Petroplus
Annual Report 2010

Financial Highlights

		2010	2009	2008 [1) 2)]	2007 [1) 2)]	2006 [1) 2)]
Selected Operating Data						
Revenue	in millions of USD	**20,735.0**	14,797.8	24,302.0	10,581.0	3,797.5
Gross margin	in millions of USD	**1,328.6**	1,205.4	948.6	913.0	405.7
Net (loss)/income from continuing operations	in millions of USD	**(106.9)**	(108.8)	(333.0)	206.2	104.6
Net (loss)/income	in millions of USD	**(112.3)**	(249.9)	(516.6)	303.3	443.6
Basic earnings per share	in USD	**(1.22)**	(3.20)	(6.94)	4.22	10.06
Diluted earnings per share	in USD	**(1.22)**	(3.20)	(6.94)	4.09	9.71
Employees	Number	**2,575**	2,845	2,882	1,827	925
Total throughput	in thousands of bpd [3)]	**596.2**	529.1 [4)]	569.4 [4)]	384.8	201.0
Total production	in thousands of bpd [3)]	**608.3**	539.6 [4)]	580.6 [4)]	391.0	202.1
Selected Statement of Financial Position						
Cash and short-term deposits	in millions of USD	**179.0**	11.2	209.8	62.5	91.6
Current ratio [5)]		**1.26**	1.18	1.13	1.26	1.57
Net current assets [6)]	in millions of USD	**656.1**	397.8	341.1	832.2	648.6
Total assets	in millions of USD	**6,769.6**	6,678.3	6,914.9	7,466.8	3,014.8
Total debt	in millions of USD	**1,692.0**	1,833.4	1,881.9	1,333.1	–
Total equity	in millions of USD	**2,003.9**	1,988.0	1,987.6	2,501.5	1,555.1
Selected Share Data [7)]						
(ISIN: CH0027752242; Symbol: PPHN)						
Issued shares at December 31	Number	**95,230,953**	86,325,289	69,060,231	68,641,599	61,036,600
Nominal value	in CHF	**7.48**	7.58	8.18	9.18	9.18
Share price: high	in CHF	**22.58**	28.24	84.15	133.00	79.90
low	in CHF	**9.12**	13.78	18.05	70.00	66.90
Share price at December 31	in CHF	**12.32**	19.03	20.96	87.70	74.00
Market capitalization at December 31	in millions of CHF	**1,173.2**	1,642.8	1,447.5	6,019.9	4,516.7

1) Includes the Petit Couronne and Reichstett refineries (acquired on March 31, 2008), the Coryton refinery (acquired on May 31, 2007), the Ingolstadt refinery (acquired on March 31, 2007), the Antwerp refinery (acquired on May 31, 2006) and the Cressier refinery.
2) The 2008, 2007 and 2006 financials have been re-presented to reflect the impact of discontinued operations related to the Teesside refining operations and the Antwerp Processing facility.
3) Barrels per day ("bpd")
4) Excludes throughput and production of the Teesside refinery.
5) Current assets divided by current liabilities.
6) Current assets minus current liabilities (excludes net assets/liabilities held for sale of USD 57.6 million in 2009 and USD 41.8 million in 2006).
7) The shares of Petroplus Holdings AG were traded on the SIX Swiss Stock Exchange on November 30, 2006 for the first time.

Welcome to Petroplus

The Petroplus Company

Listed on the SIX Swiss Exchange, Petroplus Holdings AG, together with its subsidiaries ("Petroplus", the "Company", the "Group", "we", "our", or "us") focuses on refining and currently owns and operates six refineries across Europe: The Coryton refinery on the Thames Estuary in the United Kingdom, the Antwerp refinery in Antwerp, Belgium, the Petit Couronne refinery in Petit Couronne, France, the Ingolstadt refinery in Ingolstadt, Germany, the Reichstett refinery near Strasbourg, France, and the Cressier refinery in the canton of Neuchâtel, Switzerland. The refineries have a combined throughput capacity of approximately 752,000 barrels per day. The Company also owns the Teesside facility in Teesside, United Kingdom, which operates as a marketing and storage facility.

Petroplus produces a variety of finished products including diesel, heating oil, gasoline, aviation fuels, light and heavy fuel oils, gasoline components and other petroleum products. We sell our refined products on an unbranded basis to distributors and end customers, primarily in the United Kingdom, France, Switzerland, Germany and the Benelux countries, as well as on the global spot market.

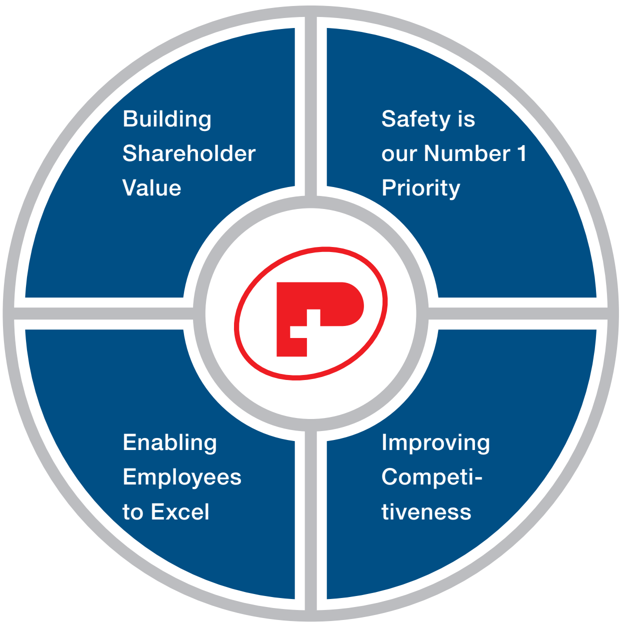
Our supply and distribution group, centrally based in Zug, Switzerland, is responsible for all physical supply and commercial optimization activities for our refineries. The group's primary goal is to optimize both the supply of crude oil and feedstocks for each refinery and the off-take of each refinery's petroleum products. We source our crude oil on a global basis through a combination of spot market purchases and short-term purchase contracts. We believe purchasing based on spot market pricing provides us flexibility in obtaining crude oil at lower prices and on a "as needed" basis. Since all of our refineries have access, either directly or through pipeline connections to deepwater terminals, we have the flexibility to purchase crude oil originating from a number of different countries.

Petroplus employs approximately 2,600 employees throughout Europe and we consider good corporate citizenship to be a core responsibility of our business.

Our Strategy

We are a "pure play" refiner able to source crude on a global basis not integrated with retail outlets. As a result, we are free to supply our products into the distribution channel or market that we believe will maximize profit. Petroplus strives for safe and reliable business operations and searches for opportunities to expand our key business area – the refining of crude oil and wholesale marketing of refined petroleum products.

Our Key Values



Above all else, our focus is to operate our refineries in a safe and reliable manner. We devote significant time and resources to improving the safety, reliability and environmental compliance of our operations. We are also determined to improve our competitiveness in the marketplace. We highly value our employees and we are dedicated to providing them with development opportunities throughout our organization. With these priorities in place, our management team remains committed to creating value for our shareholders.

Forward-Looking Statement

Certain portions of this document contain forward-looking statements that reflect our current judgment regarding conditions we expect to exist and the course of action we expect to take in the future. Even though we believe our expectations regarding future events are based on reasonable assumptions, forward-looking statements are not guarantees of future performance. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the words “aims”, “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will”, “plans”, “continue” or “should” and in each case, their negative or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. Our assumptions rely on our operational analysis and expectations for the operating performance of our assets based on their historical operating performance, management expectations as described in this report and historical costs associated with the operations of those assets. Factors beyond our control could cause our actual results to vary materially from our expectations and are discussed in “Outlook” and elsewhere in this document. Any prospective financial information included in this document is not fact and should not be relied upon as being necessarily indicative of future results, and you are cautioned not to place undue reliance on this prospective financial information. We undertake no obligation to update any forward-looking statements contained in this document as a result of new information, future events or subsequent developments, or otherwise.

Content

Letter to the Shareholders

Dear Shareholders,

2010 was a better year for the refining industry and for Petroplus.

As we look back over 2010, refining margins were better as compared to 2009. Economic activity increased throughout the year, and global oil demand recovered. The momentum from 2010 should continue into 2011. Global oil demand is expected to be up by another 1.4 million barrels per day, led by China and other developing nations, but also with stable recovery from North America and Northwest Europe. Specifically, the market for 2010 was different from 2009 as we saw petrochemical demand for naphtha increase both in Europe and the Far East, thereby improving margins to make naphtha and gasoline. Distillates, which spent most of 2009 in a very deep contango, started to improve in the second quarter as margins for gasoil increased to over US-Dollar 10 per barrel and contango disappeared, alleviating the barrels stored both in tank and in vessels on the water. Not as positively, in our niche inland markets, we saw a weaker Rhine freight in 2010 versus 2009, impacting overall premiums for the gasoline and distillates sold in those markets.

Petroplus' 2010 results strengthened over 2009. Our operating profit more than doubled, and we ended the year in a stronger financial position with higher cash and no short-term cash borrowings. Our net debt-to-net capitalization ratio improved from 48 % to 43 % year-over-year, and as of December 31, 2010, we are in compliance with all financial covenants under our credit facility and bond indentures. From an operational perspective, we processed 25 million more barrels of crude in 2010 than in 2009, primarily due to increased reliability across our system. While our throughput levels improved significantly, we did face some operating challenges during the year. Our Antwerp and Cressier sites experienced major turnarounds, and the labor strikes in France during September and October forced the shutdown of three of our refineries due to a shortage of crude supply. Management continues to focus on increasing the reliability of our assets as this is the key to better performance. Despite our improved financial position and better reliability of our assets, we ended the year with a net loss on an IFRS basis.

However, these tough times give us the chance to rise to the challenge of turning Petroplus back into a profitable company. During 2010, we have made three significant changes throughout our organization that will enable us to move the Company forward:

First of all, we re-designed the operating structure of the Company. The new structure is designed both to be more reactive to market opportunities and to streamline processes and reduce inefficiencies by centralizing decision-making, optimizing our supply-chain management, and strengthening the support functions across the organization.

Secondly, we conducted a thorough review of our portfolio of assets, resulting in some tough decisions. We sold our interest in the investment vehicle, PBF Energy Company LLC, based in the United States. Further, we entered into a consultation process to propose terms for a project to cease refining operations at our Reichstett refinery. These actions are driven to free up some liquidity and focus our attention and resources on our core business of European oil refining.

Thirdly, we have implemented our Three-Year Improvement Plan, a comprehensive program designed to increase gross margin capture, lower operating costs, increase energy efficiency, and improve operational reliability.

Together, these changes enable us to focus on unlocking the hidden value in our refineries. With our new, lean organization, a streamlined asset portfolio and operational improvement program in place, we are well-positioned to capture better results. 2010, the first year of this plan, demonstrated an overall improvement of USD 1 per barrel, largely ahead of our 2012 target of USD 1.25 per barrel.

We have also made a lot of progress in the area of safety, health and environmental compliance, reducing the number of incidents significantly over the past year. These areas continue to be a top priority for Petroplus, and we strive to operate our refineries at the highest standards of safety. In addition, we successfully launched our REACH compliance program, ensuring that all requirements were met at December 1, 2010, the effective date of this new European Union legislation.

Our Board of Directors and our Executive Committee also experienced some changes during the year. Thomas D. O'Malley, our Chairman, announced his retirement from Petroplus, effective from February 2, 2011, and is succeeded by Patrick Monteiro de Barros. Mr. de Barros has been a member of our Board of Directors since 2006 and, during these years, served as our Vice Chairman. He brings along a proven track record of leadership within the refining industry. We are pleased to have had Joseph D. Watson, our new Chief Financial Officer, join us in 2010, as he brings a wealth of knowledge and background in the refining industry. In addition, Peter F. Senkbeil joined our executive team as General Manager, Refining. Mr. Senkbeil has an established career in the oil refining industry, including serving for many years as the Refinery Manager at our Ingolstadt site.

As we look to 2011 and beyond, we believe that the global economy will continue to recover, led by emerging markets but also with solid improvement from North America and Northwest Europe. We have ambitious targets to strengthen Petroplus' performance through our Three-Year Improvement Plan, focusing on organic improvements that will produce measurable financial results in four key areas: Gross Margin Capture, Energy Efficiency, Operating Expenses, and General and Administrative Costs. The Three-Year Improvement Plan is the cornerstone for our success in the next years. Our efforts in 2010 have already provided enough improvement that we can hope we will have to increase our targets before the end of the plan! Our management team is focused on these initiatives, and we will continue to report the results of our efforts to our shareholders.

I thank you, our shareholders, for your loyalty and continued confidence in Petroplus. I also thank all of the Directors for their continuing support and employees for their hard work and dedication.

I look forward to facing the challenges to come and I am confident that better times are ahead.

Kindest regards,

Jean-Paul Vettier
Chief Executive Officer

Executive Committee


Jean-Paul Vettier
Chief Executive Officer

Chester J. Kuchta
Chief Operating Officer

Joseph D. Watson
Chief Financial Officer

W. Thomas Skok
General Counsel and Corporate Secretary

Peter F. Senkbeil
General Manager Refining



Organizational Structure

Board of Directors

Chairman:
Patrick Monteiro de Barros
(effective as of February 3, 2011)

Thomas D. O'Malley
(retired as of February 2, 2011)

Chief Executive Officer

Jean-Paul Vettier*

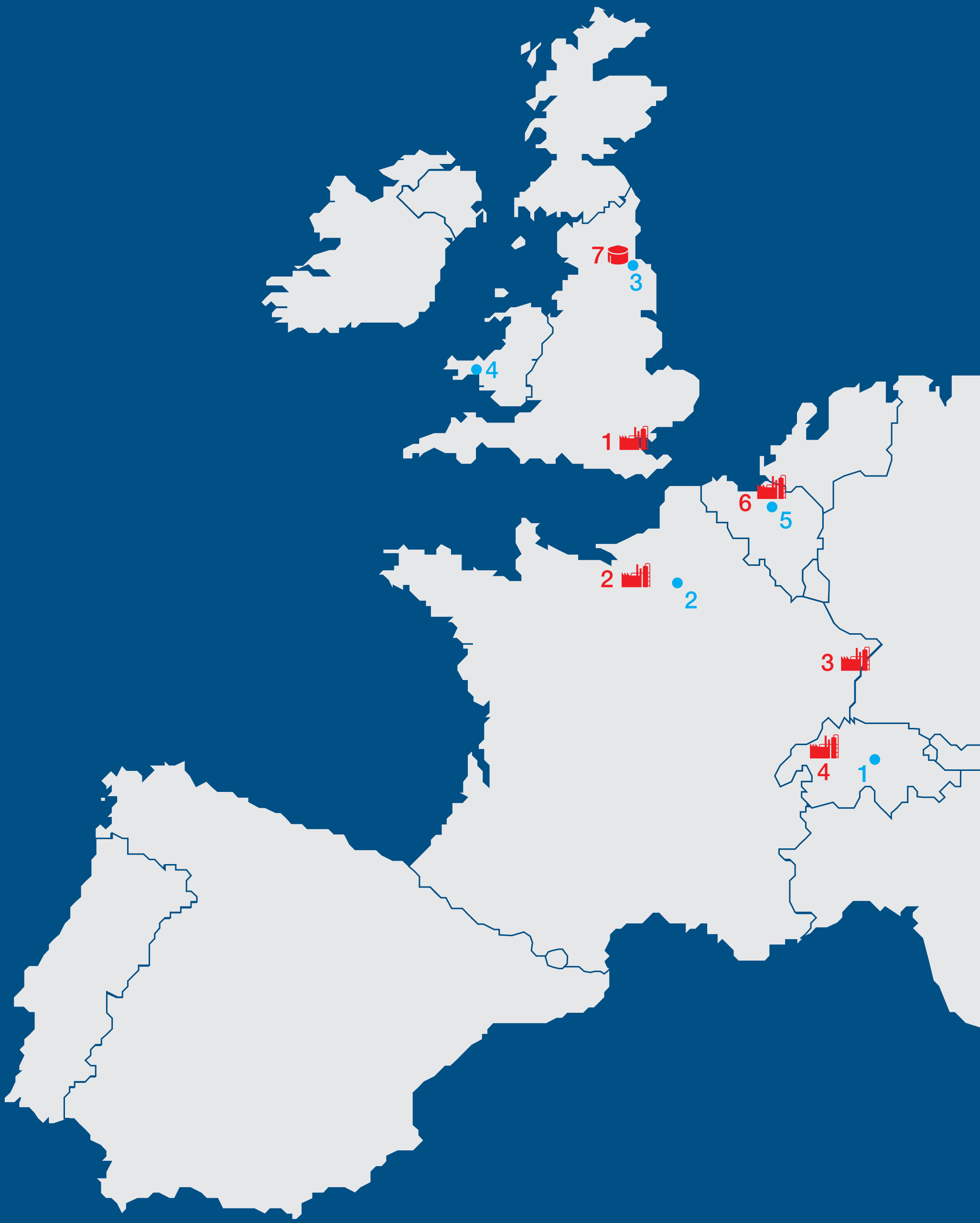
General Counsel and Corporate Secretary	Chief Financial Officer	Chief Operating Officer	Human Resources	Risk Management	Strategy & Business Development
W. Thomas Skok*	Joseph D. Watson*	Chester J. Kuchta*	Jack McDermott	Christophe Henrat	Jim McCoy

Logistics, Quality & Corporate Projects	Crude Supply	General Manager Refining	Procurement	Wholesale Marketing	Shipping & Scheduling	Business Unit Management
		Peter F. Senkbeil*				

Safety, Health & Environment	Technical Assistance	Capital Projects	Refineries
			– Coryton – Antwerp – Petit Couronne – Ingolstadt – Reichstett – Cressier – Teesside Marketing & Storage Facility

***Member of the Executive Committee**

Petroplus at a Glance



1 Coryton Refinery

2 Petit Couronne Refinery

3 Reichstett Refinery

4 Cressier Refinery

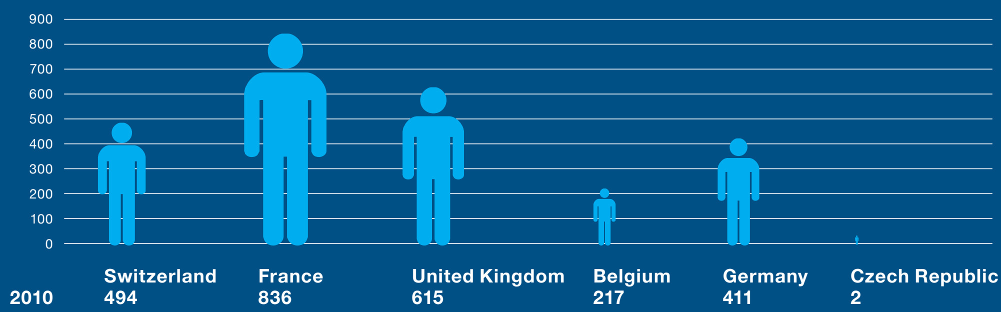
Marketing & Sales Offices

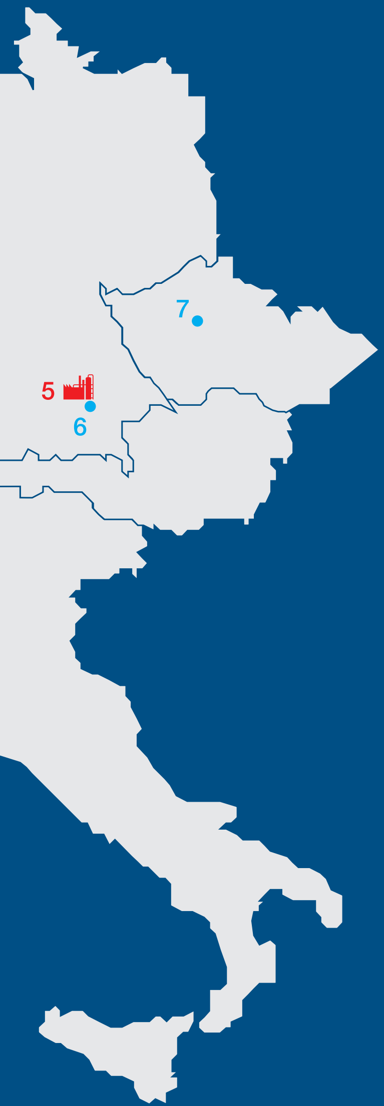
1 Zug, Switzerland
2 Paris, France
3 Middlesbrough, United Kingdom
4 Swansea, United Kingdom
5 Antwerp, Belgium
6 Ingolstadt, Germany
7 Prague, Czech Republic

People

Employees

Total
2 575
Employees





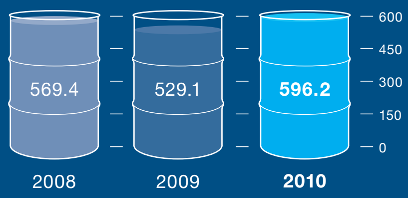

5 Ingolstadt Refinery


6 Antwerp Refinery


7 Teesside Marketing & Storage Facility

Operations

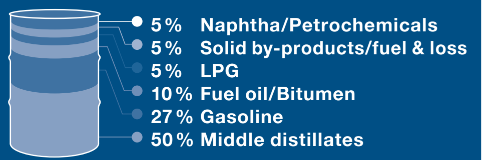
Throughput
(in thousands of bpd)



2010
596 200
bpd

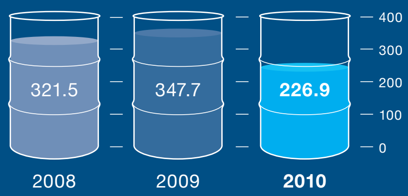
Excludes throughput of the Teesside refinery

Production 2010
(in percent)



2010
50 %
Middle distillates

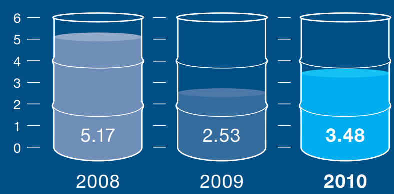
Total capital expenditures
(in millions of USD)



2010
226.9
millions of USD

Market

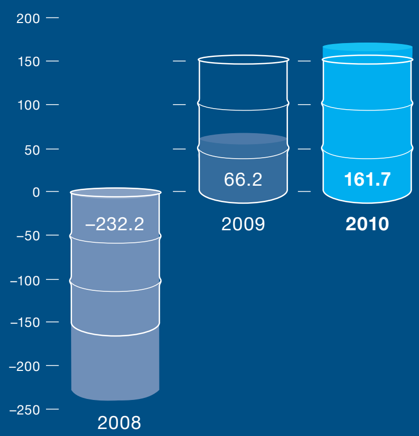
Petroplus Market Indicator (PMI)
(in USD per barrel)



2010
3.48
USD per barrel

Results

EBIT from continuing operations
(in millions of USD)



2010
161.7
millions of USD

Operating and Financial Review

Management Discussion and Analysis of the Financial Condition and the Results of Operations

The following discussion and analysis is derived from, and should be read in conjunction with, the Petroplus Holdings AG Consolidated Financial Statements and the related notes to those financial statements included elsewhere in this 2010 Annual Report. The following discussion of our financial condition and results of operations contains forward-looking statements that are based on assumptions about future business developments. As a result of many factors, including the risks set forth under the caption "Risks Relating to Our Business and Our Industry" in this 2010 Annual Report, our actual results may differ materially from those anticipated by these forward-looking statements.

Company Overview

We are the largest independent refiner and wholesaler of petroleum products in Europe. We are focused on refining and currently own and operate six refineries across Europe, specifically in the United Kingdom, Belgium, France, Germany and Switzerland. The six refineries have a combined throughput capacity of approximately 752,000 barrels per day ("bpd"). We also own a marketing and storage facility, located in the United Kingdom. We sell our refined petroleum products to distributors and end customers, primarily in the United Kingdom, France, Switzerland, Germany and the Benelux countries, as well as on the global spot market.

Change in Board of Directors and Executive Committee

New Chairman of the Board of Directors

Thomas D. O'Malley's retirement as Chairman and Member of the Board of Directors, originally announced on December 8, 2010 and effective May 5, 2011, was brought forward to the Petroplus Board meeting on February 2, 2011, due to the continuing rapid development of PBF Energy Company LLC, of which he is Chairman of the Board of Directors. Patrick Monteiro de Barros, formerly Vice Chairman of the Board, has succeeded Mr. O'Malley as Chairman.

With the recent sale of Petroplus' interest in PBF Energy Company LLC and the pending development of PBF into an operating Atlantic Basin oil refiner, the Petroplus Board and Mr. O'Malley decided that, from a corporate governance perspective, it would not be advisable for him to remain as Chairman of both organizations.

