



## Koch Overview

Wichita, Kan.-based Koch Industries, Inc. began as Wood River Oil and Refining Co. in 1940. According to *Forbes*, Koch Industries is one of the largest private companies in America, with annual revenues of about \$115 billion. With a presence in about 60 countries, Koch companies employ more than 100,000 people worldwide, with about 60,000 of those in the United States. Contributing to the company's continued financial strength is the shareholders' long-time policy of reinvesting 90 percent of earnings. Since 2003, Koch companies have invested approximately \$65 billion in acquisitions and other capital expenditures. From January 2009 to present, Koch companies have earned more than 900 awards for safety, environmental excellence, community stewardship, innovation, and customer service.

Koch companies constantly seek to create the greatest value by:

- Applying Market-Based Management<sup>®</sup>, Koch companies' unique business philosophy that brings the power of the free market inside the businesses to maximize value creation and succeed long term.
- Fostering Principled Entrepreneurship<sup>™</sup> and a culture that empowers employees to produce results and create real value.
- Operating efficiently and safely, with a steadfast commitment to environmental excellence and 100 percent compliance.

Koch companies are involved in these diverse industries:

### **Refining, Chemicals, Grain Processing and Biofuels**

**Flint Hills Resources, LLC**, through its subsidiaries, is an industry leader in refining, chemicals and grain processing. Its subsidiaries produce and market gasoline, diesel, jet fuel, asphalt, ethanol, biodiesel, liquefied natural gas, olefins, polymers, intermediate chemicals, as well as base oils, corn oil and dried distillers grain. The refining business operates refineries in Minnesota and Texas, with a combined crude oil processing capacity of more than 600,000 barrels per day, and owns a 50 percent interest in a lubricants base oil facility in Louisiana. The chemicals business has production facilities in Illinois, Michigan and Texas. The grain processing business operates ethanol plants in Iowa and Nebraska, is equipping a biodiesel plant in Nebraska to begin operation in 2015, and holds equity investments in bioenergy companies.

A **Koch Supply & Trading** company operates an 80,000 barrel-per-day refinery in Rotterdam, the Netherlands.

**Koch Pipeline Company, L.P.** owns or operates more than 4,000 miles of pipelines that transport crude oil, refined petroleum products, ethanol, natural gas liquids and chemicals. Another Koch company has a 28 percent interest in Colonial Pipeline Company, owner and operator of the world's largest-volume refined products pipeline.

## **Forest and Consumer Products**

Based in Atlanta, **Georgia-Pacific LLC** and its subsidiaries are among the world's leading manufacturers and marketers of bath tissue, paper towels and napkins, tableware, paper-based packaging, office papers, cellulose, specialty fibers, nonwoven fabrics, building products and chemicals. Its familiar consumer brands include Quilted Northern®, Angel Soft®, Brawny®, enMotion®, Sparkle®, Mardi Gras® and Vanity Fair®, as well as Dixie®. Georgia-Pacific has long been a leading supplier of building products to lumber and building materials dealers and large do-it-yourself warehouse retailers, with brands such as Plytanium® plywood, Ply-Bead® panels and Wood I Beam® joists and DensArmor Plus® interior wallboard panels, DensGlass® sheathing and ToughRock® drywall. Its GP Harmon Recycling subsidiary is among the world largest recyclers of paper, metal and plastics.

## **Fertilizers**

**Koch Fertilizer, LLC**, a subsidiary of Koch Ag & Energy Solutions, LLC, is one of the world's largest manufacturers, marketers and distributors of fertilizer products. Koch Fertilizer companies own or have interests in nitrogen fertilizer plants in the United States, Canada and Trinidad and Tobago. The companies cover global demand through an extensive supply, storage and distribution system that includes terminals in the U.S., Canada, Mexico, Brazil, Australia, France and the United Kingdom. Koch Fertilizer companies offer an industry-leading portfolio of products such as AGROTAIN® nitrogen stabilizer, and SUPERU™ and NEXEN™ fertilizers, and have the capability to market and distribute more than 13 million tons of fertilizer products annually.

## **Polymers and Fibers**

With leading brands including LYCRA®, COOLMAX®, CORDURA®, STAINMASTER® and ANTRON®, **INVISTA** and its subsidiaries are among the world's largest integrated producers of chemical intermediates, polymers and fibers. Their advantaged technologies for nylon, spandex and polyester are used to produce clothing, carpet, car parts and countless other everyday products. INVISTA operates in more than 20 countries.

