1 May	(389)	(382)
Correction at 1 May	389	(126)
Exchange adjustment	0	97
Change for the year	0	22
Deferred tax at 30 April	**0**	**(389)**

Deferred tax relates to intangible assets and property, plant and equipment and trade receivables as well as tax loss carry-forwards.

14

Long-term debt

Group

Of the long-term debt, USD 3,427k falls due after more than 5 years. The market value of mortgage debt amounts to USD 4,929k, and the carrying amount is USD 4,990k.

15

Security, contingent liabilities and lease and contractual obligations	2016	2015
	USD '000	USD '000
Group		
Guarantees		
As security of trade with customers and suppliers, the company's bankers have provided guarantees for	67,356	69,187
At the balance sheet date, the following has been utilised of the guarantee commitment	19,887	42,058
Through credit institutions, guarantees have been issued in respect of employee bonds etc.	0	233
Security		
Carrying amount of land and buildings provided as security for debt to mortgage credit institutes	10,389	11,359
Floating charge provided as security for debt to credit institutions	0	3,848
At the balance sheet date, the carrying amount of the assets provided as security was	0	28,072
Secured bank debt at 30 April	0	5,634
Lease and rent obligations		
Lease and rent obligations	26,134	12,454
Contingent liabilities		

The Group's Danish companies are jointly and severally liable for the tax on the Group's jointly taxed income etc. Total accrued corporation tax appears from the Annual Report of Selfinvest ApS which acts as management company in the jointly taxed Group. Moreover, the Group's Danish enterprises are jointly and severally liable for Danish withholding tax. Any subsequent adjustments to the corporation tax or withholding tax may result in an increase of the company's liability.

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Security, contingent liabilities and lease and contractual obligations (continued)

	2016	2015
	USD '000	USD '000
Parent Company		
Guarantees		
The Parent Company has issued a guarantee for the liabilities of the subsidiaries	643,714	642,783
At the balance sheet date, the following has been applied of the guarantee commitment	100,950	103,132
The Parent Company has provided security in shares in subsidiaries for the Group's liabilities towards credit institutions. At the balance sheet date, the guarantee amounted to	0	172,007
Security		
The carrying amount of assets provided as security amounted to	0	197,302
At the balance sheet date, no other guarantees or security have been provided.		

Contingent liabilities

The Group's Danish companies are jointly and severally liable for the tax on the Group's jointly taxed income etc. Total accrued corporation tax appears from the Annual Report of Selfinvest ApS which acts as management company in the jointly taxed Group. Moreover, the Group's Danish enterprises are jointly and severally liable for Danish withholding tax. Any subsequent adjustments to the corporation tax or withholding tax may result in an increase of the company's liability.

16

Related parties

Related parties comprise the Board of Directors, the Executive Board and senior executives in Group enterprises as well as companies in which these persons have significant interests.

The company is included in the Consolidated Financial Statements of the immediate Parent Company, A/S United Shipping & Trading Company.

Controlling interest is exercised through the company's immediate Parent Company, A/S United Shipping & Trading Company. The company's ultimate Parent Company which prepares Consolidated Financial Statements is Selfinvest ApS, in which Torben Østergaard-Nielsen, CEO, exercises control.

17

Fee to auditors appointed at the general meeting

	Group		Parent Company	
	2015/16 USD '000	**2014/15** USD '000	**2015/16** USD '000	**2014/15** USD '000
PricewaterhouseCoopers				
Audit	380	385	33	32
Assurance engagements	111	36	0	0
Tax services	255	174	0	0
Non-audit services	82	58	0	0
Ernst & Young				
Audit	60	64	0	0
Tax services	50	49	0	0
Non-audit services	0	33	0	0
Wilkins Kennedy				
Audit	65	58	0	0
Assurance engagements	5	0	0	0
Tax services	17	17	0	0
Non-audit services	10	0	0	0
RSM				
Audit	132	39	0	0
Tax services	102	9	0	0
Non-audit services	2	2	0	0
Other				
Audit	103	144	0	0
Assurance engagements	3	4	0	0
Tax services	2	95	0	0
Non-audit services	162	39	0	0
	1,541	**1,206**	**33**	**32**

Management's Statement

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of Bunker Holding A/S for the financial year 1 May 2015 - 30 April 2016.