New Chief Financial Officer

Effective August 5, 2010, Joseph D. Watson was appointed Chief Financial Officer ("CFO"), replacing Karyn F. Ovelmen who resigned as CFO effective August 4, 2010.

New General Manager Refining

Effective February 2, 2010, Peter F. Senkbeil was appointed General Manager Refining.

Main Activities during 2010

Reichstett Refinery

In the beginning of 2010, the Company launched a strategic review of its Reichstett refinery in France to evaluate alternatives for the site. The Company considered several possibilities, including a potential sale, further investments to improve its competitiveness, as well as a shutdown of refining operations and conversion to a terminal.

The process for a possible sale of the refinery concluded without presenting any ultimate buyers, and the Company determined that, in the current challenging refining market and capital-constrained environment, the Company cannot justify further sizeable capital investments in the plant. As a consequence, on October 21, 2010, the Company informed the Works Council of the Reichstett refinery that it intended to commence a formal information and consultation process to propose terms for a project to cease refining operations and convert the site to a terminal. The information and consultation process formally commenced on November 24, 2010. A decision with respect to the future of the site can and will only be made when Petroplus has received the opinion of the Works Council which is expected around the end of the first quarter of 2011, until which time, the refinery will continue to operate.

Shutdowns at Refineries due to Strike Actions

During October 2010, throughput at the Petit Couronne, Reichstett and Cressier refineries was impacted due to labor strike actions in France.

Petroplus' Share in Investment Vehicle PBF Energy Company LLC

Acquisition of Delaware City Refinery Assets

On June 1, 2010, the Company's investment vehicle, PBF Energy Company LLC ("PBF"), a partnership entered into with The Blackstone Group and First Reserve Corporation, completed its purchase of the Delaware City refinery in Delaware City, Delaware from Valero Energy Corporation. On May 28, 2010, the Company contributed US-Dollar ("USD") 76.4 million to PBF related to the purchase of the Delaware City refinery.

Sale of Petroplus' Share in Investment Vehicle PBF
On September 26, 2010, the Company reached an agreement in principle with the Blackstone Group and First Reserve, its partners in PBF, for the sale of Petroplus' 32.62 % share of PBF in the amount of USD 91.0 million. Cash proceeds received on October 18, 2010, amounted to USD 81.9 million after withholding tax.

This transaction represents a strategic shift for the Company mainly caused by the expected rapid expansion rate of PBF in the United States, which would require large investments by the Company to maintain a meaningful position in PBF and the amount and timing of such investments would not be entirely within the Company's control.

Management believes it is most important to focus the Company's resources on our core European operations and to pursue strategies to improve the competitiveness of the existing asset base.

Sale of PBF generates USD 81.9 million in cash in 2010

Repayment of Nominal Share Capital
At the ordinary shareholders' meeting of the Company which took place on May 5, 2010, the shareholders resolved to reduce the share capital by CHF 0.10 per share. The entry of the share capital reduction in the commercial register took place on July 15, 2010, and the repayment of CHF 0.10 per registered share was paid to shareholders on July 26, 2010.

Issuance of Shares
During May 2010, the Company completed a private placement whereby the Company issued 8,650,000 new registered shares from existing authorized capital. The shares were sold at a price of CHF 17.50. The first trading day of the new shares was May 7, 2010. The gross proceeds amounted to USD 136.4 million, excluding share issue costs of USD 5.6 million.

Discontinued Operations
Sale of the Antwerp Processing Facility
On October 23, 2009, the Company entered into a definitive agreement with Eurotank Belgium B.V., a wholly-owned subsidiary of Vitol Tank Terminals International B.V., part of the Vitol Group of companies ("Vitol") for the sale of Petroplus Refining Antwerp N.V. and Petroplus Refining Antwerp Bitumen N.V. (the "Antwerp Processing facility"). The sale was closed on January 12, 2010. The proceeds received were USD 56.3 million, including hydrocarbon inventory on site.

Successful Sale of Antwerp Processing Facility completed in January 2010

Operations of the Teesside Refinery
Due to the low complexity configuration of the facility, the unfavorable market environment and the significant regulatory capital expenditures required to maintain refinery operations, we suspended the Teesside facility's refining operations in November 2009. The refinery had been shut down for economic reasons since the second quarter of 2009. During 2010, the refinery was converted to a marketing and storage facility. The refinery's 117,000 bpd throughput capacity had represented approximately 14 % of our combined throughput capacity.

The results of the above operations, including impairment charges recorded in 2009, have been reclassified to the separate line item "Discontinued operations" in our Consolidated Statement of Comprehensive Income for the years ended December 31, 2010 and 2009.

Market and Benchmark Indicators

PMI – An Indicator of the Market

At the beginning of 2010, Petroplus developed a tool, the Petroplus Market Indicator ("PMI"), which gives a "flavor" of the refining margin environment. The PMI is a daily indicator and is structured on a typical refinery in Northwest Europe ("NWE"). It simulates the possible refining margin for a hypothetical Topping/Reforming/Cracking/Visbreaking refinery located on the sea with an average crude distillation capacity of 100,000 bpd. The model uses a crude basket consisting of four crude oils (13 % Bonny Light, 40 % Urals, 12 % CPC, 35 % Forties) typically processed by NWE refiners. The PMI index is calculated and reported after variable costs. While the PMI does not reflect the Company's actual refining margin, it does give an indication of the current market condition. Petroplus refinery margins may be better or worse than the PMI depending on, among other factors, location, configuration, crude diet and specialties. The PMI for 2010 was USD 3.48 per barrel versus USD 2.53 per barrel for 2009. The market in 2010 has improved but is still below historical crack levels.

Benchmark Refining Margin Indicators

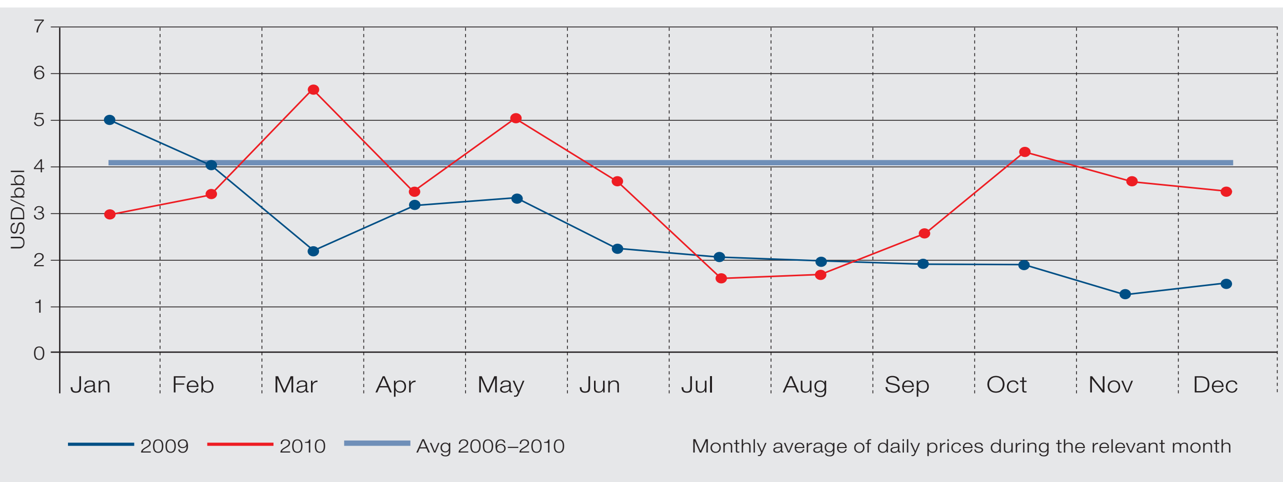
In addition to utilizing the PMI as an indicator of the current market, we assess our operating performance by comparing the refining margins (revenue less materials cost) of each of our refineries against a specific benchmark industry refining margin based on crack spreads. Benchmark refining margins take into account both crude and refined petroleum product prices. When these prices are combined in a formula, they provide a single value – a gross margin per barrel – that, when multiplied by a throughput number, provides an approximation of the gross margin generated by refining activities.

As the performance of our refineries does not closely follow any of the currently published industry benchmark refining margins, we have created benchmark refinery margins, based upon publicly available pricing information, for each of our refineries that more closely reflect each of our refineries' actual performance.

The benchmark refining margins for the six refineries we operated during the year 2010 are set forth in the following table:

Coryton Refinery 5/2/2/1	five Dated Brent/two gasoline/two ULSD/one 3.5 % fuel oil
Antwerp Refinery 6/1/2/2/1	six Dated Brent/one gasoline/two gasoil/two VGO/ one 3.5 % fuel oil
Petit Couronne and Reichstett refineries 4/1/2/1	four Dated Brent/one gasoline/two ULSD/one 3.5 % fuel oil
Ingolstadt Refinery 10/1/3/5/1	ten Dated Brent/one naphtha/three gasoline/five ULSD/one 3.5 % fuel oil
Cressier Refinery 7/2/4/1	seven Dated Brent/two gasoline/four gasoil/one 1 % fuel oil

Petroplus Market Indicator ("PMI") – On a Monthly Basis [1)]



[1)] The PMI is NOT the Petroplus Margin. Petroplus margin may be better or worse depending on location configuration, crude diet, specialties, etc.

The following table provides the average price of Dated Brent, PMI and benchmark refining margin indicators by refinery for the years ended December 31, 2010 and 2009. The benchmark refining margins are expressed in USD per barrel and serve as proxy for the per barrel margin that a Dated Brent crude oil refinery situated in NWE would earn assuming it sold the benchmark production for the relevant refinery margin:

Benchmark Refining Margin Indicators

(in USD per barrel)		For the year ended December 31, 2010	2009
Dated Brent		79.73	62.04
Petroplus Market Indicator [1]		3.48	2.53
Benchmark refining margins			
5/2/2/1	Coryton	6.43	5.50
6/1/2/2/1	Antwerp	3.25	2.36
4/1/2/1	Petit Couronne	5.96	4.99
10/1/3/5/1	Ingolstadt	7.88	6.28
4/1/2/1	Reichstett	5.96	4.99
7/2/4/1	Cressier	7.21	5.50

[1] Net of variable operating costs.

While the benchmark refinery margins presented in the table above are representative of the results of our refineries, each refinery's realized gross margin on a per barrel basis will differ from the benchmark due to a variety of factors affecting the performance of the relevant refinery to its corresponding benchmark. These factors include the refinery's actual type of crude oil throughput, product yield differentials and any other factors not reflected in the benchmark refining margins, such as transportation costs, fuel consumed during production and any product premiums or discounts, as well as inventory fluctuations, timing of crude oil and other feedstock purchases, a rising or declining crude and product pricing environment and commodity price management activities.

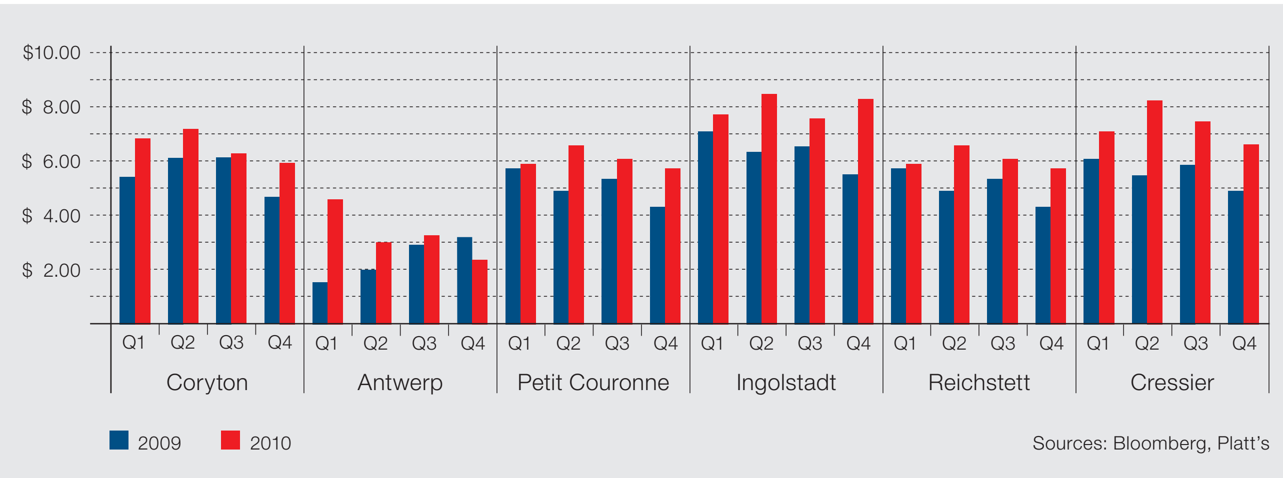
The following table sets forth historical benchmark crude and refined petroleum product pricing information used in calculating each of our refineries' benchmark refining margins:

Reference Benchmark Crude and Product Prices

(in USD per barrel)	For the year ended December 31, 2010	2009
Crude Oil [1]		
Dated Brent	79.73	62.04
Products Differential to Dated Brent [1]		
Naphtha	0.23	(2.05)
95 RON gasoline	8.33	7.55
ULSD	12.68	9.93
Gasoil [2]	10.07	7.33
VGO	0.44	(0.30)
1 % Fuel Oil	(6.44)	(5.89)
3.5 % Fuel Oil	(9.85)	(7.44)

Source: Bloomberg
[1] Average of daily prices for trading days during the relevant period.
[2] Based on the quoted price for heating oil.

Benchmark Refining Margin Indicators by Petroplus Refineries – On a Quarterly Basis



Factors Affecting Operating Results

Overview

Our earnings and cash flows from operations are primarily affected by the relationship between refined product prices and the prices for crude oil and other feedstocks. The cost to acquire crude oil and other feedstocks and the price of refined petroleum products ultimately sold depend on numerous factors beyond our control, including the supply of, and demand for, crude oil, gasoline, diesel and other refined petroleum products, which, in turn, depend on, among other factors, changes in global and regional economies, weather conditions, global and regional political affairs, production levels, the availability of imports, the marketing of competitive fuels, pipeline capacity and availability, prevailing exchange rates and the extent of government regulation. Our revenue and operating income fluctuate significantly with movements in refined petroleum product prices; our materials costs fluctuate significantly with movements in crude oil prices and our other operating expenses fluctuate with movements in the price of energy to meet the power needs of our refineries. In addition, the effect of changes in crude oil prices on our operating results is influenced by how the prices of refined products adjust to reflect such changes.

Crude oil and other feedstock costs and the prices of refined petroleum products have historically been subject to wide fluctuations. Expansion and upgrading of existing facilities and installation of additional refinery distillation or conversion capacity, price volatility, international political and economic developments and other factors beyond our control are likely to continue to play an important role in refining industry economics. These factors can impact, among other things, the level of inventories in the market, resulting in price volatility and a reduction or increase in product margins. Moreover, the industry typically experiences seasonal fluctuations in demand for refined petroleum products, such as for gasoline and diesel, during the summer driving season and for home heating oil during the winter.

There is a lag between the time we purchase crude oil to the time we process and sell finished refined products. Timing of purchases depends on a number of factors, including the relevant refinery's planned throughput, unit disruptions which may cause usage of lighter and sweeter crude oil and availability of crude oil. Unplanned downtime has a more economic impact due to the disruption to the refinery's normal operating throughput, which results in a longer time lag between purchases and processing of crude oil. In addition, during unplanned downtime the timing of crude purchases is disrupted; which may cause a significant impact on realized gross margin.

Commodity Price Management

The nature of our business requires us to maintain a substantial investment in petroleum inventories. Since petroleum feedstocks and products are global commodities, we have no control over the changing market value of these inventories. To supply our refineries with crude oil on a timely basis, we enter into purchase contracts that fix the price of crude oil from one to several weeks in advance of receiving and processing that crude oil. In addition, as part of our marketing activities we may enter into fixed price contracts for sales of our refined petroleum products in advance of producing and delivering the products. Prior to delivery of the crude oil and sale of the related refined petroleum products, the market value of the crude oil and products may change as prices related to the fixed purchase and sale commitments rise and fall.

On average, throughout 2010, we have held approximately 21 million barrels of crude and product inventory on hand. This level fluctuates on a daily basis, depending on timing of crude purchases and product sales, operations and optimization of crude and product pricing. We are exposed to the fluctuation in crude and product pricing on the inventory we hold. Currently, we primarily use a commodity price management program to manage the fluctuation associated with commodity pricing on a defined volume of inventory. Under this program we enter into commodity Intercontinental Exchange ("ICE") futures contracts and counterparty swaps to lock in the price of certain commodities.

Most derivative transactions are not designated as effective hedges, therefore any gains or losses arising from changes in the fair value of these instruments are recorded in our Consolidated Statement of Comprehensive Income in the line item "Materials cost". Our derivative contracts are classified as derivative instruments and are recorded in our Consolidated Statement of Financial Position at fair market value. We currently do not enter into material derivative financial instruments for speculative transactions and do not hedge our Group refining margin. This strategy is continually reviewed and adapted for current economic and market conditions.

As noted above, our refineries' results will differ from the reference benchmarks due to our hedging or commodity price management activities.

Foreign Currency Fluctuation Management

We are a USD functional currency Company as the majority of our financing activities and costs of sales are incurred in USD. We are primarily exposed to the fluctuation in the USD versus the Swiss Franc ("CHF"), Euro ("EUR") and the British Pound ("GBP") as our local marketing sales are invoiced in local currencies, and a portion of our local capital expenditures, operating and personnel costs are incurred in local currencies. We are also exposed to foreign currency risk because certain of our assets and liabilities are denominated in currencies other than USD. To manage foreign currency exposure risk, we enter into both swaps and forward derivative contracts. As we have not currently designated our derivative financial instruments as effective hedges, any gains or losses arising from changes in the fair value of these instruments are recorded in our Consolidated Statement of Comprehensive Income. The Company does not use derivative contracts to manage fluctuations on personnel and operating costs.

Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Our exposure to credit risk is represented by the carrying amount of cash and receivables that are presented in the Consolidated Statement of Financial Position, including derivatives with positive market values. To minimize credit risk, all customers are subject to credit verification procedures and extensions of credit above defined thresholds are subject to an approval process. We also maintain relationship with several different banks in order to minimize our concentration of risk. Our intention is to grant trade credit only to recognized creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis. We also limit the risk of bad debts by obtaining bank securities such as guarantees or letters of credit and credit insurance.

Other Factors

Our operating cost structure is also important to our profitability. Major operating costs include costs relating to employees and contract labor, energy, maintenance and environmental compliance. The predominant variable costs are energy related, in particular, the price of electricity and natural gas. In addition, operating costs will vary with movements in foreign currency.

Our operating results are also affected by safety, reliability and the environmental performance of our refinery operations. Unplanned downtime of our refinery assets generally results in lost margin opportunity and increased maintenance expense. The financial impact of planned downtime, such as major turnaround maintenance, is managed through a planning process that considers such things as, but not limited to, the margin environment, the availability of resources to perform the needed maintenance and feedstock logistics.

2010 Compared to 2009

The following table provides the Consolidated Financial Income data of Petroplus Holdings AG.

Financial income data

(in millions of USD)	For the year ended December 31, 2010	2009
Revenue	20,735.0	14,797.8
Materials cost	(19,406.4)	(13,592.4)
Gross margin	**1,328.6**	**1,205.4**
Personnel expenses	(351.9)	(351.1)
Operating expenses	(439.8)	(451.2)
Depreciation and amortization	(338.8)	(282.1)
Other administrative expenses	(42.7)	(55.7)
Operating profit	**155.4**	**65.3**
Financial expense, net	(186.5)	(164.6)
Foreign currency exchange (loss)/gain	(2.2)	2.5
Share of income/(loss) from associates	8.5	(1.6)
Loss before income taxes	**(24.8)**	**(98.4)**
Income tax expense	(82.1)	(10.4)
Net loss from continuing operations	**(106.9)**	**(108.8)**
Loss from discontinued operations, net of tax	(5.4)	(141.1)
Net loss	**(112.3)**	**(249.9)**

Other financial data

EBITDA [1]	500.5	348.3

Net loss per share available to shareholders (in USD):

Basic	(1.22)	(3.20)
Diluted	(1.22)	(3.20)

[1] Earnings before Interest, Tax, Depreciation and Amortization ("EBITDA") from Continuing Operations.

Overview

Our operating profit from continuing operations was USD 155.4 million for the year ended December 31, 2010 as compared to an operating profit of USD 65.3 million for the same period in 2009. Our net loss from continuing operations for the year ended December 31, 2010 was USD 106.9 million as compared to a net loss from continuing operations of USD 108.8 million for the same period in 2009. Our net loss after discontinued operations attributable to shareholders was USD 112.3 million (USD 1.22 per share) for the year ended December 31, 2010 as compared to a net loss of USD 249.9 million (USD 3.20 per share) for the same period in 2009. The net loss in 2010 is mainly attributable to the low, but improved refining margin environment compared to 2009, and tax impacts resulting from the movement in foreign exchange rates. Additionally, tax expense was impacted by derecognized and unrecognized tax losses.

The loss from discontinued operations of USD 5.4 million for the year ended December 31, 2010 related mainly to the sale of the Antwerp Processing facility in January 2010, whereas the loss of USD 141.1 million in 2009 related to discontinued operations related to the Antwerp Processing facility and the Teesside refinery.

Revenue

Our revenue increased by USD 5,937.2 million, or 40.1 %, to USD 20,735.0 million for the year ended December 31, 2010 from USD 14,797.8 million for the year ended December 31, 2009. The increase in revenue is mainly attributable to higher refined petroleum product prices and increased volumes sold during 2010 compared to the same period in 2009.

Gross Margin

Our gross margin from continuing operations increased by USD 123.2 million, or 10.2 %, to USD 1,328.6 million for the year ended December 31, 2010 from USD 1,205.4 million for the year ended December 31, 2009. Market conditions improved significantly in 2010 compared to 2009, as reflected in the PMI which increased by 38 % from USD 2.53 per barrel in 2009 to USD 3.48 per barrel in 2010. This market improvement is reflected in our gross margin in 2010 which was marked by positive impacts from increasing global oil demand, improved refining margin cracks for gasoline and middle distillates, increased throughput and rising oil prices. These impacts were partially offset by higher cost of fuel consumed by our refineries due to the increased crude oil price environment. Additionally, gross margin in 2010 was further impacted by the turnarounds at the Cressier and Antwerp refineries. Gross margin in 2009 was impacted by lower refining cracks and reduced throughput at the Cressier and Reichstett refineries due to the August 2009 incident at the Société du Pipeline Sud-Européen ("SPSE") pipeline. Gross margin in 2009 was further impacted by reduced throughput at the Coryton refinery due to a major turnaround and a turnaround at the Reichstett refinery.

The 5/2/2/1 benchmark refining margin for the Coryton refinery increased 17 % for the year ended December 31, 2010 as compared to the same period in 2009 as a result of increased ULSD and gasoline cracks partially offset by decreased fuel oil cracks to Dated Brent. The 6/1/2/2/1 benchmark refining margin for the Antwerp refinery increased 38 % for the year ended December 31, 2010 as compared to the same period in 2009 as a result of improved gasoil, gasoline and VGO cracks partially offset by a decline in fuel oil cracks. The 4/1/2/1 benchmark refining margin for the Petit Couronne and Reichstett refineries increased 19 % for the year ended December 31, 2010 as compared to the same period in 2009 as a result of increased ULSD and gasoline cracks partially offset by decreased fuel oil cracks to Dated Brent. The 10/1/3/5/1 benchmark refining margin for the Ingolstadt refinery increased 25 % for the year ended December 31, 2010 as compared to the same period in 2009. The increase was primarily due to improved ULSD and gasoline cracks. The 7/2/4/1 benchmark refining margin for the Cressier refinery increased 31 % for the year ended December 31, 2010 as compared to the same period in 2009 as a result of higher gasoil and gasoline cracks.

Inland market premiums during 2010 declined compared to 2009. The Cressier refinery earns premiums to market prices, in part based on the freight rates on the Rhine river, which is the means of transport for Swiss customers purchasing refined product from the ARA region. In 2010, Rhine Freight averaged approximately CHF 18 per ton as compared to CHF 31 per ton in 2009. In Germany, many of our refined products are based on an Oil Market Report ("OMR") price. The average OMR price premium to Platt's middle distillates during 2010 was USD 6 per barrel as compared to an average of USD 7 per barrel during 2009.