## **Process and Pollution Control Equipment and Technologies**

**Koch Chemical Technology Group, LLC** and its subsidiaries design, manufacture, install and service process and pollution control equipment, and provide engineering services for industries and municipalities worldwide. Subsidiaries include:

- **Koch-Glitsch, LP** is a global leader in the design, manufacture and installation of mass transfer and mist elimination equipment. The company's products are found in virtually every refinery and chemical plant in the world.
- **John Zink Hamworthy Combustion** is a global leader in ultra-low emission process burners, boiler burners, duct burners, flares and thermal oxidizers. The company is also a global supplier of flare gas/vapor recovery and vapor combustor systems.
- **Koch Membrane Systems, Inc.** develops and manufactures membrane separation systems for a variety of applications worldwide, including membranes for microfiltration, ultrafiltration, nanofiltration and reverse osmosis. The company also provides submerged membranes used in industrial and municipal wastewater treatment.
- **Optimized Process Designs** provides consulting, engineering, design, procurement, fabrication

and construction services for the natural gas and gas processing industries. OPD has been the general contractor on some of the largest natural gas plants built in the U.S.

- **Koch Heat Transfer Company, LP** designs and fabricates proprietary and custom heat exchangers for a global customer base.
- **Koch Knight, LLC** is a leader in acid proof solutions. The company offers acid proof products, installation and repair services for the mining, chemical process and environmental industries. Its products, made from state-of-the-art ceramics and plastic materials, are available worldwide.

## **Electronic Components**

**Molex Incorporated** is a global manufacturer of electronic, electrical and fiber optic interconnection systems. It offers about 100,000 products to a number of markets, including mobile devices, infotech, consumer electronics, automotive, telecommunications, industrial, medical, military and aerospace. The company operates 45 manufacturing locations in 17 countries.

## **Commodity Trading**

**Koch Supply & Trading** companies around the world trade crude oil, refined petroleum products, gas liquids, natural gas, liquefied natural gas, emission allowances, industrial metals, and other commodities.

KS&T and other Koch companies have traders or originators in Wichita, Houston, New York, Canada, Cayman Islands, France, the Netherlands, Singapore, Switzerland and the United Kingdom.

## **Minerals**

**Koch Minerals, LLC** and its subsidiaries are among the world's largest dry-bulk commodity handlers, marketing and trading more than 40 million tons of product annually. Subsidiaries include:

- **Koch Carbon, LLC** specializes in the global sourcing, supply, handling and transportation of bulk commodities such as petroleum coke, coal, sulfur, pulp and paper products, and other related commodities, utilizing a network of bulk import/export terminals in the United States and Europe.
- **The C. Reiss Coal Company** is a leading supplier of coal and related products used in industrial applications and power generation.
- **Koch Exploration Company, LLC** acquires, develops and trades petroleum and natural gas properties in the United States and Canada.
- **KMP Holdings, LLC** provides bulk materials, chemicals, fluid design and logistics services to oilfield service and production companies.

## **Energy**

**Koch Energy Services, LLC**, a subsidiary of Koch Ag & Energy Solutions, LLC, markets and supplies natural gas. In addition, an affiliate of Koch Energy Services owns and operates a natural gas-fired, combined-cycle electric power generation facility in Odessa, Texas. The facility has a capacity of 1,055 megawatts and provides electric power to the Electric Reliability Council of Texas (ERCOT) system, a power market serving 23 million Texas customers.

## **Ranching**

**Matador Cattle Company** operates three ranches: Beaverhead in Montana, Matador in Texas and Spring Creek in Kansas. The ranches were acquired between 1941 and 1952 by Fred C. Koch, co-founder of what is now Koch Industries. Today, the ranches total more than 460,000 acres under management, including about 235,000 deeded acres. The ranches wean about 9,500 calves annually and support more than 12,000 cattle. The ranches stock Akaushi cattle whose beef is prized for its marbling and taste.

## **Glass**

**Guardian Industries Corp.** is one of the world's leading manufacturers of coated, value-added glass for residential and commercial facades, interiors, solar and technical glass markets. It is also involved in the building products and automotive industries. Koch Industries owns a 44.4 percent stake in the company, and has taken an active role in Guardian by providing talent, including a CEO and board members. Koch is also sharing its Market-Based Management® business philosophy with Guardian.

## **Investments**

Subsidiaries of Koch Industries make substantial investments in companies that are typically not majority owned and operate independently of Koch. Examples include American Greetings Corporation, Colonial Pipeline Company and Colfax Corporation.