The Annual Report was prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Parent Company Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position of the Parent Company and the Group at 30 April 2016 and of the results of the Parent Company and Group operations and consolidated cash flows for 2015/16.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Middelfart, 4 July 2016.

Executive Board

Keld Rosenbæk Demant
CEO

Jesper Klokker Hansen
CFO

Board of Directors

Torben Østergaard-Nielsen
Chairman

Klaus Nyborg
Deputy Chairman

Michael Keldsen

Morten Hultberg Buchgreitz

Peter Frederiksen

Torben Janholt

Peter Korsholm

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 4 July 2016.

Chairman of the meeting

Independent Auditor's Report

To the Shareholder of Bunker Holding A/S

REPORT ON CONSOLIDATED FINANCIAL STATEMENTS AND PARENT COMPANY FINANCIAL STATEMENTS

We have audited the Parent Company Financial Statements and the Consolidated Financial Statements of Bunker Holding A/S for the financial year 1 May 2015 – 30 April 2016, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement, notes and accounting policies. The Parent Company Financial Statements and the Consolidated Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the consolidated Financial Statements and The parent company Financial Statements

Management is responsible for the preparation of Parent Company Financial Statements and Consolidated Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Parent Company Financial Statements and Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Parent Company Financial Statements and the Consolidated Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements in accordance with Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The audit procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Parent Company Financial Statements and Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Parent Company Financial Statements and the Consolidated Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The audit has not resulted in any qualification.

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Company at 30 April 2016 and of the results of Company operations and cash flows for the financial year 1 May 2015 – 30 April 2016 in accordance with the Danish Financial Statements Act.

STATEMENT ON MANAGEMENT'S REVIEW

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Parent Company Financial Statements and the Consolidated Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Parent Company Financial Statements and the Consolidated Financial Statements.

Trekantområdet, 4 July 2016
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR. No.: 33 77 12 31

Jan Bunk Harbo Larsen
State Authorised Public Accountant

Gert Fisker Tomczyk
State Authorised Public Accountant


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Accounting Policies

BASIS OF PREPARATION

The Annual Report of Bunker Holding A/S for 2015/16 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from previous years.

The Annual Report for 2015/16 is presented in USD thousands.

Recognition and measurement

The Financial Statements have been prepared based on the historic cost principle.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Group, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Group, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

USD is used as the measurement currency. All other currencies are regarded as foreign currencies.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Bunker Holding A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or otherwise exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

On acquisition of subsidiaries, the difference between cost and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to fair value (the purchase method). This includes allowing for any restructuring provisions determined in relation to the enterprise acquired. Any remaining positive differences are recognised in intangible assets in the balance sheet as goodwill, which is amortised in the income statement on a straightline basis over its estimated useful life, but not exceeding 20 years. Any remaining negative differences are recognised in deferred income in the balance sheet as negative goodwill. Amounts attributable to expected losses or expenses are recognised as income in the income statement as the affairs and conditions to which the amounts relate materialise. Negative goodwill not related to expected losses or expenses is recognised at an amount equal to the fair value of non-monetary assets in the income statement over the average useful life of the non-monetary assets.

Positive and negative differences from enterprises acquired may, due to changes to the recognition and measurement of net assets, be adjusted.

These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Presentation currency

The Financial Statements for 2015/16 have been presented in USD. At 30 April 2016 the year-end exchange rate for USD/DKK was 6.53. The comparative figures are translated at the historical year-end exchange rate which as of 30 April 2015 was USD/DKK 6.65.

Minority interests

On statement of group results and group equity, the shares of results and equity of subsidiaries attributable to minority interests are recognised as separate items in the income statement and the balance sheet.

In case of subsequent changes in minority interests, the changed shares are recognised in results as from the time of the change.

Translation policies

Transactions in foreign currencies are translated during the year at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the paragraph on hedge accounting.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are recognised in "Other receivables" and "Other payables", respectively.

Fair value of OTC oil derivative contracts are determined on the basis of generally applied forward and option pricing models. Inputs to the models are to the extent possible determined on the basis of observable prices for the underlying products. For contracts where the most significant input is unobservable, Management estimates the input based on recent transactions, transactions with similar products etc.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

Some fair value gains and losses net related to commodity derivatives are presented as gross profit.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Segment information

Segment information on activities is presented.