Fuel consumed in the production process has a negative impact on our realization of the benchmark refining margin, fluctuating with the absolute crude price. Dated Brent increased from approximately USD 62 per barrel on average in the year ended December 31, 2009 to approximately USD 80 per barrel in the year ended December 31, 2010. The increase of about USD 18 per barrel resulted in higher cost of fuel consumed by the refineries (representing approximately 5 % across our refining system) which negatively impacted our realized margin by approximately USD 0.90 per barrel.

We use a commodity price management program to manage a small portion of our exposure to fluctuations in commodity pricing. Under this program, we enter into commodity ICE futures contracts and counterparty swaps to lock in the price of certain commodities. Any gains or losses arising from changes in the fair value of these instruments are recorded in our Consolidated Statement of Comprehensive Income in the line item "Materials cost". Materials cost included a derivative gain of USD 21.9 million in 2010 and a loss of USD 5.7 million in 2009.

Personnel Expenses

Our personnel expenses increased by USD 0.8 million to USD 351.9 million for the year ended December 31, 2010 from USD 351.1 million for the same period in 2009. Personnel costs for the year ended December 31, 2010 were positively impacted by the strengthening of the USD as personnel costs are paid in various local currencies, such as the EUR and GBP. However, this impact was more than offset by higher incentive compensation accrued due to improved Company performance in 2010 and termination benefits paid.

Operating Expenses

Our operating expenses decreased by USD 11.4 million to USD 439.8 million for the year ended December 31, 2010 from USD 451.2 million for the same period in 2009. The decrease is mainly attributable to lower maintenance expenses in 2010 due to reduced use of contractors and lower levels of unplanned maintenance activities than 2009. In addition, operating expenses were positively impacted by the strengthening of the USD versus the EUR and GBP in 2010 as compared to 2009, as a significant portion of variable costs such as chemicals and energy, are paid in local currencies. The decrease was partially offset by higher consumption of natural gas during 2010 as the Coryton refinery faced a major turnaround in 2009. Additionally, for economic reasons, we purchased more natural gas to fuel refinery operations which allowed us to recover and sell our higher-valued, internally produced Liquefied Petroleum Gas ("LPG").

Depreciation and Amortization

Our depreciation and amortization expenses increased by USD 56.7 million, to USD 338.8 million for the year ended December 31, 2010 from USD 282.1 million for the same period in 2009. The increase in depreciation is mainly attributable to additional capital expenditures associated with the turnarounds at the Coryton and Reichstett refineries in the fourth quarter of 2009.

Other Administrative Expenses

Our other administrative expenses decreased by USD 13.0 million to USD 42.7 million for the year ended December 31, 2010 from USD 55.7 million for the same period in 2009. This decrease is mainly attributable to a reduction in third party service fees, including external legal expenses, and reduced insurance premiums.

Financial Expense, Net

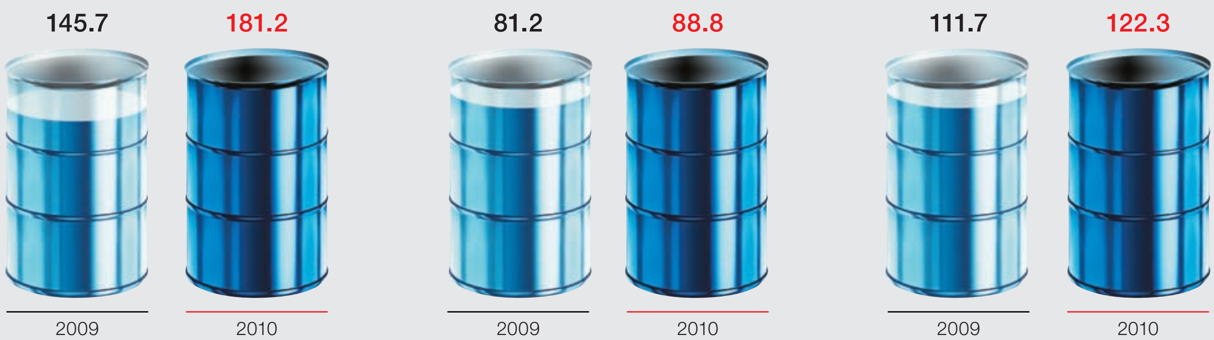
Our net financial expense increased by USD 21.9 million to USD 186.5 million for the year ended December 31, 2010 from USD 164.6 million for the same period in 2009. The increase in 2010 is mainly attributable to higher interest expenses resulting from the Company's refinancing activities which were completed in October 2009 and partly offset by lower bond accretion expenses during 2010. In addition, expenses increased related to letter of credit fees due to the higher crude oil price environment and a one-time fee payment of USD 5.3 million in the first quarter of 2010 for the Revolving Credit Facility ("RCF") covenant waiver.

Foreign Currency Exchange Loss/Gain

Our foreign currency exchange results show a loss of USD 2.2 million for the year ended December 31, 2010 as compared to a gain of USD 2.5 million for the same period in 2009. The loss mainly represents the revaluation of certain CHF, GBP and EUR monetary items against the USD.

Refinery Operations – Throughput by Refinery

(in thousands of bpd)



Coryton

Throughput in 2010 was impacted by a planned catalyst change at the naphtha desulfurization unit and unplanned maintenance at the reformer.

Throughput in 2009 was mainly impacted by the fourth quarter planned major turnaround, which lasted 72 days.

Antwerp

Throughput in 2010 was impacted by a planned refinery-wide turnaround during the second quarter. The restart was delayed and carried over into July. During the last quarter, run rates were impacted by an unplanned shutdown of the hydrodesulfurization unit.

Throughput in 2009 was impacted by planned and unplanned maintenance throughout the year.

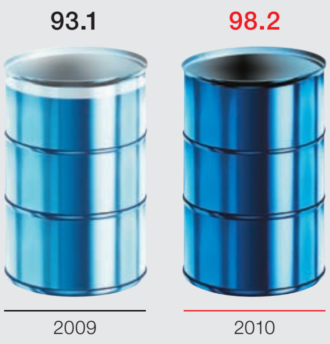
Petit Couronne

Throughput in 2010 was impacted by planned and unplanned shutdowns of the hydrodesulfurization and lube unit and by unplanned maintenance at the vacuum tower in the second quarter. During the third and fourth quarter, run rates were reduced as a result of strike actions in France.

Throughput in 2009 was reduced as a result of planned maintenance activities and an unplanned shutdown of the fluid catalytic cracking unit late in the year.

Income Tax Expense

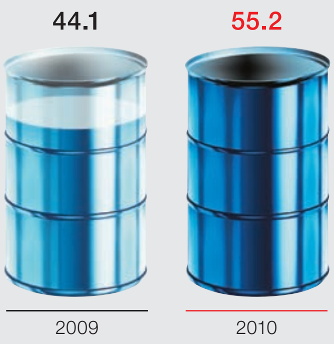
Our income tax expense increased by USD 71.7 million to USD 82.1 million for 2010 as compared to an expense of USD 10.4 million for 2009. The tax rate was impacted by non-cash tax effects resulting from the movement in foreign exchange rates and lower realized refining margins. Additionally, the tax rate was impacted by derecognized and unrecognized tax losses.



Ingolstadt

Throughput in 2010 was impacted by a planned reformer catalyst regeneration and planned catalyst changes at hydro-desulfurization units.

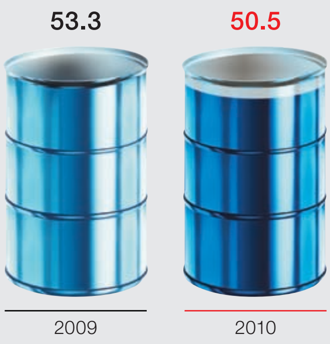
Throughput in 2009 was reduced as a result of planned downtime on the reformer unit and minor unplanned downtime.



Reichstett

Throughput in 2010 was impacted by a planned fluid catalytic cracking unit turnaround followed by a delayed start-up. Furthermore, operations were affected during the first quarter by unplanned repairs on the debutanizer column. During the third and fourth quarter, run rates were reduced as a result of strike actions in France.

Throughput in 2009 was impacted by the incident at the SPSE pipeline, which limited crude supply causing downtime and the acceleration of the turnaround of certain units originally scheduled for 2010.



Cressier

Throughput in 2010 was impacted by a planned turnaround in the second quarter of 2010. Furthermore, throughput was impacted due to the labor strike at the port in Fos Sur Mer, France.

Throughput in 2009 was impacted by the SPSE pipeline incident in August 2009.

Refinery Operations – Throughput and Production Data

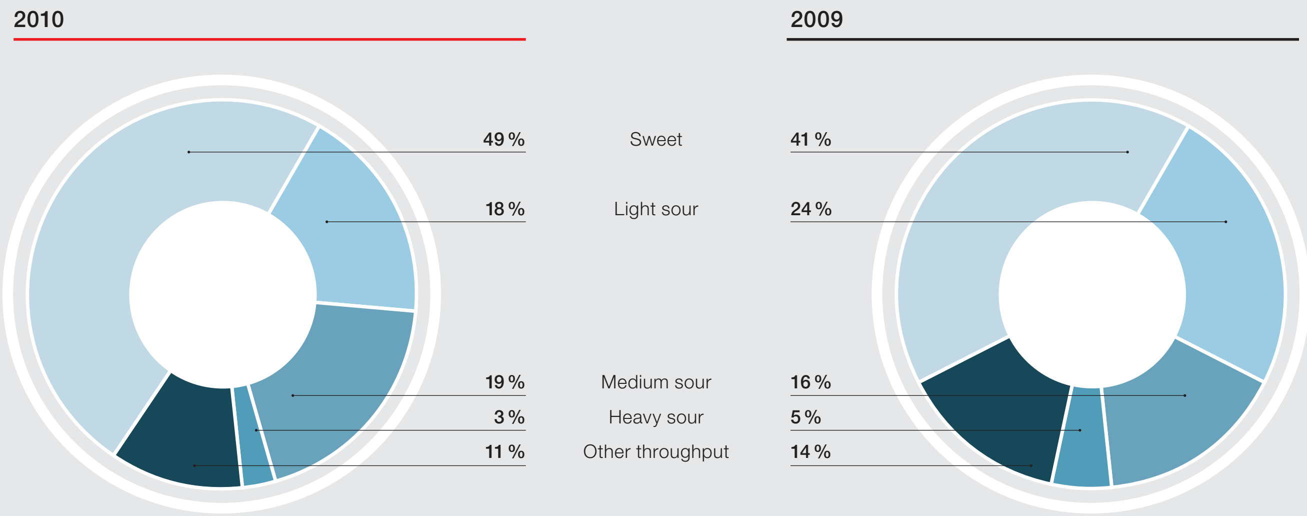
The following table provides a summary of total throughput and crude types processed, total production and refined petroleum products produced by our six refineries for the years ended December 31, 2010 and 2009:

(in thousands of bpd)	For the year ended December 31, 2010		2009	
Throughput				
Crude Unit Throughput				
Light sweet	260.3	44 %	200.3	38 %
Medium sweet	31.3	5 %	17.0	3 %
Heavy sweet	–	–	1.4	0 %
Light sour	107.4	18 %	128.1	24 %
Medium sour	114.0	19 %	84.6	16 %
Heavy sour	18.3	3 %	25.9	5 %
Total Crude Unit Throughput	**531.3**	**89 %**	**457.3**	**86 %**
Other throughput	64.9	11 %	71.8	14 %
Total Throughput	**596.2**	**100 %**	**529.1**	**100 %**

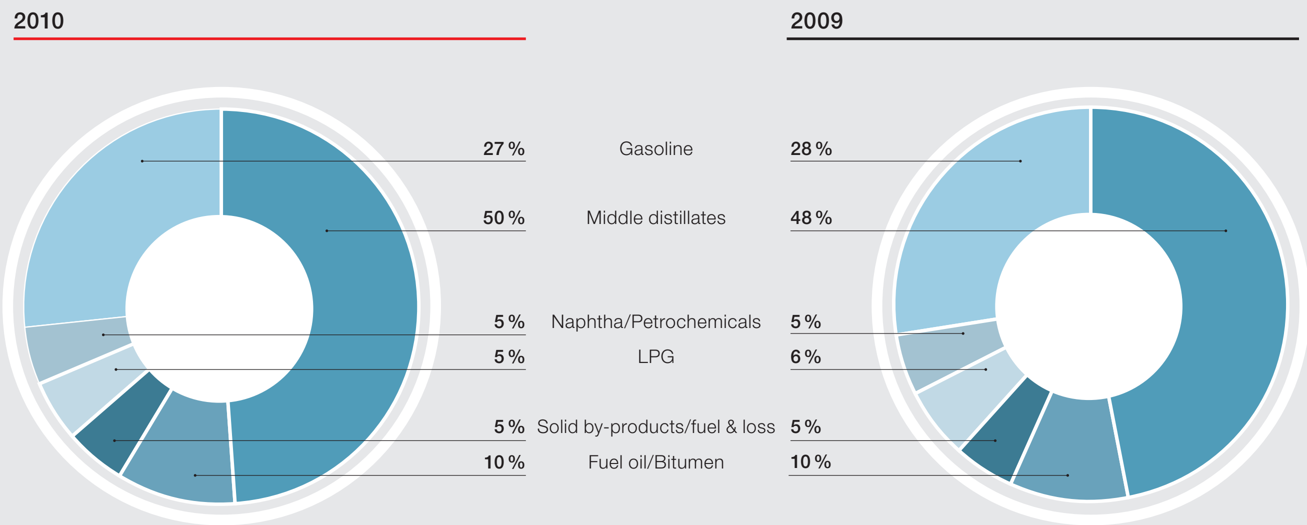
(in thousands of bpd)	For the year ended December 31, 2010		2009	
Production				
Light Products				
Gasoline	161.4	27 %	145.6	28 %
Diesels and gasoils	261.5	44 %	228.0	43 %
Jet fuel	35.0	6 %	29.1	5 %
Petrochemicals	11.9	2 %	11.0	2 %
Naphtha	20.1	3 %	17.5	3 %
Liquefied petroleum gas (LPG)	29.9	5 %	29.8	6 %
Total Light Products	**519.8**	**87 %**	**461.0**	**87 %**
Fuel oil/Bitumen	60.2	10 %	52.3	10 %
Solid by-products/fuel consumed in process/fuel & loss [1)]	28.3	5 %	26.3	5 %
Total Production	**608.3**	**102 %**	**539.6**	**102 %**

[1)] The fuel consumed in-process is a percentage of the total crude, feedstock and gasoline/diesel blending additives used.

Petroplus Throughput



Petroplus Production



Liquidity and Capital Resources

Cash Flows

The following table summarizes the cash flow activity for the periods indicated, including cash flows from discontinued operations:

	For the year ended December 31,	
(in millions of USD)	2010	2009
Cash flows from operating activities	429.7	(97.1)
Cash flows from investing activities	(230.8)	(272.6)
Cash flows from financing activities	(40.4)	159.3
Net increase/(decrease) in cash and short-term deposits	**158.5**	**(210.4)**
Net foreign exchange differences	9.3	11.8
Cash and short-term deposits at beginning of period	11.2	209.8
Cash and short-term deposits at end of period	**179.0**	**11.2**

Cash Flows from Operating Activities

Net cash flows provided by operating activities were USD 429.7 million for the year ended December 31, 2010 as compared to net cash used in operating activities of USD 97.1 million for the same period in 2009. Net result, after excluding non-cash depreciation and amortization and income tax expenses, contributed USD 309.5 million for 2010 versus USD 162.8 million for 2009. Cash flows from operating activities were positively impacted by higher oil prices and improved refining margin cracks for middle distillates and gasoline in 2010 compared to 2009. Net changes in working capital provided an additional USD 163.0 million in cash flow for the year ended December 31, 2010 as compared to USD 248.4 million used for the same period in 2009.

Cash Flows from Investing Activities

Net cash flows used in investing activities were USD 230.8 million for the year ended December 31, 2010 as compared to net cash used in investing activities of USD 272.6 million for the same period in 2009. The cash used in investing activities in 2010 resulted primarily from planned capital expenditures and turnaround activity in the fourth quarter 2009 and during 2010. The disposal of PBF generated a net cash inflow of USD 5.5 million after the cash contribution of USD 76.4 million in May 2010 and the subsequent disposal in October 2010 which resulted in cash proceeds of USD 81.9 million. On January 12, 2010, the Company completed the sale of the Antwerp Processing facility and associated working capital, which resulted in net cash proceeds of USD 56.2 million.

Net cash used in investing activities in 2009 resulted primarily from capital expenditures in addition to turnaround activities at the Coryton, Petit Couronne, Reichstett and Ingolstadt refineries.

Cash Flows from Financing Activities

Net cash flows used in financing activities were USD 40.4 million for the year ended December 31, 2010 as compared to net cash provided by financing activities of USD 159.3 million for the same period in 2009. Financing activities in 2010 primarily represent net cash repayments on the RCF. Additionally, in May 2010, the Company completed a private placement of shares which resulted in gross proceeds of USD 136.4 million.

In September 2009, the Company issued Senior Notes, 9.375 % due 2019, resulting in net proceeds of USD 385.5 million which were used to repurchase a portion of the Convertible Bond, 3.375 % due 2013, in October 2009. Additionally, the Company issued a USD 150.0 million Convertible Bond, 4.0 % due 2015, and completed a rights offering which resulted in net proceeds of USD 272.0 million. Additional financing activities represent repayment of borrowings under the working capital facility.

Capital Spending

We classify our capital expenditures, excluding acquisition expenditures, into five major categories:

Permit-related capital expenditures include capital expenditures for improvements and upgrades to our production facilities required by local authorities as a condition of the granting or renewal of the operating permits for our facilities. These include process safety improvements and installation of equipment to reduce emissions to the environment.

Sustaining capital expenditures include regular, non-permit related capital expenditures we incur to maintain our production facilities and to facilitate reliable operations.

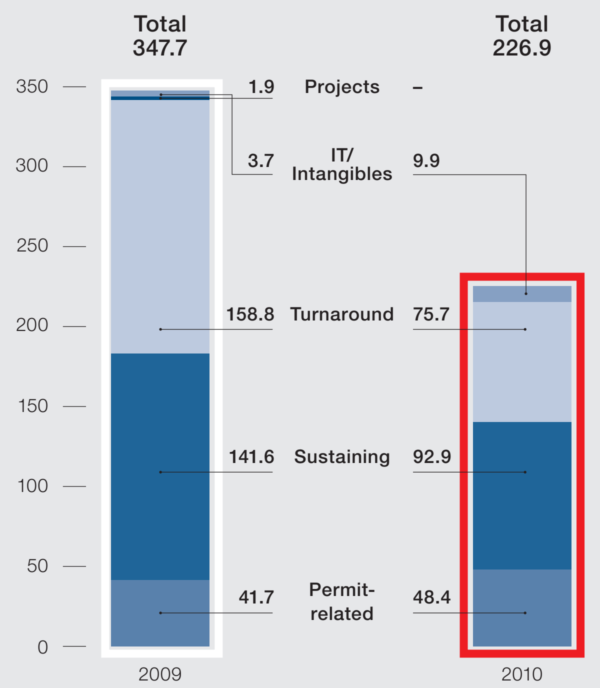
Turnaround capital expenditures include capital expenditures incurred in connection with planned shutdowns to make necessary repairs, perform preventative maintenance, replace catalysts and implement improvements. We perform major scheduled turnarounds on each of our refineries generally every four to five years, with an intermediate, minor turnaround generally two years following each scheduled major maintenance turnaround.

Project-related capital expenditures include capital expenditures for improvements or upgrades to our production facilities that have been identified to provide significant gross margin returns. These projects are expected to either add capacity or increase product yields in higher value petroleum products.

Information technology ("IT")/Intangibles capital expenditures include costs associated with software integration primarily from acquisitions and system upgrades. This category also includes other hardware and capital expenditures for intangible assets.

Our total capital expenditures are summarized in the following table by major category for the years ended December 31 2009 and 2010:

Actual Capital Expenditures
(in millions of USD)



Information about our 2011 planned capital expenditures is discussed in the "Outlook" section.

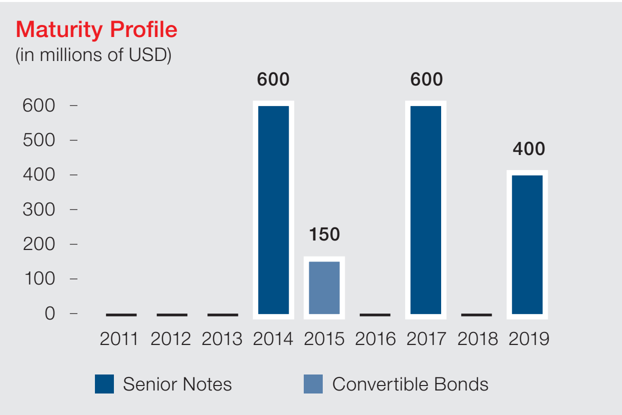
Summary of Indebtedness

Overview

The following table sets forth our financial indebtedness and cash balances as of December 31:

(in millions of USD)	2010	2009
Long-term debt	1,692.0	1,683.8
Working capital facilities	–	149.6
Total financial debt	**1,692.0**	**1,833.4**
Cash and short-term deposits	179.0	11.2
Net financial debt	**1,513.0**	**1,822.2**

The following table illustrates the Company's maturity profile for long-term interest-bearing loans and borrowings:



The following description is a summary of our credit facilities and other financing arrangements, including a description of the usage of such facilities and arrangements.

Working Capital Facilities

Revolving Credit Facility ("RCF")

Certain of our subsidiaries are party to a USD 1.05 billion committed multicurrency secured RCF agreement dated October 16, 2009, which replaced our former revolving credit facility. The RCF includes an option to increase the committed facility amount up to USD 2.0 billion on a pre-approved but not pre-committed basis in the event of increased working capital needs or future acquisitions. The Company also has access to significant uncommitted lines from committed banks, providing increased liquidity on an as needed basis. As of December 31, 2010, the Company had additional uncommitted lines under the RCF of USD 1.07 billion, bringing the total size of the RCF to USD 2.12 billion.

The RCF is available, subject to a current asset borrowing base, primarily in the form of letters of credit and short-term loan advances. Not more than 60 % of the committed line utilizations may be in the form of short-term cash borrowings. The rate of interest on cash borrowings is the aggregate of LIBOR plus a margin plus mandatory costs, if any. The margin is subject to a pricing grid determined by reference to the Company's ratio of Net Debt to Net Capitalization and ranges from 2.75 % to 4.00 % for a ratio below 25 % or above 60 %, respectively. Commissions on payment instruments are also subject to a pricing grid determined by reference to the Company's ratio of Net Debt to Net Capitalization.

Borrowings under the RCF are jointly and severally guaranteed by certain of our subsidiaries. Such borrowings are secured by certain assets of the borrowers and of the guarantors. The form of such security includes certain pledges of bank accounts held at participating banks, oil inventory, trade receivables and other assets. In certain conditions related to an event of default as defined in the RCF, the RCF Security Agent can enforce the pledge over the pledged assets. These pledges will expire together with the RCF on October 16, 2012.

As of December 31, 2010, we have no cash borrowings under the RCF. The related financing costs of USD 15.1 million are capitalized and amortized over the three-year term of the RCF. The carrying amount of these costs under the RCF amounts to USD 9.0 million as of December 31, 2010.

Other Working Capital Facilities

One of our subsidiaries has a smaller working capital facility available in relation to Swiss compulsory stocks of which USD nil (2009: USD 24.3 million) was drawn upon as of December 31, 2010.

Covenants

The RCF contains covenants that could restrict certain of our activities, including restrictions on creating or permitting to subsist certain securities, engaging in certain mergers or consolidations, sales or other disposals of certain assets, giving certain guarantees, making certain loans, making certain investments, incurring certain additional indebtedness, engaging in different businesses, making certain debt or other restricted payments, and amending or waiving certain material agreements.

The RCF also includes three financial covenants, calculated on a quarterly basis, requiring us to maintain:

- a minimum Consolidated Tangible Net Worth of USD 1.5 billion;
- a minimum ratio of Group Clean EBITDA (as defined in the RCF documentation) to Net Interest Expense of 2.5 to 1.0 for the four prior rolling consecutive quarters; and
- a minimum ratio of Current Assets to Current Liabilities of 1.05:1.

Compliance with these covenants is determined in the manner specified in the documentation governing the RCF.

At December 31, 2009, the Clean EBITDA to Net Interest Expense ratio was below 2.5 to 1.0. On January 27, 2010, the Company received a waiver for the fourth quarter 2009 through the third quarter 2010. During the waiver period, and, as long as the ratio of the Clean EBITDA to Net Interest Expense ratio covenant was below 2.5 to 1.0, the interest rate margin on cash borrowings was increased by 0.25 % and the Company was required to meet an additional covenant. The Company's Free Cash Flow before working capital changes, as defined in the waiver documentation, could not be more negative than minus USD 250 million for the period starting from January 1, 2010 to each quarter end during the waiver period. The Company fulfilled this temporary covenant throughout the year 2010. The Company is in compliance with all financial covenants based on year-end 2010 financial figures, and has, therefore, exited the waiver period.

Long-Term Debt

Convertible Bond USD 150 million, 4.0 % due 2015 (the "2015 CB")

On October 16, 2009, Petroplus Finance Ltd., a subsidiary of the Company, issued USD 150.0 million in guaranteed senior secured convertible bonds due 2015. The debt is guaranteed by the Company as well as by certain of its subsidiaries. Each bond in the principal amount of USD 100,000 is convertible into common shares of the Company at a conversion price of CHF 30.42 (subsequent to a reduction of CHF 0.19 due to the nominal value repayment on July 26, 2010) per share with a fixed exchange rate on conversion of USD/CHF 1.0469. The 2015 CB bears interest at the rate of 4.0 % per annum, with the interest payable semi-annually in arrears on October 16 and April 16 of each year the debt is outstanding, commencing on April 16, 2010. The financing costs related to the issuance of the 2015 CB have been capitalized in the aggregate amount of USD 2.6 million and are amortized over six years.

Convertible Bond USD 500 million, 3.375 % due 2013 (the "2013 CB") redeemed on October 16, 2009

On October 12, 2009, Petroplus announced the successful result of the tender offer to repurchase all of its outstanding USD 500.0 million in guaranteed, convertible bonds due in 2013. The 2013 CB was redeemed on October 16, 2009 at the aggregate principal amount of USD 500.0 million, plus accrued interest calculated from September 26, 2009 until October 16, 2009 (20 days). The related remaining capitalized financing costs of USD 6.0 million and the difference between the carrying amount and the fair value of the liability portion of USD 2.1 million were written off and included in the line item "Financial expenses" in the Consolidated Statement of Comprehensive Income. The remaining difference of USD 35.0 million between the repurchase price of the bond and the fair value of the liability portion was recorded as a reduction of equity. The costs of the tender offer amounted to USD 2.6 million and were included in the line item "Financial expenses" in the Consolidated Statement of Comprehensive Income.

Senior Notes USD 400 million, 9.375 % due 2019 (the "2019 SN")

On September 17, 2009, Petroplus Finance 3 Limited, Bermuda, an unrestricted subsidiary of the Company, issued USD 400.0 million aggregate principal amount of 9.375 % senior notes due 2019 at an issue price of 98.42 % giving a yield of 9.625 %. The coupon is payable semi-annually in arrears on March 15 and September 15, beginning March 15, 2010. The 2019 SN are presented net of capitalized financing costs of USD 8.7 million which are amortized over ten years. The proceeds from the 2019 SN were used to repurchase or redeem a portion of the 2013 CB on October 16, 2009.

Upon successful completion of the tender offer and subsequent repayment of the 2013 CB, Petroplus Finance Limited assumed the obligations of Petroplus Finance 3 Limited under the 2019 SN, the Company and certain of its subsidiaries became guarantors of the 2019 SN and Petroplus Finance 3 Limited was released of all obligations under the 2019 SN.

Senior Note USD 600 million, 6.75 % due 2014 (the "2014 SN") & Senior Note USD 600 million, 7 % due 2017 (the "2017 SN")
On May 1, 2007, Petroplus Finance Ltd., a subsidiary of the Company, issued USD 600.0 million, 6.75 % senior notes due 2014 and USD 600.0 million, 7 % senior notes due 2017 (together the "Notes"). The Company used the proceeds from the Notes primarily to fund the acquisition of the Coryton refinery. The Senior Notes are presented net of total capitalized financing costs of USD 18.1 million which are amortized over seven and ten years, respectively.

Financial Covenants
The main financial covenant under the 2015 CB, the 2014 SN, 2017 SN and 2019 SN is an EBITDA to gross interest expense coverage ratio which is required to exceed 2.0 to 1.0. This covenant is not a maintenance covenant and, therefore, when the ratio is not met, the Company is not in breach but only limited in incurring certain debt or making certain payments outside of the ordinary course of business as long as the ratio does not exceed 2.0 to 1.0.

As of December 31, 2010 we are in compliance with this covenant.

Liquidity

Our ability to pay interest and principal on our indebtedness and to satisfy our other debt obligations will depend upon our future operating performance and the availability of new and refinancing indebtedness, which can be affected by prevailing economic conditions and financial, business and other factors, some of which are beyond our control.

We believe that our cash flows from operations, borrowings under our existing credit facilities and other capital resources will be sufficient to satisfy the anticipated cash requirements associated with our existing operations during the next twelve months. Our ability to generate sufficient cash from our operating activities depends on our future performance and global oil market pricing, which are subject to general economic, political, financial, competitive and other factors beyond our control. The Company could, during periods of economic downturn, access the capital markets and/or other available financial resources to strengthen its financial position. In addition, our future capital expenditures and other cash requirements could be higher than we currently expect as a result of various factors, including any acquisitions that we may complete.

Contractual Obligations

The following table summarizes our material contractual obligations and commitments as of December 31, 2010:

		Payment due by Period		
(in millions of USD)	Total	< 1 year	1–5 years	> 5 Years
Interest-bearing loans and borrowings [1]	2,506.5	126.0	1,185.3	1,195.2
Finance lease commitments	30.2	3.4	13.4	13.4
Operating lease commitments	66.9	17.6	26.6	22.7
Purchase commitments [2]	40.8	40.8	–	–
Total	**2,644.4**	**187.8**	**1,225.3**	**1,231.3**

[1] Represents nominal values of contractual obligations and undiscounted interest payments, excluding capitalized financing fees.
[2] Represents contractual obligations for future capital expenditure purchase obligations.

Outlook

The discussion below contains forward-looking statements that reflect our current judgment regarding conditions we expect to exist and the course of action we expect to take in the future. Even though we believe our expectations regarding future events are based on reasonable assumptions, forward-looking statements are not guarantees of future performance. Our assumptions rely on our operational analysis and expectations for the operating performance of our assets based on their historical operating performance, management expectations as described below and historical costs associated with the operations of those assets. Factors beyond our control could cause our actual results to vary materially from our expectations, which are discussed in the "Forward-Looking Statement" and elsewhere in this document. The prospective financial information below is our current judgment and should not be relied upon as being necessarily indicative of future results, and the reader is cautioned not to place undue reliance on this prospective financial information. We undertake no obligation to update any forward-looking statements contained in this document as a result of new information, future events or subsequent developments, or otherwise.

Market

We expect the market outlook for 2011 to remain challenging, but to improve over 2010 for the European refining industry as we see signs of an economic revival in the Atlantic Basin and a corresponding gradual increase in consumption, which we believe will drive improved refining margins. While we expect refining margins will continue to fluctuate, we believe that we are adequately positioned in the industry to perform and fund our operations under current and expected market conditions.

Budget 2011

Summary of Estimated Costs 2011

(in millions of USD)	2011
Refining and marketing operating expenses	665
Other administrative and non-refinery personnel expenses [1)]	120
Depreciation and amortization	335
Interest rate on indebtedness	7.2 %
Approximate effective income tax rate	10 %
Capital expenditures	315

[1)] Excludes incentive compensation.

Foreign Exchange Rates

Various factors beyond our control, such as unplanned downtime and changes in the value of the USD against the EUR, GBP and CHF, can cause actual results to differ from our expectations. The 2011 outlook is based on the following exchange rate assumptions:

Foreign Exchange Rates Applied for 2011 Outlook

	2011
EUR/USD	1.25
GBP/USD	1.50
CHF/USD	0.95

Refining and Marketing Operating Expenses

We expect refining and marketing operating expenses, defined as refining personnel, operating and other administrative expenses that pertain to the processing of crude oil and feed/blendstock into refined products, to be approximately USD 665 million for 2011. Natural gas and electricity will be the largest components of our variable operating expenses. Other significant components of operating expenses are our employee costs, ongoing repair and maintenance, catalysts and chemicals. As a significant portion of refining and marketing operating expenses is incurred in local currency, actual results will be impacted by changes in the value of the USD.

Other Administrative and Non-Refinery Personnel Expenses

We expect our other expenses, comprised of non-refining and marketing personnel and other administrative expenses, excluding incentive compensation, to be approximately USD 120 million for 2011. As a significant portion of personnel and other administrative expenses is incurred in local currency, actual results will be impacted by changes in the value of the USD.

Depreciation and Amortization

We expect depreciation and amortization expenses to be approximately USD 335 million for 2011. Our depreciation expenses will vary in future periods based on completion and placing into service of our capital expenditure activity.

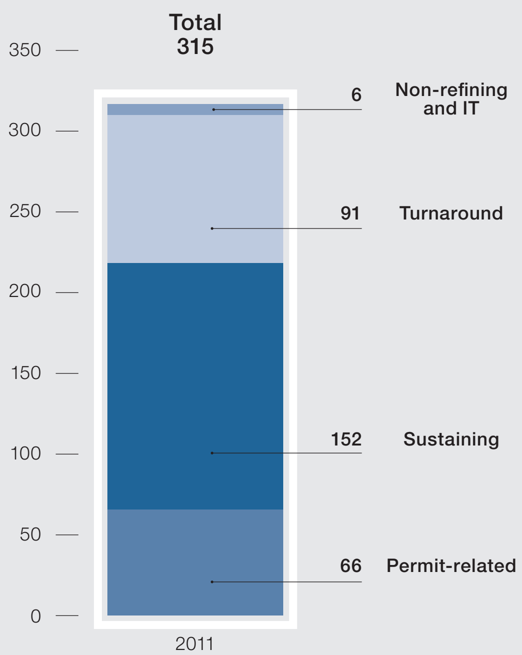
Interest Expense

We expect that our net interest for borrowings under the working capital facilities will have a blended rate of the published LIBOR rate plus approximately 3 %. Additionally, we expect to incur interest expense at a blended rate of 7.2 % on our long-term debt. We will also incur non-cash accretion expense in relation to the USD 150.0 million CB and the USD 400.0 million Senior Note of approximately USD 6 million for 2011. Interest expense will also include letter of credit fees and non-cash deferred financing charges of approximately USD 7 million per quarter.

Income Taxes
We expect our effective tax rate for 2011 to be approximately 10% of our net income before income taxes, excluding any non-recurring events. Our effective income tax rate will vary as realized refining margins and foreign currency rates fluctuate. Additionally, our effective income tax rate will also vary in connection with any acquisitions or disposals.

Capital Expenditures
We expect capital expenditures to be approximately USD 315 million for 2011. The following table summarizes our budgeted capital expenditures, excluding future acquisitions, for the year ending December 31, 2011, by major category:

Planned Capital Expenditures for 2011
(in millions of USD)



Refinery Operations – Throughput Estimates for 2011

The throughput estimates set forth below assume that our refinery operations will experience no operating disruptions or economic run cuts in 2011 other than scheduled maintenance shutdowns:

(in thousands of bpd)

Coryton	Antwerp	Petit Couronne
175 to 185	95 to 105	115 to 125
Ingolstadt	**Reichstett**	**Cressier**
85 to 95	55 to 65	55 to 65

Risks Relating to Our Business and Our Industry

We are subject to various risks relating to changing economic, political, legal, social, competitive, industry, business and financial conditions. The main risks we face are described below.

Unfavorable general economic conditions have had and may continue to have a negative effect on our business, results of operations, financial condition, and future growth prospects.

Over the past two years, a worldwide financial and economic crisis has affected essentially all regions of the world and all business sectors. While there are currently indications that some of the world's major economies have started to recover from the crisis, there can be no assurance that this trend will continue or that the financial and economic conditions will not worsen again. Lower levels of economic activity during periods of recession often result in declines in energy consumption, including declines in the demand for and consumption of our refined products. This could cause our revenues and refining margins to decline and, in turn, have a material negative effect on our business, results of operations, financial condition, and future growth prospects.

Ongoing disruptions in the financial markets may adversely affect our ability to obtain credit and financing on reasonable terms, which may have a material adverse effect on our financial condition.

Current global credit market conditions have a material impact on the availability of financing, making terms for certain financing less attractive and, in some cases, resulting in a lack of availability of certain types of financing. We have historically accessed the capital markets for financing to fund acquisitions and may seek to do so in the future. We also rely on the revolving credit facility to finance crude oil purchases and other operational expenditures. Continued uncertainty in the credit markets and capital markets may negatively impact our ability to renew this financing or to access other financing on reasonable terms or at all, which may have an adverse impact on our financial condition if our cash needs exceed our internally generated cash flow. In addition, our ability to pay interest and principal on our indebtedness and to satisfy our other debt obligations will depend upon our future operating performance and the availability of new and refinancing indebtedness, which can also be affected by prevailing economic conditions and financial, business and other factors. If current financial market conditions were to continue or become worse, we may have to seek alternative sources of potentially less attractive financing, which may have a material adverse effect on our financial condition.

Refining margins significantly impact our profitability and cash flow. Crude oil prices, refined petroleum product prices, refining margins and our results of operations have fluctuated significantly in the past.

As an oil refiner, our results are primarily affected by the differential between refined petroleum product prices and the prices of crude oil used for refining. This price differential, once direct costs are subtracted, constitutes our refining margin. This means we will not generate operating profit or positive cash flow from our refining operations unless we are able to sell refined petroleum products at margins sufficient to cover the fixed and variable costs of our refineries. Refining margins have declined since their highs in the middle of 2008. Refining margins could decline further in the future due to factors beyond our control. A decrease in refining margins could have a material adverse effect on our business, results of operations and financial condition.

Historically, refining margins have fluctuated substantially. Refining margins are influenced principally by supply and demand for crude oil and refined petroleum products, which in turn determine their market prices. Other factors (although the list below is non-exhaustive), in no particular order, that may have an impact on prices and refining margins include:
- changes in global economic conditions, including exchange rate fluctuations;
- changes in global and regional demand for refined petroleum products;
- market conditions in countries in which we refine or sell our refined petroleum products and the level of operations of other refineries in Europe;
- aggregate refining capacity in the global refining industry to convert crude oil into refined petroleum products, including additional export refining capacity in developing countries, particularly India and China, which could reduce the market share of European refiners;
- changes in the cost or availability of transportation for crude oil, feedstocks and refined petroleum products;
- availability of price arbitrage for refined petroleum products between different geographical markets;

– political developments and instability in petroleum producing regions such as the Middle East, Russia, Africa and South America;
– the ability of the Organization of Petroleum Exporting Countries ("OPEC") and other petroleum producing nations to set and maintain oil price and production controls;
– seasonal demand fluctuations;
– expected and actual weather conditions;
– to the extent unhedged, changes in prices from the time crude feedstocks are purchased and refined petroleum products are sold;
– the extent of government regulation, in particular as it relates to environmental policy, fuel specifications and energy taxes;
– the ability of suppliers, transporters and purchasers to perform on a timely basis, or at all, under their agreements (including risks associated with physical delivery);
– the development, availability, price and acceptance of alternative fuels; and
– terrorism or the threat of terrorism that may affect supply, transportation or demand for crude oil and refined petroleum products.

Disruption of our ability to obtain crude oil and other feedstocks could reduce our margins and materially affect our results of operations.

We require crude oil and other feedstocks to produce refined petroleum products. We purchase our crude oil primarily on the spot and forward markets from, among others, oil majors, crude oil marketing companies and independent producers. Crude oil supply contracts are generally short-term contracts with market responsive price provisions. In addition, a significant portion of our crude oil is supplied from the North Sea, Africa, Russia and Kazakhstan making us subject to the political, geographic and economic risks attendant to doing business with suppliers located in those regions, such as labor strikes, regional hostilities and unilateral announcements by any of the countries within these regions that some or all oil exports for a specified period of time will be halted. In the event that one or more of our supply contracts are terminated or not fulfilled, we may not be able to find alternative sources of supply. Moreover, unlike certain of our competitors that have their own oil exploration and production operations, we are dependent on third parties for continued access to crude oil and other raw materials and supplies at appropriate prices. Further, we may be subject to governmental restrictions on our purchases of certain crude oil because of economic sanctions against the government of the country that is the source of the crude oil, which may result in higher costs or the unavailability of crude oil. If we are unable to obtain adequate crude oil volumes or are only able to obtain such volumes at unfavorable prices, our margins and our other results of operations could be materially adversely affected.

We are dependent on certain third party suppliers for the provision of services that are necessary for our refineries' operations, including the supply of crude oil feedstocks. If third parties are unable to perform under our contracts with them or cancel these contracts, we may be unable to operate our refineries or deliver refined products to customers.

Each of our refineries is partially or wholly dependent on receiving a steady and adequate supply of utilities such as electricity, natural gas and water provided by local companies. Any disruptions in these utilities, such as a power grid failure, could force us to shut down the affected refinery and have a material adverse effect on our results of operations, financial condition and cash flows.

If any of our service, transport or storage arrangements are terminated or disrupted, this could have a material adverse effect on our business, results of operations, financial condition, and cash flows. Moreover, to the extent our customers require us to deliver our products by specified delivery dates and we fail to do so because we are not able to make alternative service arrangements, we may incur penalties and suffer reputational damage.

Our business is subject to significant environmental regulations and environmental risks.

Like those of other oil refiners, our operations are subject to numerous national, regional and local environmental laws and regulations, including legislation that implements international conventions or protocols. In particular, these laws and regulations restrict the types, quantities and concentration of various substances that can be released into the environment in connection with production activities and impose administrative sanctions and criminal and civil liabilities for pollution. These laws and regulations also restrict air emissions and wastewater discharge resulting from the operation of refineries and other facilities as well as establish standards for the composition of gasoline, diesel fuel and other petroleum products. In addition, our operations are subject to laws and regulations relating to the generation, handling, transportation, sale, storage, disposal and treatment of materials that may be considered to be contaminants when released into the environment.

Environmental laws and regulations that affect our operations, processes and margins have become and are becoming increasingly stringent. If we violate or fail to comply with these laws and regulations, we could be fined or become liable for remediation costs or subject to other sanctions. In addition, regulatory authorities could suspend our operations or refuse to renew the permits and authorizations we require to operate. They could also mandate upgrades or changes to our processes that could have a significant impact on our costs.

We need a variety of permits to conduct our facilities. We must comply with and renew these permits. Failure to comply with our permits could subject us to civil penalties, criminal sanctions and closures of our facilities.

Sites at which we operate have a long history of industrial activities and may be, or may have been in the past, engaged in activities involving the use of materials and processes that could give rise to potential remediation liabilities. Potential liabilities can also arise in relation to land previously owned by companies or refineries that we have acquired but where such land was sold prior to our acquisition of those companies or refineries. With respect to our acquisitions, we cannot assure that our due diligence investigations identified or accurately quantified all material environmental matters and contingencies relating to acquired facilities. In addition, environmental indemnities given to us by sellers typically contain thresholds and other limitations as to the aggregate amount of the sellers' obligations. Consequently, we may incur significant costs to remediate pre-existing environmental contamination or conditions at sites we have acquired.

We have identified soil and groundwater contamination at certain of our sites, are undertaking measures to address the contamination and are in consultation with regulatory authorities where necessary. We have budgeted expenditures at three of our refineries relating to known contamination, and we may need to make additional expenditures, which could be significant, to comply with environmental laws and regulations.

The risk of significant environmental remedial liability is inherent to our business. No assurance can be given that such liability will not arise in the future as a result of the application of present or future laws and regulations to existing contamination, whether presently detected or otherwise, or misinterpretation of data regarding such contamination, or future contamination of any of our sites or otherwise arising out of our activities and operations.

We are subject to European Union ("EU") regulations on carbon dioxide emission. In 2010 and in prior years, we have operated within the allowable limits of carbon dioxide emissions. There is no assurance that we will not be required to purchase carbon dioxide credits in the market, be levied any fines or experience any operational disruption due to our facilities' carbon dioxide emissions.

In addition to potential liability for remediation costs and regulatory non-compliance, we may be liable for the environmental impact of our operations on third parties. We could also be liable to third parties, without limitation, for crude oil or refined petroleum product spills, discharges of hazardous materials into the soil, air and water and other environmental liabilities. Compensation to third parties, as well as other liabilities mentioned, may involve significant costs. Any such costs could reduce or eliminate the funds available for financing our normal operations and planned development or result in the loss of our properties. We cannot assure you that discharges of hazardous materials will not occur in the future or that third parties will not assert claims against us for damages allegedly arising out of any past or future contamination.

Stricter environmental, health and safety laws and enforcement policies could result in substantial costs and liabilities for us and could result in our handling, manufacture, use, reuse or disposal of substances or pollutants being subjected to more rigorous scrutiny by regulatory authorities than is currently the case. Compliance with these laws could result in significant capital expenditures as well as other costs and liabilities, thereby harming our business.

In addition, we cannot assure that we will be able to meet future refined product standards that may be introduced in the EU or other relevant jurisdictions or that we will have sufficient funds to make the necessary capital expenditures to produce products that comply with future specifications and regulations.

We may be liable for significant environmental costs relating to past and/or future transactions.

In connection with acquisitions of certain of our refineries, we may become responsible for certain environmental clean-up liabilities or costs. Some of the acquisition agreements for our refineries provide that, subject to certain limitations, the sellers will indemnify us only against a certain percentage, on a sliding scale basis for a specified period and with certain limitations. We have also agreed to indemnify certain of the sellers against environmental liabilities and costs to the extent these liabilities and costs are not covered by the sellers' indemnities. There is no assurance that the sellers will satisfy their obligations under their agreements or that the liabilities and costs in excess of those that the sellers have agreed to reimburse us for will not be significant or that significant liabilities will not arise with respect to the other matters we have assumed or for which we are indemnifying the sellers. Moreover, if any of the sellers were to become insolvent, such seller would be unable to reimburse us for any environmental liabilities. In addition, we may agree to be responsible for these or other types of environmental liabilities in connection with future acquisitions. We cannot assure that these environmental liabilities and/or costs or expenditures to comply with environmental laws will not have a material adverse effect on our current or future results of operations and financial condition. In connection with divestitures of refineries, liabilities may be left with us under the sale agreements.

We must comply with health and safety regulations at our facilities and failure to do so could result in significant liabilities, fines and/or penalties.

Our activities are subject to a wide range of EU, national, provincial and local occupational health and safety laws and regulations in each jurisdiction in which we operate. These health and safety laws are constantly changing. Failure to comply with these health and safety laws could lead to criminal violations, civil fines and changes in the way we operate our facilities, which could increase the costs of operating our business.

A significant interruption or casualty loss at any of our refineries could reduce our production, particularly if not fully covered by our insurance.

Our operations could be subject to significant interruption if any of our refineries were to experience a major accident, be damaged by severe weather or other natural disaster or otherwise be forced to shut down or curtail production due to unforeseen events, such as acts of nature, power outages, fires or acts of terrorism. Any such shutdown would reduce the production from that refinery. There is also risk of mechanical failure and equipment shutdowns, both in general and following unforeseen events. Further, in such situations, undamaged refinery processing units may be dependent on or interact with damaged sections of our refineries and, accordingly, are also subject to being shut down. In addition, damage to the pipelines transporting product to and from our refineries could cause an interruption in production at those facilities. In the event any of our refineries are forced to shut down for a significant period of time, or if any of the above events are not fully covered by our insurance, this would have a material adverse effect on our results of operations and financial condition.

We may be exposed to economic disruptions in the various countries in which we operate and in which our suppliers and customers are located. These disruptions could adversely affect our operations, tax treatment under foreign laws and our financial results.

Although we operate primarily in the United Kingdom, Germany, France, Belgium, and Switzerland, our operations extend beyond these countries. We export refined petroleum products to certain other areas, including the Netherlands and North America. In addition, we purchase the crude oil that we refine predominantly from the North Sea, Africa, Russia and Kazakhstan. Accordingly, we are subject to legal, economic and market risks associated with operating internationally, purchasing crude oil and supplies from other countries and selling refined petroleum products to them. These risks include:

- interruption of crude oil supply;
- devaluations and fluctuations in currency exchange rates;
- imposition or increase of withholding and other taxes on remittances by foreign subsidiaries;
- imposition of trade restrictions or embargoes against certain states, preventing us from buying crude oil and other feedstock from, or selling products to, these states;
- imposition or increase of investment and other restrictions by foreign governments;
- failure to comply with a wide variety of foreign laws; and
- unexpected changes in regulatory environments and government policies.