INCOME STATEMENT

Revenue
Revenue comprises the sale of goods and services and is recognised based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Revenue includes fair value gains and losses net related to commodity derivatives.

Direct expenses
Direct expenses include expenses for the purchase of goods for resale.

Other external expenses
Other external expenses include expenses for sales, administration as well as the running of office facilities, etc.

Staff expenses
Staff expenses comprise wages and salaries as well as payroll expenses.

Profit from investments in group enterprises and associates
The item "Profit from investments in group enterprises and associates" in the income statement of the Parent Company includes the proportionate share of net profit for the year less goodwill amortisation.

Financial income and expenses
Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year
Tax for the year consists of current tax for the year, adjustment of deferred tax for the year and adjustment of taxes from previous years. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses). The jointly taxed enterprises have adopted the on-account taxation scheme.

BALANCE SHEET

Intangible assets
Intangible assets are measured at cost less accumulated amortisation.

The period of amortisation of goodwill is longest for enterprises acquired for strategic purposes with a strong market position and a long earnings profile.

Amortisation based on cost is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Goodwill
max. 20 years.

Software
3-5 years.

Scrap values are yearly reassessed.

Property, plant and equipment
Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Land is measured at cost. No depreciation is made on land. Interest paid on loans raised for indirect or direct financing or production of property, plant and equipment is recognised in the income statement.

Freehold flat is measured at market value if this value is considered to be of a durable nature, less accumulated depreciation. Depreciation based on cost reduced by any residual value is calculated on a straightline basis over the expected useful lives of the assets:

Buildings
20-50 years.

Fixtures and fittings, tools and equipment
3-10 years.

Scrap values are yearly reassessed.

Gains and losses on sale of property, plant and equipment are recognised in the income statement under Other operating income and Other external expenses, respectively.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognised and measured under the equity method.

The items "Investments in subsidiaries" and "Investments in associates" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributions and adjusted for other equity movements in subsidiaries and associates.

Subsidiaries and associates with a negative net asset value are recognised at USD 0. Any legal or constructive obligation of the Group to cover the negative balance of the enterprise is recognised in provisions.

Gains or losses on disposal or liquidation of subsidiaries and associates are calculated as the difference between the sales sum or the liquidation amount and the carrying amount of net assets at the time of sale or liquidation, including unamortised goodwill and expected sales or liquidation expenses. Gains or losses are recognised in the income statement.

Securities and investments

Securities and investments recognised in fixed asset investments are recognised and measured at fair value.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value. The net realisable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum.

The cost price of inventories whose fair value is effectively hedged from derivative financial instruments is adjusted for the change in fair value attributable to the hedged risk.

The cost of goods for resale, raw materials and consumables includes landing cost.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Securities

Securities recognised in current assets are measured at the fair value at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Prepayments

Prepayments comprise prepaid expenses.

Own shares

Purchase and sales prices of own shares are recognised directly in equity. Capital reduction upon cancellation of own shares will reduce the share capital by an amount corresponding to the nominal amount of the shares and will increase retained earnings. Dividend on own shares is recognised directly in equity under "Retained earnings".

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Provisions

Provisions are recognised when – in consequence of an event occurred before or on the balance sheet date – the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carryforwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities. Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year and adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial debts

Fixed-interest loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period. Other debts are measured at amortised cost, substantially corresponding to nominal value.

CASH FLOW STATEMENT

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

No cash flow statement has been prepared for the Parent Company as the Parent Company cash flows are included in the Consolidated Cash Flow Statement.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise the items "Cash at bank and in hand" and "Securities" under current assets as well as "Credit institutions" under short-term debt.

The cash flow statement cannot be immediately derived from the published financial records.

DEFINITION OF FINANCIAL RATIOS

$$\text{Gross margin} = \frac{\text{Gross profit x 100}}{\text{Revenue}}$$

$$\text{Profit margin} = \frac{\text{Profit before financials x 100}}{\text{Revenue}}$$

$$\text{Return on equity} = \frac{\text{Net profit for the year x 100}}{\text{Average equity}}$$

$$\text{Liquidity ratio} = \frac{\text{Current assets}}{\text{Short-term debt}}$$

$$\text{Solvency ratio} = \frac{\text{Equity at year end x 100}}{\text{Total assets}}$$

Number of employees = Employees are converted to annual full-time employees

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