Our international operations also expose us to different social, political and business risks in each jurisdiction, including:

- compliance with union and collective bargaining agreements in a number of locations;
- implementation of local solutions to manage credit risks of local customers;
- fluctuations in currency exchange rates; and
- impacts arising from political, social and labor instability that could disrupt or increase the cost of our operations.

We cannot assure that we will develop and implement systems and policies that enable us to operate profitably, or at all, in all of the locations where we do business.

As we operate in multiple jurisdictions, we may be subjected to changes in tax law or practice, which potentially represent a risk to our tax planning.

We are subject to taxation in multiple jurisdictions and are faced with increasingly complex tax laws. The tax laws in these jurisdictions may change or be subject to differing interpretations, possibly with retroactive effect, including the imposition of substantially higher tax or interest payments, which could have a material adverse effect on our liquidity and results of operations. Any changes in laws or regulations, or a failure to comply with any such laws or regulations, may adversely affect our performance. In addition, taxing authorities could review and question our tax returns, leading to additional taxes and penalties that could be material.

We face significant competition. Increases in global refining and conversion capacity could further increase the competition we face and harm our business.

We face domestic and international competition in the markets in which we participate. The refining and marketing industry is highly competitive with respect to both feedstock supply and refined product markets. We compete with many companies for available supplies of crude oil and other feedstocks and for outlets for our refined products.

We do not produce any of our crude oil feedstocks. Many of our competitors, including, but not limited to, BP, Exxon Mobil, Shell and Total, obtain a significant portion of their feedstocks from company-owned production, and some have retail outlets. Competitors that have their own production, more complex refineries or more diverse operations may be better able than us to withstand volatile industry conditions, including shortages of crude oil or refined petroleum products, volatility in prices for crude oil or refined petroleum products or intense price competition at the wholesale level. Further, with the adoption of stricter environmental standards in Europe and the US and the historically high level of refining margins, many of our competitors are expected to upgrade their refining facilities, which would increase the competition faced by us in the markets for our particular slate of refined petroleum products. In addition, oil majors have financial and other resources substantially greater than ours. Competition could cause price reductions, reduce our margins or result in loss of market share for our products and services. This may adversely affect our results of operations.

In recent years, several companies have announced projects that would increase refining capacity. These projects are primarily located in regions that are expecting growth in population and demand for oil, especially in the Asia-Pacific region. Many of these projects were announced in response to high refining margins enjoyed during 2007 and 2008. Although these projects have long lead times and some of them may be delayed or cancelled, many or all of them are likely to be completed in the future, thereby leading to an increase in global refining capacity. Developing countries, particularly India and China, among other emerging economies, have built and are continuing to build refining capacity. Refineries in these countries, which operate on very low wages and with different environmental and safety standards, are expected to continue to capture market share in Europe and the US. This increase in capacity could lead to a decrease in our refining margins and have a material adverse effect on our business and results from operations.

Changes in oil prices affect our inventory and influence our commercial and operational decisions, which in turn may impact our financial and operating results.

Over the twelve months ended December 31, 2010, on average, we held approximately 21 million barrels of crude and product inventory on hand, representing the level of inventory we hold on average in order to maintain our daily refinery operations and sales requirements. This level fluctuates on a daily basis, depending on the timing of crude purchases and product sales, our operations and optimization of crude and product pricing. We are exposed to the fluctuation in crude and product pricing on the inventory we hold. If crude prices rise or decline by USD 10 per barrel, the impact on our margin, using the 21 million barrels we hold on average, could result in a gain or loss of approximately USD 210 million. Currently, we use a commodity price management program to manage a small portion of our exposure to fluctuations in commodity pricing. Under this program, we enter into commodity Intercontinental Exchange futures contracts and counterparty swaps to lock in the price of certain commodities. Our inability to manage inventory levels or acquire inventory at attractive prices could have a material adverse effect on our business and results from operations.

Additionally, we are exposed to the refining margin crack, which is defined as the net result of the purchase of crude and the corresponding sale of the refined product. If the refining margin crack, based on fluctuations in crude and product pricing, were to rise or decline by USD 1 per barrel against actual prices over the relevant periods, the effect on our profit before income taxes would have been a gain or loss of approximately USD 218 million in 2010 and USD 193 million in 2009. This analysis does not take into consideration any changes in commercial or operating decisions that might be made given the change in the environment, changes in the inventory held, or other factors that might be present in a volatile crude and product pricing environment. We do not currently have any material refining margin hedging transactions in place. A decline in the refining margin crack could have a material adverse effect on our results from operations.

We need significant capital to fund our working capital and any potential future acquisitions.

We will require significant amounts of capital to fund our working capital and future acquisitions.

We purchase crude oil mostly on the spot and forward markets, and we primarily finance those purchases via letters of credit through our working capital facilities. Because prices of crude oil can be volatile, it is crucial for us to have access to these facilities. The availability of funds under our working capital facilities is conditional upon, among other things, our continued compliance with the covenants contained therein. If we fail to meet these conditions and are unable to obtain letters of credit or draw funds under our working capital facilities, our financial condition would be severely impacted.

In addition, because most of our working capital facilities accrue interest on a floating-rate basis, increases in base interest rates may negatively impact our financial condition.

We will also be required to make expenditures on a regular basis to repair, maintain and upgrade our facilities. We must continue to make sustaining and turnaround capital expenditures at our six refineries. If we are unable to fund these capital expenditures, production capacity at our refineries may fall and our refineries might be unable to produce products that comply with future regulations, have their operating permits revoked or otherwise be adversely affected.

We continually assess potential acquisitions of refining assets that would complement our businesses and expand our refinery and storage capacity. We may elect to fund future acquisitions with equity and/or debt financing and/or cash on hand. We cannot assure you, however, that our cash on hand and available debt and equity funding will be sufficient to fund any future acquisitions or investments and, in such an event, we might be required to forego attractive acquisition candidates or investment opportunities.

Unscheduled or unexpectedly long scheduled repair, maintenance and turnarounds at our refineries could affect our results of operations. In addition, as refining margins are volatile, it is possible that periods of expected low refining margins during which we undertake scheduled turnarounds could turn out to be high margin periods.

We need to carry out regular maintenance at our refineries. Our refineries are typically shut down every four to five years for major turnarounds to make necessary repairs, perform preventative maintenance, replace catalysts and implement capital improvements. These shutdowns vary in duration depending on the complexity of the refinery and the work to be performed, but typically last between four and five weeks. We also shut down each refinery two years after each major turnaround in order to perform an intermediate turnaround, which typically lasts between three and four weeks. In addition, portions of our refineries may be shut down for shorter periods to perform more limited maintenance, catalyst replacement and capital improvements. Although we attempt to schedule shutdowns during periods of low refining margins, it is possible that our refineries may be shut down during periods of high margins as a result of, for example, the volatility and unpredictability of refining margins or scheduled shutdowns taking longer to complete than expected.

A substantial portion of our workforce is unionized, and we may face labor disruptions that would interfere with our refinery operations.

Our operations have been in the past and may in the future be affected by labor disruptions involving our employees and employees of third parties. Over half of our refinery employees are represented by trade unions under collective bargaining agreements, which are generally renegotiated every year. Negotiations with these unions have, at times, been difficult.

We have been in the past and may in the future be affected by strikes, lockouts or other significant work stoppages, any of which could adversely affect our business, results of operations or financial condition.

In addition, employee rights in certain jurisdictions in which we operate, including France and the United Kingdom, may make it more challenging and costly to restructure or terminate the operations of refineries in those jurisdictions.

Loss of key executives and failure to attract qualified management could limit our growth and negatively impact our operations.

We depend highly upon our Board of Directors and Executive Committee team. We will continue to require operations management personnel and other key employees with refinery industry experience. We do not know the availability of such experienced management personnel or how much it may cost to attract and retain such personnel. The loss of the services of any member of the Executive Committee or the inability to hire experienced management personnel or other key executives could materially adversely affect our operations and financial condition.

Any military strikes, sustained military campaigns or terrorist activity in the areas or regions where we do business could have a material adverse effect on our business, results of operations and financial condition.

Any military strikes or sustained military campaigns in areas or regions of the world where we acquire crude oil and other raw materials or sell our refined petroleum products may affect our business in unpredictable ways, including forcing us to increase security measures and causing disruptions of supplies and distribution markets. Further, like other industrial companies, our facilities may be the target of terrorist activities. Any act of war or terrorism that resulted in damage to any of our refineries or third party facilities upon which we are dependent for our business operations could have a material adverse effect on our business, results of operations and financial condition.

Our indebtedness could have a material adverse effect on our financial position and may limit our financial flexibility.

Subject to certain restrictions in our bank working capital facilities and other existing and planned debt agreements, we may incur significant additional debt in the future to fund our working capital needs and for other purposes, including possible future acquisitions. We have incurred and will continue to incur substantial short-term debt to fund our working capital needs.

Our substantial debt could have important consequences for us. For example, it could:
- make it more difficult for us to satisfy our debt-service obligations;
- increase our vulnerability to adverse general economic and industry conditions;
- limit our ability to obtain additional financing to fund our capital expenditures, working capital, acquisitions and other general corporate requirements;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- limit our ability to take advantage of significant business opportunities;
- place us at a competitive disadvantage compared to our competitors that have lower leverage and/or greater access to capital resources than we have;
- limit our ability to distribute dividends;
- negatively impact payment terms with our creditors; and
- require us to dedicate a substantial portion of our cash flow from operations to payment of our debt.

In addition, our failure to comply with the covenants and restrictions contained in the agreements governing our indebtedness could trigger defaults under those agreements.

Critical Accounting Judgments and Estimates

For discussion on our critical accounting judgments and estimates, see Note 2 “Summary of Significant Judgments and Estimates” in the Consolidated Financial Statements in this Annual Report.

Corporate Responsibility

Corporate Responsibility

Principles

Our Company regards the effective management of Safety, Health and Environmental ("SHE") risks and good corporate citizenship as core responsibilities of our industry. The main purpose of our initiatives, as outlined below, is to prevent major incidents, occupational injuries, environmental harm and to provide transparency and business integrity.

Strategy

Promoting Understanding and Effective Management of Safety, Health and Environmental Risks

Our operating approach is based on open discussion of SHE risks and the ways in which these can be mitigated to a level that is as low as reasonably practicable. We believe that it is only by maintaining a strong focus on the SHE performance of our assets that we can deliver sustainable profitability for our stakeholders.

Promoting Operational Excellence in Safety and Reliability

We devote significant time and resources to improving the safety, reliability and environmental compliance of our operations and continue to emphasize SHE in all aspects of our operations.

Employing Highly Skilled Refining Professionals to operate Refining Assets

Our strategy is to employ highly skilled refining sector professionals and to create a working environment that encourages our employees to use recognized industry good practices to improve the safety and efficiency of our refineries.

Safety and Health

Petroplus employs approximately 2,600 employees throughout Northwest Europe. We encourage a culture which fosters open discussion of SHE matters, effective reporting and thorough investigation of incidents and near-misses to prevent recurrence. We train employees in safe work practices and involve employees in establishing safety standards and operating practices.

There is a need to plan for and manage both high consequence but low likelihood events – "Process Safety" and lower consequence but higher likelihood events – "Occupational Safety" effectively.

In 2010, we improved Process Safety by 18 %, as measured by our key indicators, compared to 2009. Process Safety is about managing the risks associated with our day to day plant operations.

During 2010, Lost Work Incidents ("LWI") were reduced by 17 % and Restricted Work Incidents ("RWI") by 24 % compared to 2009. LWI is defined as a work-related injury that causes the injured person to be away from work for at least one normal shift because he/she is unfit to perform any duties. RWI is defined as a work-related injury which causes the injured person to be assigned to other work on a temporary basis or to work his/her normal job less than full time or without undertaking all the normal duties.

↓ 18 %

In 2010, we improved Process Safety by 18 %, as measured by our key indicators, compared to 2009.

Our key performance indicators in both of these areas are reviewed regularly and updated to ensure that they reflect recognized industry good practice and continue to help us to focus on the highest priority issues.

As an improving continuum, our SHE Management system is constantly under review. As a matter of course, the Company integrates learning from our incidents as well as other incidents within the industry and ensures that its processes and procedures are reviewed and adapted if necessary. In order to assist in this, Petroplus participates in relevant industry health and safety groups.

SHE performance is reviewed on a quarterly basis and all findings are reported to the Executive Committee and the Board of Directors.

Chemicals Regulation – REACH

Since the introduction of a new regulatory framework for chemicals called REACH (registration, evaluation and authorization of chemicals) in 2007, all manufacturers and importers of chemicals must identify and manage risks linked to the substances they manufacture and market. For substances manufactured or imported, companies are required to submit a registration dossier to the European Chemicals Agency ("ECHA"). The ECHA then assesses whether the registration dossier complies with the regulations and evaluates testing proposals. As a manufacturer of oil products, Petroplus pre-registered all relevant substances which are produced or imported with the ECHA. Petroplus completed all necessary steps for the full registration in December 2010.

Petroplus has not altered its existing product portfolio and therefore all substances that are currently manufactured or are imported by Petroplus into the European Union ("EU") have been registered. Additionally, we have reviewed the substances that are supplied to Petroplus to ensure that they are registered by the suppliers.

Petroplus is a member of CONCAWE, the oil companies' European association for environment, health and safety in refining and distribution, which supports the registration process for its member companies. Petroplus plays an active role in CONCAWE's management groups that deal with the implementation of REACH.

Support and Compliance with EU Regulations

Petroplus is also a member of European Petroleum Industry Association ("EUROPIA") that represents the oil refining and marketing industry in Europe. EUROPIA contributes in a constructive and proactive way to the development of EU policies, while promoting and enhancing the reputation of the oil industry.

Petroplus is also a member of the National Oil Industry Associations (NOIA) in member EU countries. Through these groups, Petroplus is able to participate in local policy development in a productive manner.

Environment

Laws and Regulations

Our operations are subject to numerous EU, national, regional and local environmental laws and regulations, including legislation that implements international conventions or protocols. In particular, these laws and regulations control the types, quantities and concentration of various substances that can be released into the environment in connection with production activities and may impose administrative sanctions and criminal and civil liabilities for excess pollution. These laws and regulations establish standards for the composition of transportation fuels and other petroleum products. In addition, our operations are subject to laws and regulations relating to the generation, handling, transportation, sale, storage, disposal and treatment of materials that may be considered to be contaminants if released into the environment.

Carbon Dioxide (CO_2) and Emissions Trading Directive

To help meet the greenhouse gas emissions reduction targets identified in the Kyoto Protocol, the EU adopted the Emissions Trading Directive which established a scheme for trading greenhouse gas emissions allowances (the "EU-ETS").

CO_2

Petroplus operated within its allocated CO_2 allowances for 2008, 2009 and 2010 and expects this to be the case for 2011.

Oil refineries are included within the mandatory scope of application of the EU-ETS which requires EU Member States to set a cap on the amount of greenhouse gas emissions from certain facilities. There are mandatory caps on carbon dioxide emissions from combustion plants and certain specific industry sectors. Based on these caps, facilities are allocated allowances in the form of credits to an account held at the central registry of each EU Member State. Each Member State is required to prepare and publish a National Allocation Plan to specify the total quantity of CO_2 emission allowances that Member States would grant to companies. All of our refineries hold permits as required by the EU-ETS Directive. Petroplus operated within its allocated CO_2 allowances for 2008, 2009 and 2010 and expects this to be the case for 2011.

Other Emissions Monitoring and Regulations

Our refineries monitor their emissions to ensure compliance with limits set by the relevant national environmental authorities and other local authorities. The majority of our air emissions come from our stacks and are due to the burning of fuel and gas in the refineries' boilers and process heaters. Volatile Organic Compounds ("VOCs") typically come from our storage tanks and process equipment.

Emissions to air such as sulfur dioxide and nitrogen oxides and emissions to the water are limited at each refinery by the local environmental authorities. Refinery emissions limits are permit-related and regularly controlled. Our refineries, whose emissions are also independently verified, report their emissions directly to local and environmental authorities.

Our refineries also support local initiatives dedicated to the environment. For example, the Petit Couronne refinery is a member of the Board of Air Normand, a regional association which undertakes independent monitoring of local air pollution. The Reichstett refinery is one of the founding members of "l'Association pour la Surveillance et l'étude de la Pollution Atmosphérique en Alsace" ("ASPA") which is the local air pollution monitoring organization for the Strasbourg area. Since 2004, the Cressier refinery has been a member of the Ecoparc Association whose purpose is to improve synergies between the industries and their environment.

Low-sulfur/Biofuels

More than 50 % of our final products are in the transport fuels sector. The Company is in compliance with the national and European standards for cleaner transportation fuels in all countries. Additionally, we continue various biofuel initiatives as described below:

- The blending of Ethanol and FAME (Fatty Acid Methyl Esters) to produce bio-blended fuels across all refineries is in line with national recommendations and obligations.
- Preparation and engagement for the Renewable Energy Directive (RED) and the Fuels Quality Directive (FQD) requirements have been given priority in the latter part of the year and it is anticipated that the groundwork laid down will see compliance during the course of the next year. The purpose of these directives introduced by the EU is to reduce greenhouse gases and to provide for sustainable bio fuels. The Company is committed to meeting the requirements of both directives.

Environmental and Quality Management

Environmental and quality management are keys to delivering sustainable and reliable performance. We have set up environmental management and auditing systems aimed at monitoring and improving the environmental performance of our operations. The Coryton, Petit Couronne, Ingolstadt, Reichstett and Cressier refineries are successfully accredited with both ISO 14001 and ISO 9001 certifications for their environmental and quality management systems.

Energy Consumption

We set aggressive targets to drive improvements in energy efficiency. Each refinery has an appointed energy manager to evaluate new opportunities to improve energy consumption. In many locations, both heat and electrical power are generated internally as part of the refining processes. For example, the Antwerp refinery has completed the construction of a cogenerator plant which is able to produce steam and electricity.

The Ingolstadt refinery signed an agreement in 2009 with the local utility company to supply the city with energy from what would otherwise be waste heat.

Energy

We set aggressive targets to drive improvements in energy efficiency.

Shipping

Petroplus is active in the shipping market on a global basis, chartering vessels for both the supply of feedstocks for each of our refinery locations as well as for the transportation of petroleum products we produce from each refinery location.

Petroplus strictly adheres to Marine Vetting Acceptance Criteria, the purpose of which is to provide a managed risk assessment service ensuring the safe sea transportation, and safe turn-around in port, of our marine activity. We maintain strict criteria in order to assess the suitability of a vessel prior to it being considered for our business. This process applies to all seagoing vessels proposed for use by Petroplus or attending Petroplus-operated facilities.

We are a member of the Oil Companies International Marine Forum ("OCIMF"). The primary objectives of OCIMF are promoting safety and preventing pollution from tankers and oil terminals.

Oil Spills

We are a member of Oil Spill Response Ltd. ("OSRL") whose mission is to provide resources and expertise to respond to oil spills efficiently and effectively on a global basis.

Social Performance, Community and Public Affairs

Petroplus aims to be a good neighbor in our communities. This is more than operating safely and cleanly; it also includes the integration of goals for the safety of our people and the environment. We understand the need to actively communicate with the community and all stakeholders so that concerns are addressed.

Our refineries and operating sites are key members of our local communities. As a result, we aim to support and strengthen our ties with these communities. We support local projects, initiatives and funding of charitable organizations through donations. Petroplus supports charitable programs and activities that promote the well-being and quality of life of our employees and their families, and invests in the communities where our employees live and work.

Each of our local management teams has the flexibility to develop public affairs and community support programs that are tailored to each community.

Activities at our refineries currently include:
- support of local fire brigades and safety organizations;
- support of local air quality initiatives;
- support of local bio diversity;
- support of local community initiatives for well-being;
- close cooperation programs with local authorities; and
- proactive communications programs with local communities, authorities and organizations.

Employees

Petroplus is dedicated to promoting the career development of its employees and to preparing them to fill their future responsibilities. Petroplus also strives to offer its employees an interesting, flexible and challenging work environment, with the opportunity to learn and develop. There is a strong emphasis on competent leadership and on high quality education and training both on the job by mentoring and coaching and by specific training courses.

Business Integrity and Transparency

Petroplus is focused on providing transparent and honest corporate management. Other than those disclosed in the Corporate Governance section, none of the members of the Executive Committee are members of governing and supervisory bodies of Swiss or foreign organizations outside of the Petroplus group. None of the members have official functions or hold political posts.

- Our *Code of Business Conduct* provides guidelines on legal and ethical conduct, conflicts of interest and protection and use of Company assets. The policy is distributed throughout the Company. Additionally, the Company has strict delegation of authority guidelines which govern the approval process of all business transactions.

- Our *Corporate Risk Management Framework* establishes corporate risk management policies pertaining to financial liquidity, SHE, counterparty credit, foreign exchange derivatives, commodity derivatives, physical inventory and entity management. The objective of these policies is to ensure that key Company risks and their impacts are identified and evaluated timely and that strategies and policies are defined to mitigate such risks. Each of these policies is reviewed and approved annually by the Executive Committee and the Board of Directors.

- Our *Investor Relations Policy* provides guidelines and commitments to our shareholders and investors with regards to communications. Petroplus is committed to providing timely, consistent and credible dissemination of information, consistent with legal and regulatory requirements, to enable orderly behavior in the market and maintain realistic investor expectations. The ultimate goal of communication with the financial community is to ensure that Petroplus shareholders and the market are receiving accurate and timely information and that the same information is being provided to all stakeholders.

- Our *Corporate Procurement Guiding Principles & Practices* provides guidelines that are designed to ensure that each Petroplus business unit secures maximum benefits from our expenditures for the procurement of goods and services and minimizes the risks from any of our relationships with material suppliers and service providers.

- Our *Insider Trading Guideline* is designed to prevent and detect insider trading in order to sustain the Company's reputation for integrity and ethical conduct.

As part of our compliance with the Swiss Code of Obligations, we implemented an extensive controls review process in all areas of our business, including entity level controls and process level controls. As part of this process, the Company identified potential risks and implemented processes and controls designed to prevent and detect any material errors that may arise. The Company also has extensive procedures in place to ensure the integrity and transparency of financial statement disclosures, including reviews at all levels of management and the Board of Directors. The Company is compliant with the financial control requirements of the Swiss Code of Obligations.

Corporate Governance

Corporate Governance

Introduction and Principles

Petroplus is fully committed to meeting high standards of corporate governance. We comply with the standards and reporting structure established in the "Swiss Code of Best Practice for Corporate Governance", effective July 1, 2002 (updated in 2007), and the SIX Swiss Exchange "Directive on Information Relating to Corporate Governance" ("DCG"), amended on October 29, 2008 and effective July 1, 2009.

1 Group Structure and Shareholders

1.1 Group Structure

Petroplus Holdings AG ("Petroplus", "Group", "us", "our", "we" or the "Company") is a holding company organized under Swiss Law with its legal domicile at Industriestrasse 24 in Zug, Switzerland. The Company concentrates its business activities solely on refining crude oil and the wholesale marketing of those refined products. For detailed segment information, see Note 4 "Segment Information" of the Consolidated Financial Statements.

The organizational structure is illustrated in the diagram on page 9. All major group companies are set out in the list of subsidiaries in Note 32 "Subsidiaries" of the Consolidated Financial Statements. None of the subsidiaries of Petroplus Holdings AG have their shares listed on the SIX Swiss Exchange or any other stock exchange worldwide. However, Petroplus Finance Ltd., Bermuda, a subsidiary of Petroplus, has issued USD 600.0 million 6.75 % Senior Notes due 2014 (ISIN: USG7053RAA26), USD 600.0 million 7 % Senior Notes due 2017 (ISIN: USG7053RAB09) and USD 400.0 million 9.375 % Senior Notes due 2019 (ISIN: USG7053TAA81). These debt securities are listed on the Irish Stock Exchange in the Debt Securities Segment. The same subsidiary has issued USD 150.0 million guaranteed, convertible bonds due in 2015. These bonds are listed on the SIX Swiss Exchange (ISIN: CH0105325853) in the Debt Securities Segment (International Bonds).

Petroplus registered shares (Symbol: PPHN) are traded in the main market (clearing via SWX Europe) of the SIX Swiss Exchange (ISIN: CH0027752242). The market capitalization at December 31, 2010 was approximately CHF 1.2 billion (USD 1.3 billion).

Neither Petroplus Holdings AG nor any of its subsidiaries held treasury shares at December 31, 2010.

1.2 Significant Shareholders

Based on the notifications that we have received, our significant shareholders as of December 31, 2010 include:

Shareholder	Ownership in % of registered shares (Voting rights)	Ownership in % of potential shares [1]	December 31, 2010 Total Ownership	December 31, 2009 Total Ownership
Janus Capital Group, USA [2]	10.13 %	–	10.13 %	n.a.
FMR Corp., USA [3]	4.92 %	–	4.92 %	4.92 %
Thomas D. O'Malley, USA [4]	2.14 %	1.83 %	3.97 %	4.71 %
UBS AG, Switzerland [5]	3.45 %	–	3.45 %	< 3 %
JGD Management Corporation, USA [6]	–	–	< 3 %	3.82 %

Footnotes are outlined on page 47.

BlackRock, Inc., located at 40 East 52nd Street, New York, NY 10022, USA has reported on April 26, 2010 their ownership below 3 % after a reported ownership of 3.14 % on April 15, 2010.

Credit Suisse Asset Management Funds AG, located in Zurich, Switzerland has reported on December 16, 2009 their ownership below 3 % after a reported ownership of 3.05 % on July 6, 2009 and Invesco Limited, located in Atlanta, Georgia, has reported on September 24, 2009 their ownership below 3 % after a reported ownership of 3.47 % on September 21, 2009.

For specific information on the notifications that we received, we refer to the SIX Swiss Exchange website: www.six-exchange-regulation.com, under the section "Obligations – Disclosure of Shareholdings – Significant Shareholders".

To the best of our knowledge, no other shareholder holds 3 % or more of Petroplus Holdings AG voting and potential voting rights as at December 31, 2010. Additionally, we are not aware of any shareholder agreements.

Subsequent to December 31, 2010 and prior to the authorization of the Annual Report 2010 on February 28, 2011, FMR Corp. reported an increase in their ownership from 4.92 % to 5.04 % on January 31, 2011, and subsequently reported a decrease in their ownership to 4.95 % on February 15, 2011.

1.3 Cross-Shareholdings

There are no cross-shareholdings of Petroplus with another company or group of companies outside of the Petroplus group.

2 Capital Structure

2.1 Capital

The Company's share capital at December 31, 2010 was CHF 712,327,528 and is divided into 95,230,953 registered shares with a par value of CHF 7.48 each. The share capital is fully paid.

2.2 Authorized and Conditional Share Capital

Authorized Share Capital
As of December 31, 2010, the Board of Directors ("BoD") is authorized, according to article 5 of the Articles of Association, to increase the share capital, at any time until May 5, 2012, by a maximum amount of CHF 251,440,626 by issuing a maximum of 33,615,057 fully paid-up registered shares with a nominal value of CHF 7.48 each. The BoD is entitled to issue these shares by means of a firm underwriting by a banking institute or syndicate or by third parties and, subject to an exclusion of pre-emptive rights, subsequent offer to the shareholders, or in partial amounts.

Footnotes for the table on page 46

[1] Represents the potential ownership, held through financial instruments other than registered shares of Petroplus Holdings AG and calculated based on the requirements set out in Article 15 of the Ordinance of the Financial Market Supervisory Authority on Stock Exchanges and Securities Trading.
[2] Janus Capital Group, located at 151 Detroit Street, Denver, CO 80209, USA, is the parent company of Janus Capital Management LLC. Janus Capital Management LLC is an investment company and manages US and global portfolios. Janus Capital Group has reported on August 9, 2010 their ownership of 10.13 % (after a reported ownership of 5.56 % on April 21, 2010 and 3.66 % on April 19, 2010).
[3] FMR Corp., located at 82 Devonshire Street, Boston, MA 02109, USA, is the parent company of Fidelity Management & Research Company, an investment manager for US mutual funds, and Fidelity Management Trust Company, a US state chartered bank which acts as a trustee or investment manager for various pension and trust accounts. FMR Corp. has reported on August 31, 2010 their ownership of 4.92 % (after a reported ownership of 6.53 % on February 3, 2010, 4.92 % on October 29, 2009, 5.07 % on September 28, 2009 and 4.53 % on September 17, 2009).
[4] Mr. Thomas D. O'Malley served as our Chairman until his retirement on February 2, 2011 and lives in Stuart, Florida, USA. The ownership of 3.97 % represents the status as of December 31, 2010 (includes ownership by Horse Island Partners and The T.D. & M.A. O'Malley Foundation, a charitable organization) after a reported ownership of 4.56 % on September 21, 2009 with SIX.
[5] UBS AG, located at Bahnhofstrasse 45, P.O. Box 8090, Zurich, Switzerland, is an international investment bank and provider of financial services. UBS AG has reported on December 14, 2010 their ownership of 3.45 % (after a reported ownership below 3 % on November 14, 2009 and 3.15 % on November 14, 2008).
[6] JGD Management Corporation, located at 767 Fifth Avenue, New York, NY 10153, USA, is an international investment group and institutional investment manager. On February 24, 2011, JGD Management Corporation reported that it has sold their ownership on October 6, 2008 (after a reported ownership of 3.82 % on October 2, 2008). For consistency purposes, the ownership disclosed as of December 31, 2009 has not been adjusted.

The BoD is authorized to determine the issue date, the issue price, the manner in which the new shares have to be paid-up, the date from which they carry the right to dividends and the allocation of unexercised pre-emptive rights. The BoD is authorized to either forfeit pre-emptive rights which are not exercised, or to place those or the shares, respectively, for which the pre-emptive rights were granted but not exercised, at market conditions or to use them otherwise in the interest of Petroplus Holdings AG.

The BoD is authorized to exclude or to restrict the pre-emptive rights of the shareholders provided that the new shares are to be used for the takeover of enterprises by way of exchange of shares or for the financing of the takeover of enterprises, of parts of enterprises or of participations or the financing of new investment projects of the Company, or in the case of a national or international private or public placement of shares in order to finance such transactions, and for granting an over-allotment option (greenshoe) of up to 20 % of the new shares to the joint lead managers in connection with a placement of shares at market price.

Conditional Share Capital

As of December 31, 2010, Petroplus Holdings AG's share capital may be increased by a maximum amount of CHF 217,638,117 by issuing up to 29,096,005 fully paid-up registered shares with a nominal value of CHF 7.48 each. A maximum of 4,227,705 of these registered shares are available for issuance to directors, employees and consultants of Petroplus Holdings AG and its subsidiaries by exercising option rights granted to them or investors in connection with the purchase of shares (see article 6 of the Articles of Association and section 2.6 "Convertible Bonds, Warrants and Options"). The right of the shareholders to exercise their statutory pre-emptive rights is excluded. Up to 24,868,300 registered shares are available for issuance through the exercise of conversion and/or option rights, granted in connection with the issuance of new or existing convertible bonds, convertible loans and/or bonds with option rights (subsequently called "Equity Related Financing Instruments") or other equity related financing instruments of Petroplus Holdings AG or one of its subsidiaries in one or more issues (see article 6a of the Articles of the Association). The holders of conversion or option rights are entitled to new shares.

In connection with the issuance of Equity Related Financing Instruments of Petroplus Holdings AG or its subsidiaries, the BoD is authorized to restrict or exclude the rights of advanced subscription of existing shareholders and to allocate such rights to third parties for the financing or refinancing of the acquisitions of enterprises or divisions thereof, or of participations, or of new investment plans of Petroplus Holdings AG or its subsidiaries, or the issuance of Equity Related Financing Instruments on national or international capital markets, the re-financing of existing convertible bonds or other Equity Related Financing Instruments and the securing of optimal issuance conditions of Equity Related Financing Instruments.

To the extent the pre-emptive subscription rights are excluded, the Equity Related Financing Instruments have to be offered at market conditions, the conversion rights may be exercised only for up to 10 years and option rights only during a period of up to 7 years from the date of issue of the relevant Equity Related Financing Instruments, and the issue price for new shares (including possible premiums on options and benefits) has to be in accordance with the market conditions at the time of issuance of the relevant Equity Related Financing Instruments.

2.3 Changes of Share Capital

The changes to Petroplus Holdings AG's share capital over the last three years are described as follows:

Year Ended December 31, 2008

At the ordinary shareholders' meeting held on May 7, 2008, the shareholders resolved to reduce the share capital by CHF 68,641,599 to CHF 561,488,280 or CHF 1.00 per registered share. The entry of the share capital reduction in the commercial register took place on July 22, 2008 and the repayment of CHF 1.00 per registered share was paid to the shareholders on July 29, 2008.

During 2008, employees, members of the Executive Committee and BoD exercised 418,632 options granted under the Equity Participation Plan and the Equity Incentive Plan. Accordingly 418,632 new shares with a nominal amount of CHF 8.18 each were issued out of the conditional capital according to article 6 of the Articles of Association. The share capital was increased accordingly by CHF 3,424,410 and amounted to CHF 564,912,690 divided into 69,060,231 shares with a nominal value of CHF 8.18 each as of December 31, 2008.

Year Ended December 31, 2009

At the ordinary shareholders' meeting held on May 6, 2009, the shareholders resolved to reduce the share capital by CHF 41,436,138 to CHF 523,476,550 or CHF 0.60 per registered share. The entry of the share capital reduction in the commercial register took place on July 21, 2009 and the repayment of CHF 0.60 per registered share was paid to the shareholders on July 28, 2009.

During September 2009, the Company completed a rights issue and international offering whereby the Company issued 17,265,058 new registered shares from existing authorized share capital. Existing shareholders were entitled to subscribe for one new share at a subscription price of CHF 16.90 per share for every four existing shares held. The new shares began trading on September 22, 2009. Accordingly, the share capital amounted to CHF 654,345,690 and was divided into 86,325,289 registered shares with a par value of CHF 7.58 each as of December 31, 2009.

Year Ended December 31, 2010
During May 2010, Petroplus completed a private placement whereby it issued 8,650,000 new registered shares with a nominal value of CHF 7.58 each out of its authorized capital according to article 5 of the Articles of Association. The shares were sold at a price of CHF 17.50. The first trading day of the new shares was May 7, 2010. This additional offering increased the share capital by CHF 65,567,000.

At the ordinary shareholders' meeting held on May 5, 2010, the shareholders resolved to reduce the share capital by CHF 0.10 per registered share. The entry of the share capital reduction in the commercial register took place on July 15, 2010 and the repayment of CHF 0.10 per registered share amounting to CHF 9,519,456 was paid to shareholders on July 26, 2010.

During 2010, members and former members of the Executive Committee exercised 255,664 Restricted Share Units ("RSUs") and options granted under the Equity Participation Plan and the Equity Incentive Plan. Accordingly, 255,664 new shares were issued out of the conditional capital according to article 6 of the Articles of Association. Consequently, the share capital was increased by CHF 1,934,294. Accordingly, the share capital amounts to CHF 712,327,528 and is divided into 95,230,953 registered shares with a par value of CHF 7.48 each as of December 31, 2010.

2.4 Shares, Participation and Profit Sharing Certificates

Registered Shares
As of December 31, 2010, Petroplus Holdings AG has 95,230,953 fully paid registered shares in issue, each with a nominal amount of CHF 7.48. Each registered share is entitled to one vote at the annual general meeting of shareholders. Voting rights may only be exercised after the shareholder has been registered in the share register. All shares participate equally in and are entitled to full dividends declared by the Company.

According to the Articles of Association, shareholders are not entitled to request the printing and delivery of certificates for registered shares. However, the shareholder may at any time request a confirmation of the number of his or her registered shares, which is to be issued by Petroplus Holdings AG.

Participation and Profit Sharing Certificates
Petroplus Holdings AG did not have any participation certificates or profit sharing certificates outstanding at December 31, 2010 or at any time within the periods presented in this Annual Report.

2.5 Limitations on Transferability and Nominee Registrations

There are no restrictions for Swiss or foreign investors with regard to registration in the share register, insofar as they declare to have acquired shares for their own account. See also articles 7 and 8 of the Articles of Association.

Persons not expressly declaring themselves to be holding shares for their own account in their application for entry in the register of shares (a "Nominee") will be entered for a maximum of 5 % of the outstanding share capital. Above this limit, registered shares held by Nominees will be entered in the share register with voting rights only if the Nominee in question makes known the names, addresses and shareholdings of the persons for whose account such Nominee is holding 0.5 % or more of the outstanding share capital according to the commercial register. The BoD has the right to conclude agreements with such Nominees regulating the representation of shareholders and of the voting rights.

Legal entities and associations that are linked through capital ownership or voting rights, through common management or in like manner, as well as individuals, legal entities or partnerships that act in concert with the intent to evade the entry restriction, are considered as one shareholder or Nominee.

2.6 Convertible Bonds, Warrants and Options

Convertible Bonds

On October 16, 2009, Petroplus Finance Ltd., a subsidiary of the Company, issued USD 150.0 million in guaranteed senior secured convertible bonds due 2015. Additional information on the convertible bonds can be found in Note 18 "Interest-Bearing Loans and Borrowings" to the Consolidated Financial Statements of Petroplus Holdings AG.

Warrants, Options and Restricted Stock Units

At December 31, 2010, Petroplus has 3,504,564 options and RSUs outstanding that were granted through two plans: the Equity Incentive Plan and the Equity Participation Plan.

Under the Equity Incentive Plan, options were granted to investors (some of whom are Directors or members of the Executive Committee) in connection with the Company's shares and are not dependent upon employment or service. At December 31, 2010 a total of 2,013,751 options are outstanding under this plan.

Under the Equity Participation Plan, options and RSUs were granted to employees, members of the Executive Committee and members of the BoD:

- At December 31, 2010, a total of 1,119,824 options are outstanding which were granted between November 30, 2006 and December 31, 2010.
- At December 31, 2010, a total of 370,989 RSUs are outstanding which were granted between February 4, 2009 and December 31, 2010.

See Note 22 "Shareholders' Equity" and Note 24 "Share-based Payments" in the Consolidated Financial Statements and Note 6 "Compensation, Shareholdings and Loans" of the Statutory Financial Statements of Petroplus Holdings AG for further information regarding these plans.

3 Board of Directors

Composition of the Board of Directors and its Committees at December 31, 2010

Board of Directors

Chairman:
Thomas D. O'Malley*

Vice Chairman:
Patrick Monteiro de Barros*

Markus Dennler
Walter Grüebler
Robert J. Lavinia
Maria Livanos Cattaui
Eija Malmivirta
Werner G. Müller
Patrick Power
Jean-Paul Vettier

Audit Committee

Markus Dennler (Chairperson)
Walter Grüebler
Werner G. Müller

Nominating and Corporate Governance Committee

Eija Malmivirta (Chairperson)
Maria Livanos Cattaui
Robert J. Lavinia
Werner G. Müller

Compensation Committee

Patrick Monteiro de Barros (Chairperson)
Eija Malmivirta
Patrick Power

* Thomas D. O'Malley retired as Chairman and member of the BoD on February 2, 2011. Patrick Monteiro de Barros, formerly Vice Chairman of the Board, has succeeded Mr. O'Malley as Chairman.

3.1 Members of the Board of Directors

Petroplus Holdings AG's Articles of Association stipulate that the BoD consists of a minimum of three members. At December 31, 2010, the BoD has ten members and is composed as follows:

Name	Nationality	Position	Date of first appointment	Term expires
Thomas D. O'Malley	American	Chairman, non-executive member	February 2006 [1]	2011 [2]
Patrick Monteiro de Barros [2][3]	Portuguese	Vice Chairman, Committee Chairperson, non-executive member	November 2006	2012
Markus Dennler	Swiss	Committee Chairperson, non-executive member	November 2006	2012
Walter Grüebler	Swiss	Non-executive member	November 2006	2011
Robert J. Lavinia [4]	American	Non-executive member	May 2007	2013
Maria Livanos Cattaui	Swiss	Non-executive member	November 2006	2011
Eija Malmivirta	Finnish	Committee Chairperson, non-executive member	November 2006	2012
Werner G. Müller [4]	Swiss	Non-executive member	May 2007	2013
Patrick Power	Irish	Non-executive member	November 2006	2011
Jean-Paul Vettier [4]	French	Executive member and Chief Executive Officer	May 2010	2013

[1] Includes Thomas D. O'Malley's term as Chairman of Argus.
[2] Thomas D. O'Malley's retirement as Chairman and member of the BoD, originally announced on December 8, 2010 and effective May 5, 2011, was brought forward to the Petroplus Board meeting on February 2, 2011, due to the continuing rapid development of PBF Energy Company LLC, of which he is Chairman of the BoD. Patrick Monteiro de Barros, formerly Vice Chairman of the Board, has now succeeded Mr. O'Malley as Chairman.
[3] Patrick Monteiro de Barros was a founder of and a member of the BoD of Argus from February 2006 to August 2006.
[4] At the fourth Annual General Meeting of Petroplus Holdings AG on May 5, 2010, Robert J. Lavinia and Werner G. Müller were re-elected members of the BoD and Jean-Paul Vettier was elected member of the BoD, all for a tenure of three years.

3.2 Education, Professional Background, Other Activities and Functions

With the exception of Mr. O'Malley, our Chairman, who served as our CEO from May 2006 to March 2008, Mr. Lavinia, who served as our CEO from March 2008 until August 2009, and Mr. Vettier, our CEO, who succeeded Mr. Lavinia, none of the other members of the BoD has or had any management responsibility within Petroplus. With the exception of their ownership interest, none of the other members of the BoD has or have had any significant business connection with Petroplus or its affiliated companies other than those disclosed below. None of the members of the BoD have official functions or hold political posts.

Thomas D. O'Malley
(Chairman, non-executive member)

Education
Bachelor of Science in Economics from Manhattan College, USA.

Professional background
Thomas D. O'Malley has served as Chairman of the BoD since May 2006. Mr. O'Malley was CEO of Petroplus from May 2006 to March 2008. Mr. O'Malley also serves as Chairman and CEO of PBF Investments LLC, the managing entity of a US partnership of which Petroplus was an approximate one-third owner until October 2010.

Prior to his involvement with Petroplus, Mr. O'Malley was Chairman of the BoD of Premcor Inc., a US domestic oil refiner and Fortune 250 company listed on the New York Stock Exchange until its sale to Valero in August 2005. Before joining Premcor, Mr. O'Malley was Chairman and CEO of Tosco Corporation. This Fortune 100 Company was the largest independent oil refiner and marketer of oil products in the United States. Prior to his involvement with Premcor and Tosco, Mr. O'Malley was Vice Chairman of Salomon Inc.

Activities in governing and supervisory bodies
Mr. O'Malley is Chairman of the Board of Trustees of Manhattan College and is a member of the Board of the National Petrochemical & Refiners Association ("NPRA"), Washington, D.C., the trade association representing the US Refining and Petrochemical Industry. Mr. O'Malley also serves as Chairman and CEO of PBF Investments LLC, USA.

Permanent management and consultancy functions for Swiss and foreign interest groups
None.

Patrick Monteiro de Barros
(Vice Chairman and Chairperson of the Compensation Committee, non-executive member)

Education
BA from the University of Paris and Ecole Supérieur de Commerce de Paris, France.

Professional background
Patrick Monteiro de Barros has served as Chairman and CEO of Argus Resources Ltd. (U.K.) since 1988. He was president and CEO of Sigmoil Resources from 1987 to 1988 and Senior Vice President of Philipp Brothers from 1975 to 1987.

Activities in governing and supervisory bodies
Mr. de Barros serves as a Chairman of the Monteiro de Barros Foundation, Lisbon, Portugal, Chairman of Protea Holdings, NY, USA and is a non-executive member of the Board of the Espirito Santo Financial Group.

Permanent management and consultancy functions for Swiss and foreign interest groups
None.

Markus Dennler, Dr.
(Chairperson of the Audit Committee, non-executive member)

Education
Juris Doctor from the University of Zurich and admitted to the Bar. Further he attended the International Bankers School in New York and the Harvard Business School (AMP), USA.

Professional background
Markus Dennler served in a series of positions within the Credit Suisse Group, ultimately as a member of the Executive Board of Credit Suisse Financial Services and as CEO responsible for the global operational life and pensions business. Prior to that, he was a member of the Corporate Executive Board of Winterthur Insurance, at that time a subsidiary of Credit Suisse Group.

Activities in governing and supervisory bodies
Dr. Dennler currently serves as Vice Chairman of Implenia and Allianz Suisse and as a member of the Board of Swissquote.

Permanent management and consultancy functions for Swiss and foreign interest groups.
Council member of the British Swiss Chamber of Commerce.

Walter Grüebler, Dr.
(Non-executive member)

Education
Dr. oec. HSG and Master of Business Administration (lic. oec. HSG) from the University of St. Gallen, Switzerland.

Professional background
Walter Grüebler served as CEO of Sika AG from 2000 to 2004. From 1990 to 1999, Mr. Grüebler was a member of Group Management of Alusuisse AG and from 1974 to 1990 was CEO and Vice Chairman of the BoD of Airex AG.

Activities in governing and supervisory bodies
Dr. Grüebler serves as Chairman of the BoD of Sika AG, Chairman of Adval Tech AG and Nationale Versicherungen. Dr. Grüebler is a Board member of ETH Foundation, Zurich, Switzerland.

Permanent management and consultancy functions for Swiss and foreign interest groups
None.

Robert J. Lavinia
(Non-executive member)

Education
Graduated from the US Merchant Marine Academy and the Harvard Business School (AMP), USA.

Professional background
Robert J. Lavinia has served on the BoD since May 2007. He was President of Petroplus from July 5, 2007 until March 1, 2008, and CEO of Petroplus from March 1, 2008 until August 31, 2009. Prior to joining Petroplus, he worked for a number of large energy companies including Gulf Oil Corporation (1970–1980), Phibro Energy Corporation (1980–1991) and Tosco Corporation (1992–2001). Mr. Lavinia served on the BoD of Transcor SA, a Belgium based trading company from 2002 to 2006 and as Chairman of the Board of the Pasadena Refining Company from 2005 to 2006.

Activities in governing and supervisory bodies
None.

Permanent management and consultancy functions for Swiss and foreign interest groups
None.

Maria Livanos Cattaui (Non-executive member)

Education
BA with Honors from Harvard University, USA, and an honorary Doctor of Laws degree from York University, Canada.

Professional background
Maria Livanos Cattaui was Secretary-General of the International Chamber of Commerce from 1996 through June 2005. Prior to this position, Mrs. Cattaui was with the World Economic Forum in Geneva for nearly two decades, rising to become Managing Director, responsible for the forum's annual meeting in Davos.

Activities in governing and supervisory bodies
Mrs. Cattaui serves on various non-profit boards around the world: Chairman of the Balkan Children and Youth Foundation, Skopje, member of the Executive Committee of the International Crisis Group, Brussels, member of the Board and Advisory Board of ICT for Peace Foundation, Geneva, East-West Institute, New York, the Institute of International Education, New York, the National Bureau of Asian Research (NBR), the Schulich School of Business at the York University, Toronto, and the Elliott School of International Affairs at the George Washington University, Washington D.C.

Permanent management and consultancy functions for Swiss and foreign interest groups
None.

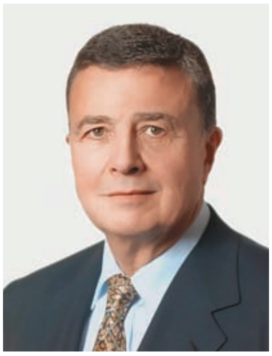
Eija Malmivirta (Chairperson of the Nominating and Corporate Governance Committee, non-executive member)

Education
Master of Sciences from Helsinki University of Technology in Finland.

Professional background
Eija Malmivirta served as Chairman and principal owner of Merei Oy Ltd. from 1996 to 2002. From 1969 to 1996, she served in various positions with Neste Oyj, most recently as Executive Vice President, Head of Neste Oil Trading and Supply.

Activities in governing and supervisory bodies
Ms. Malmivirta serves as a member of the BoD of Kotimaa Yhtiöt Oy, Helsinki, and Miinan Hoitolat Oy, Helsinki.

Permanent management and consultancy functions for Swiss and foreign interest groups
None.



Werner G. Müller, Dr. (Non-executive member)

Education
PhD in geology from the University of Basel, Switzerland.

Professional background
Werner G. Müller has more than 40 years of professional experience in technical and economic aspects of the mining, metallurgical and oil and gas businesses. Dr. Müller has worked for the world's leading commodity trading firms, including Philipp Brothers (1971 – 1985), Glencore and its predecessor Marc Rich (1989 – 2000). Since 2000, Dr. Müller has been an independent minerals industry consultant. He is also a Senior Associate of Behre Dolbear, a US-based consulting group specialized in evaluating minerals industry assets and providing mining financial services.

Activities in governing and supervisory bodies
None.

Permanent management and consultancy functions for Swiss and foreign interest groups
None.

Patrick Power
(Non-executive member)

Education
Bachelor of Sciences in Experimental Physics from University College Dublin, Ireland; Master of Sciences in Geophysics from Imperial College London, UK; MBA from University College, Cork, Ireland. Patrick Power is also a chartered engineer and a fellow of the Institution of Engineers of Ireland.

Professional background
Patrick Power has served as founder and Managing Director of Shannon LNG Limited since 2003. Prior to that, he served as director and CEO of the Irish National Petroleum Corporation from 1998 to 2001 and the Irish Petroleum Company from 2001 to 2002. From 1973 to 1993, Mr. Power held various positions with Marathon Oil Company, including President of Marathon International Petroleum – Worldwide Business Development.

Activities in governing and supervisory bodies
Mr. Power serves as a Managing Director and member of the BoD of Shannon LNG Ltd.

Permanent management and consultancy functions for Swiss and foreign interest groups
None.

Jean-Paul Vettier
(Chief Executive Officer and executive member)

Education
Undergraduate degree in Economic Sciences and Law from the University of Paris, France.

Professional background
Jean-Paul Vettier was appointed CEO in September 2009. Prior to joining Petroplus, he was active in advising investment and management firms on energy matters and he has also served as a Board Member for companies based in the US, Europe and Canada. From 1993 to March 2006, he was Chairman and CEO and member of the Executive Committee of Total Refining & Marketing, a multinational energy company. Between 1992 and 1996, he was non-executive Chairman of Total Petroleum North America. Prior to joining Total in 1990, he served as the General Manager of the Petrochemical Division and as a member of the Executive Committee at Orkem from 1987 to 1989. From 1970 to 1986, Mr. Vettier was employed by Rhône-Poulenc, a chemical and petrochemical firm where he held operational responsibilities.

Activities in governing and supervisory bodies
Director of Overseas Shipholding Group, a New York based shipping company and DOMO NV, a Belgian chemical company.

Permanent management and consultancy functions for Swiss and foreign interest groups
None.

3.3 Elections and Terms of Office

The members of the BoD are generally elected for terms with a maximum of three years at the annual general shareholders' meeting. A year is defined as the period between two ordinary shareholders' meetings. The individual terms of office of the members are coordinated in such a way that every year approximately one-third of the members are subject to reelection or election. Each year, the members were elected individually. The expiry dates of the elected terms of all members of the BoD are disclosed in the table on page 51.

The BoD appoints its own Chairman and Vice Chairman.

3.4 Internal Organizational Structure

The BoD is the supreme management body of Petroplus and consists of the Chairman, the Vice Chairman and the other members. In accordance with the Organizational Regulations of Petroplus Holdings AG, our BoD has established three committees: the Audit Committee, the Nominating and Corporate Governance Committee and the Compensation Committee. Each committee advises the BoD on the matters specified below, often with the assistance of the Executive Committee and others involved in the management of Petroplus Holdings AG. The chairperson of each of the committees informs the BoD of all significant issues discussed at the committee meetings and provides recommendations for decisions required to be made by the BoD. Members of the committees are non-executive members of the BoD and are independent of Petroplus. For purposes of committee membership, independent means a non-executive member of the BoD who was not a member of the Executive Committee during the past three years and who has had no or comparatively minor business relations with Petroplus Holdings AG. This restriction can be waived by the BoD depending on the individual circumstances. No member of any committee may have any relationship that, in the opinion of the BoD, would interfere with the exercise of his or her independent judgment as a member of the relevant committee.

There have been eight BoD meetings held during the year, typically lasting approximately two to five hours each, or the time necessary to fulfill their purpose.

The BoD and the committees have invited members of the Executive Committee and external consultants to deal with specific issues as necessary.

Audit Committee

Members: Markus Dennler (Chairperson), Walter Grüebler and Werner G. Müller.

The Audit Committee supports the BoD as a consulting, controlling and initiating body in the areas of communicating with internal and external auditors, supervising the independence and objectivity of the internal audit function, reviewing and assessing the independence of external auditors, reviewing and assessing financial reporting as well as assessing the adequacy of internal control systems. The Audit Committee encourages continuous improvement of, and adherence to Petroplus Holdings AG's policies, procedures and practices at all levels.

The Audit Committee is composed of at least two members of the BoD as determined by the BoD. Each member of the Audit Committee must be a non-executive and independent director. The committee normally meets at least four times a year for the time necessary to fulfill its purpose, which is estimated to be no less than one hour, or more frequently as circumstances dictate. In 2010, the committee held four meetings, lasting approximately three to five hours each.

Nominating and Corporate Governance Committee

Members: Eija Malmivirta (Chairperson), Maria Livanos Cattaui, Robert J. Lavinia and Werner G. Müller.

The Nominating and Corporate Governance Committee establishes principles for the selection of nominees for election or re-election to the BoD, suggests nominees for election to the BoD and makes recommendations to the BoD concerning corporate governance matters and practices.

The Nominating and Corporate Governance Committee is composed of at least two members of the BoD as determined by the BoD. The majority of them must be non-executive and independent directors. The committee normally meets approximately two to four times a year for the time necessary to fulfill its purpose, which is estimated to be no less than one hour, or more frequently as circumstances dictate. In 2010, the committee held five meetings, lasting approximately one to three hours each.

Compensation Committee

Members: Patrick Monteiro de Barros (Chairperson),
Eija Malmivirta and Patrick Power.

The Compensation Committee supports the BoD to assure that the executive officers and the members of the BoD are compensated in a manner consistent with our stated compensation strategy, internal equity considerations, competitive practice, regulatory requirements and our shareholders' interests.

The Compensation Committee is composed of at least two members of the BoD as determined by the BoD. The majority of them must be non-executive and independent directors. The committee normally meets approximately two to four times a year for the time necessary to fulfill its purpose, which is estimated to be no less than one hour, or more frequently as circumstances dictate. In 2010, the committee held four meetings, lasting approximately one to three hours each.

3.5 Definition of Areas of Responsibility

While the BoD has delegated the executive management of Petroplus to the CEO and the Executive Committee, the following responsibilities remain with the Board:

- election of the Chairman, Vice Chairman, Chairperson and members of the Audit Committee, Nominating and Corporate Governance Committee and the Compensation Committee;
- definition of the ultimate direction of the Company and the handing out of necessary instructions;
- definition and modification of the strategy of the Company as well as the passing of resolutions about taking up or suspending of business activities;
- establishment of the organization;
- appointment and dismissal of members of the Executive Committee and of other signatories of the Company;
- approval of the annual budget and deviations from it;
- approval of the financial planning and establishment of principles of accounting and financial control;
- determination of the fiscal year of the Company;
- supervision and control of the members of the Executive Committee, especially with respect to compliance with laws, the Articles of Association, internal directives and instructions;
- preparation of the annual report and general meetings, as well as the execution of its decisions;
- notification of the judge in case of over-indebtedness or bankruptcy based on Article 725 of the Swiss Code of Obligation ("CO");
- decisions about contributions on shares not fully paid and in connection with the increase of share capital out of the authorized capital, including decisions to delete outdated provisions;
- approval of mass redundancies as set out in Article 335d of the CO or similar foreign regulations; and
- purchases and sales of real estate, subsidiaries or businesses if the consideration exceeds CHF 80 million, borrowings that exceed CHF 500 million, petroleum contracts that exceed 600,000 barrels per month and extend more than one year and other contracts that exceed CHF 200 million per year and all transactions between the Company and the CEO or the other members of management or persons closely related to them.

3.6 Information and Control Instruments vis-à-vis the Executive Committee

Petroplus' reporting system uses professional reporting and consolidation software. Comprehensive Income and Financial Position Statements are consolidated and reported on a monthly basis, including other information pertinent to an up-to-date controlling system, such as sales and operating profit details. On a monthly basis, each refinery, marketing and other business controller reports a detailed analysis on the changes in financial information. This analysis incorporates changes in the market, operations, and other relevant areas. Additionally, this analysis is compared to the budget that was approved by the BoD in the fourth quarter of the previous year. The Chief Financial Officer ("CFO") provides the BoD a summary analysis on the financial and operational results on a monthly basis.

The members of the Executive Committee are regularly involved in the meetings of the BoD and the Audit Committee. The CFO presents the financial information of the Company to the Audit Committee and the BoD on a quarterly and annual basis.

The Internal Audit function assists the BoD in the execution of its oversight responsibilities by providing independent and objective assessments of the effectiveness of the Company's risk management, internal control and governance processes. Internal Audit activities are based on an annual audit plan developed using an appropriate risk-based methodology that covers all operations of the Company. This audit plan is approved by the BoD after review by the Audit Committee. The results of internal audits are communicated directly to the Executive Committee, the Audit Committee, the Chairman of the Board and the External Auditors through formal Internal Audit reports. Regular follow-up is performed to ensure that risk mitigation and control improvement measures are implemented on a timely basis.

The Director of Internal Audit reports directly to the Audit Committee to ensure independence from management.

The Internal Audit function is committed to abiding by the Standards for Professional Practice of Internal Auditing set out by the Institute of Internal Auditors.

4 Executive Committee

4.1 Members of the Executive Committee

The five members of the Executive Committee are as follows:

Name	Nationality	Position
Jean-Paul Vettier	French	Chief Executive Officer and member of the Board of Directors
Chester J. Kuchta	American	Executive Vice President and Chief Operating Officer
Peter F. Senkbeil [1)]	German	General Manager Refining
W. Thomas Skok	American	General Counsel and Corporate Secretary
Joseph D. Watson [2)]	American	Executive Vice President and Chief Financial Officer

1) Effective February 2, 2010, Peter F. Senkbeil was appointed General Manager Refining.
2) Effective August 5, 2010, Joseph D. Watson was appointed CFO, replacing Karyn F. Ovelmen. Ms. Ovelmen continued to serve as an employee in a transition position until the end of August 2010.

4.2 Education, Professional Background, Other Activities and Functions

None of the members of the Executive Committee are members of governing or supervisory bodies of Swiss or foreign organizations outside of the Petroplus group, other than those disclosed for Jean-Paul Vettier. None of the members hold permanent management or consultancy functions for Swiss or foreign interest groups, and none of the members have official functions or hold political posts.

Jean-Paul Vettier
(Chief Executive Officer and executive member of the Board of Directors)

See section “Board of Directors” on page 55.

Tasks previously carried out for Petroplus
None.

Chester J. Kuchta
(Executive Vice President and Chief Operating Officer)

Education
Bachelor of Sciences in Chemical Engineering from Brown University, USA.

Professional background
Chester J. Kuchta has served as our Chief Operating Officer since November 2009. He joined Petroplus in June 2006 as Chief Commercial Officer. Prior to this position, he served as Vice President of Crude Oil Supply and Trading at the Premcor Refining Group Inc. from April 2002 until September 2005, when Premcor was acquired by Valero Energy. Prior to joining Premcor, Mr. Kuchta served as the Crude Oil Supply Manager for Phillips 66 Company's East Coast and Gulf Coast Systems, following Phillips' acquisition of Tosco Corporation in 2001. Prior to joining Phillips, Mr. Kuchta served in various commercial and refining positions at Tosco from 1996 to 2001. Prior to joining Tosco, Mr. Kuchta spent six years at the Exxon Corporation in various refining, economic and environmental engineering positions.

Tasks previously carried out for Petroplus
Served as Chief Commercial Officer from 2006 to 2009.

Peter F. Senkbeil
(General Manager Refining)

Education
Diploma in Mechanical Engineering from University of Applied Sciences Hannover, Germany.

Professional background
Peter F. Senkbeil has served as our General Manager Refining since November 2009 and as a member of the Executive Committee since February 2010. He was the General Manager for the Inland Refining System from 2007 to 2009. Mr. Senkbeil has 30 years of experience in the refining industry. He was the refinery manager at the Exxon Ingolstadt refinery from 1997 until 2007, when Ingolstadt was acquired by Petroplus. Mr. Senkbeil holds a degree in mechanical engineering and joined Exxon in 1980 where he progressed through management positions in maintenance, engineering and operations in the former German Exxon refineries. He also held several non-refinery assignments including Supply Manager for Exxon Central and East Europe as well as foreign assignments to the US with Exxon Research and Engineering.

Effective February 2, 2010, Mr. Senkbeil was appointed as a member of the Executive Committee.

Tasks previously carried out for Petroplus
Served as General Manager for the Inland Refining System from 2007 to 2009.

W. Thomas Skok
(General Counsel and Corporate Secretary)

Education
Bachelor of Arts Degree from Lycoming College, Pennsylvania, USA, and Juris Doctor from Western State University, College of Law, USA.

Professional background
W. Thomas Skok has served as our General Counsel and Corporate Secretary since December 2009. He previously served as Associate General Counsel of Petroplus from 2007 to 2009. Prior to joining Petroplus, Mr. Skok served as Senior Counsel supporting Conoco Phillips' downstream businesses from 2001 until February 2007. From 1997 to 2001, he was Associate General Counsel at Tosco Corporation. Prior to joining Tosco, Mr. Skok served as Deputy General Counsel at Unocal Corporation from 1984 to 1997. Prior to earning his license to practice law, he served in various financial management positions for Unocal's Industrial Chemicals businesses.

Tasks previously carried out for Petroplus
Served as Associate General Counsel of Petroplus Marketing AG from 2007 to 2009.

Joseph D. Watson
(Executive Vice President and Chief Financial Officer)

Education
Bachelor of Arts Degree from Princeton University, USA, and Program for Management Development at Harvard Business School, USA.

Professional background
Joseph D. Watson has served as our CFO since August 2010. Mr. Watson has thirteen years of executive experience in the independent refining sector. He served as Senior Vice President and CFO of Premcor Inc. from January to September 2005 after spending several years at various management levels in the company. Prior to joining Premcor, he spent nine years with Tosco Corporation, serving as president of The e-Place.com, Ltd., a wholly owned subsidiary of Tosco, and as Vice President of Tosco Shared Services from November 2000 to February 2002. From 1993 to 2000, Mr. Watson served in various financial management positions at Tosco. From 1991 to 1993, he served as Vice President of Argus Investments, Inc., a private investment company. More recently, Mr. Watson has been involved at the executive level in the alternative energy industry, serving as the CFO of Process Energy Solutions LLC, and has consulted for various energy companies, including PBF Energy Company.

Effective August 5, 2010, Mr. Watson succeeded Ms. Karyn F. Ovelmen as the CFO of the Company.

Tasks previously carried out for Petroplus
None.

4.3 Management contracts

Petroplus does not have management contracts with third parties.

5 Compensation, Shareholdings and Loans

5.1 Content and Method of Determining the Compensation and the Share-Ownership Programs

Compensation for the BoD and for the Executive Committee is determined by the Compensation Committee and is subject to approval by the BoD. The remunerations paid in 2010 are in accordance with this authorization procedure and are consistent with the Company's rewards policy. The information included here follows the guidelines of the SIX Swiss Exchange.

Compensation Policy

Petroplus' human resources philosophy centers on valuing employees and their contributions to the success of the Company. These principles also apply to members of the BoD and the Executive Committee. Wherever possible, Petroplus uses results- and performance-driven compensation programs that are based on relevant market practices. Our rewards policy focuses on total compensation which is comprised of three elements:

- Base salaries;
- Short-term incentive awards; and
- Long-term equity incentives.

Compensation decisions are guided by clearly defined program structures that ensure fair and transparent treatment.

Compensation Committee

The Compensation Committee of the BoD has established policies to ensure that management and employees are rewarded appropriately for their contributions to the Company's growth and profitability, that the executive compensation strategy supports organizational objectives and shareholder interests and that compensation is demonstrably contingent upon sustainable Company success and the individual contribution by each person. The Committee regularly monitors market data and industry practices and has established programs to provide a framework for compensation at all levels of the Company.

Petroplus uses a variety of information to obtain insight to market practices. Several external advisors, including leading compensation consulting groups, are regularly consulted. The relevant market data is derived from the Swiss Leader Index (SLI) and the index STOXX Europe – TMI Oil & Gas Producers as well as from specially commissioned refining industry studies.

Principle initiatives of the Compensation Committee in 2010 include the standardization of executive employment agreements, industry benchmarking studies, introduction of a newly designed Corporate Bonus Program and implementation guidelines for the Petroplus Equity Participation Plan.

In 2010, the Compensation Committee supported the introduction of a new short-term variable reward program: The Corporate Bonus Program. This is a key element of the Company's total compensation approach and applies to all eligible employees, including the Executive Committee. The new program acknowledges and rewards contributions at three levels:

- Total Company performance;
- Business unit or team accomplishment; and
- Individual performance.

Metrics are established for each of these components with the main purpose of rewarding annual performance.

The BoD approves the available funding for compensation programs and the individual awards to the non-executive Directors and the Executive Committee.

Non-Executive Members of the Board of Directors

The BoD determines the compensation to non-executive members of the BoD. For 2010, the following forms of compensation were received by non-executive members of the BoD:

- Board of Directors fees – With the exception of our Chairman, Thomas D. O'Malley, each non-executive member of the BoD was paid an annual compensation of CHF 202,500 for services provided. This represented a 10% reduction from 2009. In addition, the chairperson of the Audit Committee received additional annual compensation of CHF 100,000, and the committee chairpersons of the Compensation Committee and the Nominating and Corporate Governance Committee each received additional annual compensation of CHF 20,000.
- Other cash compensation – Each non-executive member of the BoD received compensation of CHF 5,500 for each board and/or committee meeting attended and reimbursement of out-of-pocket expenses incurred for attending Committee and Board meetings.
- Equity Participation Plan – The non-executive members of the BoD are eligible to participate in the Petroplus Equity Participation Plan. The equity compensation granted is approved by the BoD. No such equity awards were granted to non-executive members of the BoD in 2010.
- The agreement for Thomas D. O'Malley provides for an annual base salary in the amount of CHF 600,000.

Executive Committee

Changes in the Executive Committee

During 2010, the Company experienced changes in the Executive Committee. Mr. Michael D. Gayda retired from the Company while Mr. Bruce A. Jones and Ms. Karyn F. Ovelmen resigned their positions. New senior managers were elected by the BoD as members of the Executive Committee. These include Mr. Peter F. Senkbeil (General Manager Refining as of February 2, 2010) and Mr. Joseph D. Watson (Chief Financial Officer as of August 5, 2010).

Employment Agreements

The Company has entered into employment agreements with members of the Executive Committee. Each agreement has been approved by the BoD. The agreements, as amended, have an indefinite term and may be terminated by either the Company or the relevant Executive with at least three months' notice period, except that Mr. Vettier's employment agreement is for a two-year term with a provision that permits an extension of the agreement for additional one-year periods at the end of the term or any renewal thereof.

Termination benefits are contained in executive agreements should employment be terminated by the Company without cause or by the Executive for good reason. These include a payment equal to 1.5 times the sum of the annual base salary and previous year's bonus for Mr. Vettier, 1.5 times the annual base salary for Mr. Kuchta and 1.0 times the annual base salary for both Mr. Skok and Mr. Senkbeil. In 2010, former members of the Executive Committee, Bruce A. Jones and Karyn F. Ovelmen, received termination benefits per the provisions of their employment agreements.

Compensation

The total compensation of Executives, including base salary, short-term and long-term incentive components, is determined by the BoD. In determining Executive compensation, the BoD considers, among other factors, the Company's performance and relative shareholder return, the value of similar incentive awards for executive officers at comparable companies in the refining industry and the awards given to the respective persons in past years.

- Base Salary: The Executive Employment Agreements provide for annual base salaries in the following amounts as of December 31, 2010:
  - CHF 2,400,000 for Jean-Paul Vettier;
  - CHF 1,200,000 for Chester J. Kuchta;
  - CHF 1,000,000 for Joseph D. Watson (effective July 1, 2010);
  - CHF 675,000 for W. Thomas Skok; and
  - CHF 500,000 for Peter F. Senkbeil (effective February 2, 2010).
- Short-term Incentive Awards: The employment agreements provide that the members of the Executive Committee are eligible to earn an annual bonus in accordance with the Company's incentive compensation plan. For 2010, the application of Executive Committee bonus awards followed the structure of the Corporate Bonus Program in which a target bonus amount of 60 % of base salary has been measured against Company financial results and individual performance. These award components were given weightings of 50 % each and included assessment of the Company's success as measured by "clean" earnings-per-share (which excludes the impact of the change in the oil price environment and one-time items) and evaluation of achievements versus individual performance objectives. The maximum bonus for the members of the Executive Committee under the Corporate Bonus Program may not exceed 120 % of base salary. Actual awards are determined by the BoD. Outside of the Corporate Bonus Program, Executives may also receive additional bonus awards at any time at the discretion of the BoD.
- Long-term Equity Incentives: Members of the Executive Committee are also eligible to participate in the Petroplus Equity Participation Plan, under which certain stock options and RSUs are granted at the discretion of the BoD. These incentives are intended to reward the members of the Executive Committee based on the long-term success of the Company. In 2010, Mr. Vettier, Mr. Kuchta, Mr. Senkbeil and Mr. Skok received RSUs with a three-year graded vesting scheme, with one-third of the shares vesting each year. Additionally, Mr. Senkbeil, Mr. Skok and Mr. Watson received share options with a four-year vesting schedule. The awards for Mr. Vettier, Mr. Kuchta and Mr. Watson are contractually agreed amounts, based on the provisions of their respective agreements. Mr. Vettier receives equity incentives annually with a fair value calculated under International Financial Reporting Standards ("IFRS") representing 20 % of his annual base salary. Mr. Kuchta receives equity incentives annually representing 0.05 % of the number of outstanding shares of Petroplus Holdings AG. Mr. Watson receives equity incentives of 50,000 options annually for a two year period. The number of stock options and RSUs awarded to Mr. Senkbeil and Mr. Skok is based on the role of each individual.

Loans to Acting Members of Governing Bodies

No loans have been granted to members of the BoD or members of the Executive Committee during 2010.

5.2 Compensation and Shareholdings

For the disclosure of the compensation of the BoD and Executive Committee and details of shareholdings refer to Note 6 “Compensation, Shareholdings and Loans” of the Statutory Financial Statements of Petroplus Holdings AG at December 31, 2010.

6 Shareholders’ Participation

6.1 Voting Rights and Representation Restrictions

Each share carries one vote. All shares have equal rights. Voting rights and certain other non-economic rights attached to the shares, including the right, subject to certain conditions, to call and to attend shareholders’ meetings, may be exercised only after a shareholder has been registered in the share register of Petroplus Holdings AG as a shareholder or beneficiary with voting rights.

Persons who have acquired registered shares will, upon application, be entered into the share register as shareholders with voting power, provided they expressly declare themselves to have acquired the shares concerned in their own name and for their own account. For further information see section 2.5 “Limitations on Transferability and Nominee Registrations”.

The transfer of uncertificated shares is completed upon the assignment in writing by the shareholder selling the shares and notification to Petroplus Holdings AG. Shares held in a custody or portfolio account with a bank may be transferred only with the cooperation of that bank. Uncertificated shares may be pledged only by a written pledge agreement in favor of the bank in whose accounts the shareholder keeps the relevant shares.

If the registration of shareholdings with voting rights was effected based on false information, the BoD may cancel such registration with retroactive effect.

6.2 Statutory Quorums

There is no provision in our articles of association requiring a quorum to be present for our shareholders’ meetings. Except as otherwise stipulated by law, the shareholders’ meeting passes resolutions and carries out elections by the majority of the votes represented at a meeting. A resolution passed at the shareholders’ meeting with a qualified majority of at least two-thirds of the shares and the absolute majority of the nominal capital represented at such meeting is required by law for:

- changes in the Company’s purpose;
- the creation of shares with privileged voting rights;
- restrictions on the transferability of registered shares;
- an authorized or conditional increase in the Company’s share capital;
- an increase in the Company’s share capital by way of capitalization of reserves, against contributions in kind, for the acquisition of assets or involving the grant of special benefits;
- the restriction or elimination of pre-emptive rights of shareholders;
- a relocation of domicile; or
- dissolution of the Company.

The Chairman of the shareholders’ meeting decides on the voting procedure at each meeting.

6.3 Convocation of the Annual General Meeting of Shareholders

The rules regarding the convocation of the Annual General Meeting of the Shareholders do not deviate from Swiss Company Law.

6.4 Agenda

The agenda of the Annual General Shareholders’ Meeting is set by the BoD and mentions the business to be discussed as well as motions of the BoD or of shareholders who have asked for an item to be placed on the agenda. One or more shareholders representing shares with a par value of CHF 1,000,000 may request that an item be included in the agenda of the shareholders’ meeting. Any request to include an item must be submitted in writing at least 45 days prior to the shareholders’ meeting, stating the item to be included and the motions.

6.5 Registrations in the Share Register

The Company maintains a share register in which the details of the owners and beneficiaries of the registered shares are recorded. Nominees will be registered up to 5%. For further information see section 2.5 “Limitations on Transferability and Nominee Registrations”.

7 Changes of Control and Defense Measures

7.1 Duty to Make an Offer

A person who acquires equity securities of Petroplus, whether directly, indirectly or acting in concert with third parties, which exceed the threshold of 33⅓% of the Company's voting rights (whether exercisable or not), must make an offer to acquire all shares. A waiver of the mandatory rules may be granted by the Swiss Takeover Board or the Swiss Federal Banking Commission under certain circumstances.

Swiss law provides for the possibility to have the articles of association contain a provision which would eliminate the obligation of an acquirer of shares exceeding the threshold of 33⅓% of the voting rights to proceed with a public purchase offer ("opting-out") or which would increase such threshold to 49% of the voting rights ("opting-up"). The articles of association of Petroplus do not contain such opting-out or opting-up provisions.

7.2 Clauses on Changes of Control

All outstanding options, including those granted to the members of the BoD and members of the Executive Committee, become fully vested and the non-compete clause in the employment agreements with the members of the Executive Committee become null and void upon a change of control of Petroplus Holdings AG. The agreements of Mr. O'Malley and Mr. Kuchta include a provision for a payment equal to 2.99 times annual base salary upon a change of control. Mr. O'Malley retired from Petroplus effective February 2, 2011. The change of control rights in Mr. O'Malley's agreement expire six months after his termination date. The agreement of Mr. Vettier includes a provision for payment of 2.0 times the sum of: annual base salary, previous year's bonus and the total amount of equity awarded during the term of the employment agreement. The agreement of Mr. Watson includes a provision for payment equal to 1.5 times the sum of: annual base salary, previous year's bonus and previous year's equity awards.

8 Auditors

8.1 Duration of the Mandate and Term of Office of the Lead Auditor

In 2006, Ernst & Young Ltd., Zurich were appointed as Statutory Auditors of Petroplus for the first time. They were re-elected for a term of one year at the Fourth Annual General Shareholders' meeting held on May 5, 2010. Mr. Reto Hofer, Partner, is acting as the Auditor-In-Charge since 2009.

8.2 Auditing and Additional Fees

The following fees were charged for professional services rendered to the Company by Ernst & Young in 2010 and 2009:

(in millions of USD)	2010	2009
Audit fees [1]	2.3	2.4
Tax compliance	0.2	0.2
Transaction services [2]	0.1	0.4
Total	**2.6**	**3.0**

[1] This amount includes the fees for the individual audits of Petroplus companies carried out by Ernst & Young as well as their fees for auditing the Consolidated Financial Statements of the Company.
[2] Transaction related services comprise, among other things, fees for capital market transactions, acquisitions and related comfort letters.

8.3 Supervisory and Control Instruments

The supervision and assessment of the external auditor's services has been delegated by the BoD to the Audit Committee. The Audit Committee meets with the external auditors at least four times per year to discuss the quarterly review or audit procedures performed, significant accounting transactions, progression of fees, any non-audit procedures performed and independence. Additionally, once per year, the external auditors present the detailed audit plan to the Audit Committee. The plan includes the timing, scope and fees for the audit services which will be performed for the upcoming year. The Audit Committee provides summarized information to the BoD and, based on the information provided and the recommendation of the Audit Committee, the Board approves the audit plan and associated fees. In 2010, the Audit Committee met independently four times with the external auditors. In addition, the Internal Auditor and representatives of the external auditors attended each of the Audit Committee meetings held throughout the year.

9 Information Policy

In addition to the annual report, Petroplus publishes condensed interim financial information quarterly.

Petroplus provides stock-price-sensitive information in accordance with the ad hoc publicity requirements of the Listing Rules of the Swiss Exchange. All information is distributed through third-party electronic and print media resources. Additionally, all interested parties have the possibility to directly receive from Petroplus, via an e-mail distribution list, free and timely notification of publicly released information. All of this information, as well as the registration form for the e-mail distribution service, general corporate information, corporate calendar and Company publications can be found in the Investors section of the Company website located at www.petroplusholdings.com.

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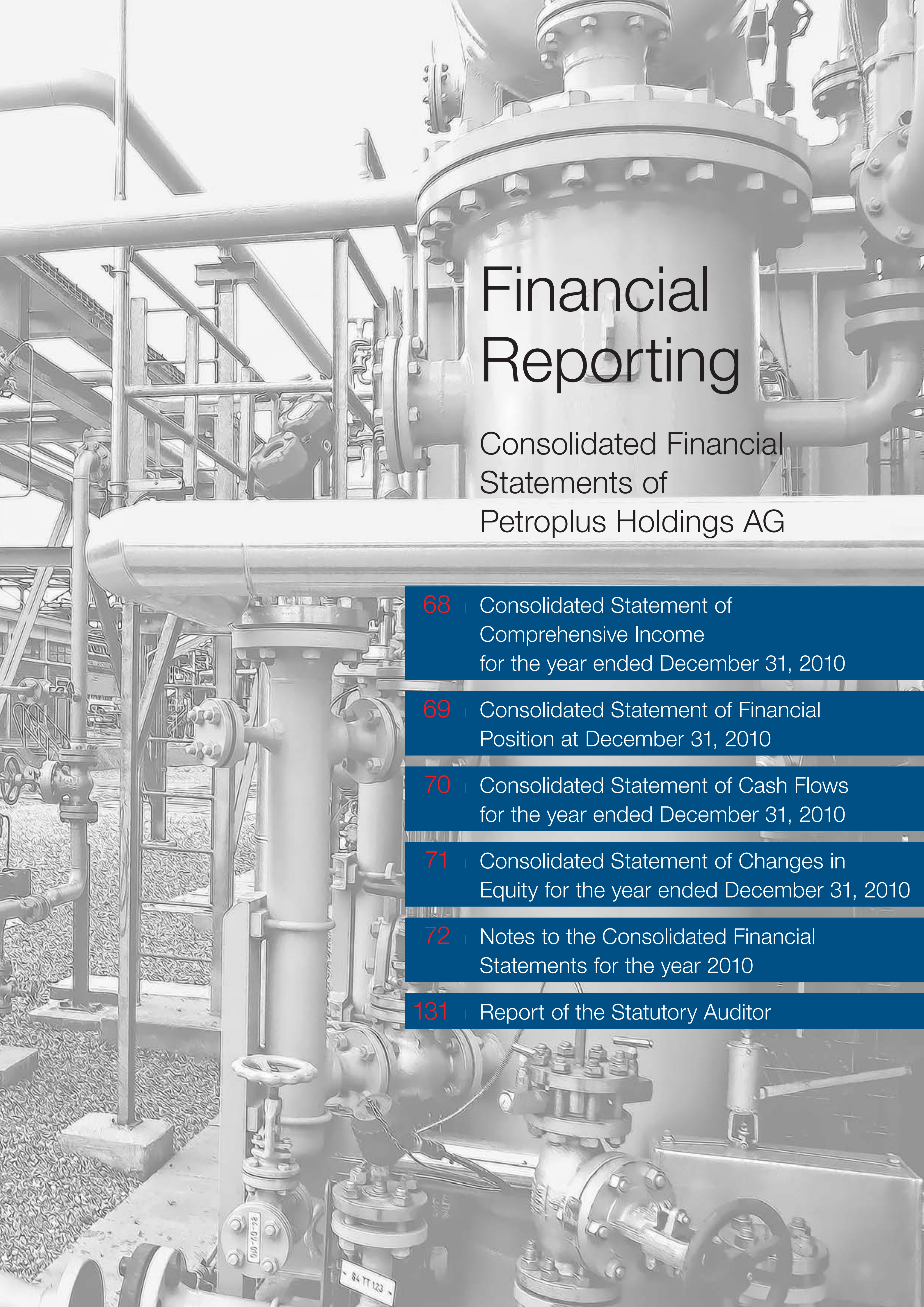

Financial Reporting

Consolidated Financial Statements of Petroplus Holdings AG

Consolidated Statement of Comprehensive Income for the year ended December 31, 2010

(in millions of USD)	Notes	2010	2009
Continuing operations			
Revenue	3, 4	20,735.0	14,797.8
Materials cost	3	(19,406.4)	(13,592.4)
Gross margin		**1,328.6**	**1,205.4**
Personnel expenses	5	(351.9)	(351.1)
Operating expenses	5	(439.8)	(451.2)
Depreciation and amortization	13, 14	(338.8)	(282.1)
Other administrative expenses	5	(42.7)	(55.7)
Operating profit		**155.4**	**65.3**
Financial income	5	3.1	2.6
Financial expenses	5	(189.6)	(167.2)
Foreign currency exchange (loss)/gain		(2.2)	2.5
Share of income/(loss) from associates	15	8.5	(1.6)
Loss before income taxes		**(24.8)**	**(98.4)**
Income tax expense	6	(82.1)	(10.4)
Net loss from continuing operations		**(106.9)**	**(108.8)**
Discontinued operations			
Loss from discontinued operations, net of tax	7	(5.4)	(141.1)
Net loss		**(112.3)**	**(249.9)**
Other comprehensive (loss)/income			
Net loss on available-for-sale financial assets	16	(1.2)	–
Exchange difference on disposal/liquidation of subsidiary [1]		0.4	–
Income tax [2]	6	–	12.0
Other comprehensive (loss)/income		**(0.8)**	**12.0**
Total comprehensive loss		**(113.1)**	**(237.9)**
Net loss attributable to shareholders of the parent for			
continuing operations		(106.9)	(108.8)
discontinued operations		(5.4)	(141.1)
Net loss		**(112.3)**	**(249.9)**
Total comprehensive loss attributable to shareholders of the parent for			
continuing operations		(108.5)	(96.8)
discontinued operations		(4.6)	(141.1)
Total comprehensive loss		**(113.1)**	**(237.9)**
Earnings per share (in USD)			
Earnings per share – basic	23	(1.22)	(3.20)
Earnings per share – diluted	23	(1.22)	(3.20)
calculated on continuing operations			
Earnings per share – basic	23	(1.16)	(1.39)
Earnings per share – diluted	23	(1.16)	(1.39)

[1] Recognition of the cumulative exchange differences in respect of the disposal of the Antwerp Processing facility reclassified to the line item "Discontinued operations" in the Consolidated Statement of Comprehensive Income (further information is disclosed in Note 8 "Disposal of the Antwerp Processing Facility") resulting in an other comprehensive income of USD 0.8 million and the liquidation of Refinaria Vasco da Gama, Lisboa, resulting in an other comprehensive loss of USD 0.4 million.

[2] Relates mainly to fluctuations in foreign exchange gains and related taxes regarding loans classified as net investments.

Consolidated Statement of Financial Position at December 31, 2010

(in millions of USD)	Notes	2010	2009
Current assets			
Cash and short-term deposits	10	179.0	11.2
Trade receivables, net	12	1,154.7	1,051.4
Other receivables and prepayments	12	109.3	99.8
Derivative financial instruments	28	6.0	7.7
Inventories	11	1,707.9	1,684.5
Other financial assets	28	2.2	2.4
Current tax assets		12.8	8.4
Assets classified as held for sale	9	–	88.2
Total current assets		**3,171.9**	**2,953.6**
Non-current assets			
Intangible assets	13	81.3	99.3
Property, plant and equipment	14	3,415.5	3,523.1
Investments in associates	15	14.6	21.2
Financial assets available-for-sale	16, 28	34.6	28.6
Retirement benefit asset	20	26.2	9.3
Other financial assets	28	11.8	3.2
Deferred tax assets	6	13.7	40.0
Total non-current assets		**3,597.7**	**3,724.7**
Total assets		**6,769.6**	**6,678.3**
Current liabilities			
Interest-bearing loans and borrowings	18	–	149.6
Finance lease commitments	25, 28	2.2	2.9
Trade payables	17	1,406.6	1,463.4
Other payables and accrued expenses	17	1,102.2	822.7
Derivative financial instruments	28	1.2	4.0
Provisions	19	1.8	13.9
Current tax liabilities		1.8	11.1
Liabilities classified as held for sale	9	–	30.6
Total current liabilities		**2,515.8**	**2,498.2**
Non-current liabilities			
Interest-bearing loans and borrowings	18	1,692.0	1,683.8
Finance lease commitments	25, 28	21.6	25.6
Provisions	19	11.6	12.5
Retirement benefit obligation	20	118.4	123.0
Other liabilities		9.7	4.6
Deferred tax liabilities	6	396.6	342.6
Total non-current liabilities		**2,249.9**	**2,192.1**
Total liabilities		**4,765.7**	**4,690.3**
Shareholders' equity			
Share capital	22	608.1	555.2
Share premium	22	1,542.9	1,463.4
Other reserves		20.9	22.1
Retained earnings		(168.3)	(53.0)
Equity attributable to shareholders of the parent		**2,003.6**	**1,987.7**
Non-controlling interest	21	0.3	0.3
Total shareholders' equity		**2,003.9**	**1,988.0**
Total liabilities and shareholders' equity		**6,769.6**	**6,678.3**

Consolidated Statement of Cash Flows for the year ended December 31, 2010

(in millions of USD)	Notes	2010	2009
Cash flows from operating activities [1]			
Net loss		(112.3)	(249.9)
Adjustment for:			
Depreciation, amortization and impairment	7, 13, 14	339.4	426.6
Amortization of capitalized financing costs/accretion expenses	5	13.3	25.4
Income tax expense/(benefit)		82.4	(13.9)
Interest expense, net of interest income		136.6	115.7
Share-based payments	5, 24	5.0	6.1
Impairment of financial assets available-for-sale and related loans		–	2.3
Net loss on disposals of subsidiaries and other assets		5.9	1.1
Share of (gain)/loss from associates		(6.9)	1.6
Foreign exchange and other items		(9.3)	(17.5)
Change in provisions and pensions		(34.4)	(9.6)
Changes in working capital			
Change in trade and other receivables		(118.8)	255.3
Change in inventories		(20.5)	(378.3)
Change in derivative financial instruments		(1.1)	(29.2)
Change in trade and other payables and accrued expenses		303.4	(96.2)
Cash generated from operations		**582.7**	**39.5**
Interest paid		(137.0)	(108.8)
Interest received		0.6	0.6
Income tax paid, net of tax received		(18.0)	(28.4)
Dividends received from associates and available-for-sale investments		1.4	–
Cash flows from operating activities		**429.7**	**(97.1)**
Cash flows from investing activities [1]			
Investment in property, plant and equipment/intangible assets [2]		(293.3)	(295.0)
Investment in associate	15	(76.4)	–
Acquisition of businesses, cash collected from final purchase price settlement	31	–	9.0
Disposals of subsidiaries, net of cash sold	8	56.2	–
Disposal of associate, net of cash sold	15	81.9	–
Disposals of assets, net of cash sold		0.8	1.7
Cash flows from prior years disposals		–	11.7
Cash flows from investing activities		**(230.8)**	**(272.6)**
Cash flows from financing activities [1]			
Proceeds from issuance of share capital [3]	22	138.0	284.2
Proceeds from issuance of senior notes/convertible bond	18	–	543.7
Repayment of convertible bond	18	–	(500.0)
Repayment of nominal share capital	22	(9.0)	(38.2)
Decrease on working capital facilities	18	(163.1)	(90.3)
Financing costs		(6.3)	(40.1)
Cash flows from financing activities		**(40.4)**	**159.3**
Net cash flow		**158.5**	**(210.4)**
Net foreign exchange differences		9.3	11.8
Movement in cash and short-term deposits		**167.8**	**(198.6)**
Cash and short-term deposits as per January 1		**11.2**	**209.8**
Cash and short-term deposits as per December 31		**179.0**	**11.2**

[1] The Consolidated Cash Flow Statement includes cash flows from discontinued operations. Cash flow information related to discontinued operations is disclosed in Note 7 “Discontinued Operations”.
[2] Net of non-cash accruals.
[3] Includes proceeds from private placement of shares and options exercised under the Equity Incentive Plan during 2010.

Consolidated Statement of Changes in Equity for the year ended December 31, 2010

(in millions of USD)	Notes	Attributable to equity holders of the parent: Share capital	Share premium	Other reserves: Available-for-sale reserve	Other reserves: Translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance as at January 1, 2009		**464.0**	**1,306.3**	**–**	**12.9**	**204.1**	**1,987.3**	**0.3**	**1,987.6**
Net loss for the period		–	–	–	–	(249.9)	(249.9)	–	(249.9)
Other comprehensive income	6	–	–	–	12.0	–	12.0	–	12.0
Total comprehensive loss		**–**	**–**	**–**	**12.0**	**(249.9)**	**(237.9)**	**–**	**(237.9)**
Repayment of nominal share capital	22	(34.0)	–	–	(2.8)	–	(36.8)	–	(36.8)
Issuance of shares (public offering)	22	125.2	154.6	–	–	–	279.8	–	279.8
Share issue costs	22	–	–	–	–	(12.2)	(12.2)	–	(12.2)
Equity component convertible bond “2013 CB” (reversal)	18, 22	–	(35.0)	–	–	–	(35.0)	–	(35.0)
Equity component convertible bond “2015 CB”	18, 22	–	36.4	–	–	–	36.4	–	36.4
Related income tax		–	1.1	–	–	(1.1)	–	–	–
Share-based payments	24	–	–	–	–	6.1	6.1	–	6.1
Balance as at December 31, 2009		**555.2**	**1,463.4**	**–**	**22.1**	**(53.0)**	**1,987.7**	**0.3**	**1,988.0**
Net loss for the period		–	–	–	–	(112.3)	(112.3)	–	(112.3)
Other comprehensive loss		–	–	(1.2)	0.4	–	(0.8)	–	(0.8)
Total comprehensive loss		**–**	**–**	**(1.2)**	**0.4**	**(112.3)**	**(113.1)**	**–**	**(113.1)**
Repayment of nominal share capital	22	(8.1)	–	–	(0.4)	–	(8.5)	–	(8.5)
Issuance of shares (private placement)	22	59.2	77.4	–	–	–	136.6	–	136.6
Share issue costs	22	–	–	–	–	(5.6)	(5.6)	–	(5.6)
Issuance of shares under share option plan	22	1.8	2.1	–	–	(2.4)	1.5	–	1.5
Share-based payments	24	–	–	–	–	5.0	5.0	–	5.0
Balance as at December 31, 2010		**608.1**	**1,542.9**	**(1.2)**	**22.1**	**(168.3)**	**2,003.6**	**0.3**	**2,003.9**

Notes to the Consolidated Financial Statements for the year 2010

1 General Information

General

Petroplus Holdings AG and its subsidiaries (the "Company", "Group", "we", "us" or "Petroplus") is a publicly traded company listed in the main segment of the SIX Swiss Exchange ("SIX"). The initial listing of the Company took place on November 30, 2006. Petroplus Holdings AG was incorporated on February 20, 2006 under the name of Argus Atlantic Energy Limited ("Argus") in Bermuda. On August 22, 2006, the shareholders of Argus Atlantic Energy Limited resolved to transfer its registered office to Zug, Switzerland and to change its name to Petroplus Holdings AG. The address of its registered office and domicile is Petroplus Holdings AG, Industriestrasse 24, 6300 Zug, Switzerland.

Petroplus is the largest independent refiner and wholesaler of petroleum products in Europe. The Company is focused on refining and currently owns and operates six refineries across Europe: The Coryton refinery on the Thames Estuary in the United Kingdom, the Antwerp refinery in Antwerp, Belgium, the Petit Couronne refinery in Petit Couronne, France, the Ingolstadt refinery in Ingolstadt, Germany, the Reichstett refinery near Strasbourg, France, and the Cressier refinery in the canton of Neuchâtel, Switzerland. The six refineries have a combined throughput capacity of approximately 752,000 barrels per day ("bpd"). The Company also owns the Teesside facility in Teesside, United Kingdom, which operates as a marketing and storage facility. The Company sells refined petroleum products on an unbranded basis to distributors and end customers, primarily in the United Kingdom, France, Switzerland, Germany and the Benelux Countries, as well as on the global spot market.

Development of the Company

Activities in 2010

Reichstett Refinery

In the beginning of 2010, the Company launched a strategic review of its Reichstett refinery in France to evaluate alternatives for the site. The Company considered several possibilities, including a potential sale, further investments to improve its competitiveness, as well as a shutdown of refining operations and conversion to a terminal.

The process for a possible sale of the refinery concluded without presenting any ultimate buyers, and the Company determined that, in the current challenging refining market and capital-constrained environment, the Company cannot justify further sizeable capital investments in the plant. As a consequence, on October 21, 2010, the Company informed the Works Council of the Reichstett refinery that it intended to commence a formal information and consultation process to propose terms for a project to cease refining operations and convert the site to a terminal. The information and consultation process formally commenced on November 24, 2010. A decision with respect to the future of the site can and will only be made when Petroplus has received the opinion of the Works Council which is expected around the end of the first quarter of 2011, until which time, the refinery will continue to operate.

Shutdowns at Refineries due to Strike Actions

During October 2010, throughput at the Petit Couronne, Reichstett and Cressier refineries was impacted due to labor strike actions in France.

Petroplus' Share in Investment Vehicle PBF Energy Company LLC

Acquisition of Delaware City Refinery Assets

On June 1, 2010, the Company's investment vehicle, PBF Energy Company LLC ("PBF"), a partnership entered into with The Blackstone Group and First Reserve Corporation, completed its purchase of the Delaware City refinery in Delaware City, Delaware from Valero Energy Corporation. On May 28, 2010, the Company contributed USD 76.4 million to PBF related to the purchase of the Delaware City refinery.

Sale of Petroplus' Share in Investment Vehicle PBF

On September 26, 2010, the Company reached an agreement in principle with the Blackstone Group and First Reserve, its partners in PBF, for the sale of Petroplus' 32.62 % share of PBF in the amount of USD 91.0 million. Cash proceeds received on October 18, 2010, amounted to USD 81.9 million after withholding tax. For further details, see Note 15 "Investments in Associates".

Repayment of Nominal Share Capital

At the ordinary shareholders' meeting of the Company which took place on May 5, 2010, the shareholders resolved to reduce the share capital by CHF 0.10 per share. The entry of the share capital reduction in the commercial register took place on July 15, 2010, and the repayment of CHF 0.10 per registered share was paid to shareholders on July 26, 2010. For further details, see Note 22 "Shareholders' Equity".

Issuance of Shares

During May 2010, the Company completed a private placement whereby the Company issued 8,650,000 new registered shares from existing authorized capital. The shares were sold at a price of CHF 17.50. The first trading day of the new shares was May 7, 2010. The gross proceeds amounted to USD 136.4 million, excluding share issue costs of USD 5.6 million. For further details, see Note 22 “Shareholders’ Equity”.

Activities in 2009

Discontinued Operations

Sale of the Antwerp Processing Facility

On October 23, 2009, the Company entered into a definitive agreement with Eurotank Belgium B.V., a wholly-owned subsidiary of Vitol Tank Terminals International B.V., part of the Vitol Group of companies (“Vitol”) for the sale of Petroplus Refining Antwerp N.V. and Petroplus Refining Antwerp Bitumen N.V. (the “Antwerp Processing facility”). The sale was closed on January 12, 2010. The proceeds received were USD 56.3 million, including hydrocarbon inventory on site. For further details, see Note 7 “Discontinued Operations”.

Operations of the Teesside Refinery

Due to the low complexity configuration of the facility, the unfavorable market environment and the significant regulatory capital expenditures required to maintain refinery operations, we suspended the Teesside facility’s refining operations in November 2009. The refinery had been shut down for economic reasons since the second quarter of 2009. During 2010, the refinery was converted to a marketing and storage facility. The refinery’s 117,000 bpd throughput capacity had represented approximately 14 % of our combined throughput capacity.

The results of the above operations, including impairment charges recorded in 2009, have been reclassified to the separate line item “Discontinued operations” in our Consolidated Statement of Comprehensive Income for the years ended December 31, 2010 and 2009. For further details, see Note 7 “Discontinued Operations”.

Revolving Credit Facility

On October 16, 2009 the Company successfully completed a new three-year committed Revolving Credit Facility (“RCF”) of USD 1.05 billion. The RCF includes an option to increase the committed facility amount up to USD 2.0 billion on a preapproved but not precommitted basis in the event of increased working capital needs or future acquisitions. The RCF terminates October 16, 2012. For further details, see Note 18 “Interest-Bearing Loans and Borrowings”.

Convertible Bond

Convertible Bond USD 150 million, 4.0 % due 2015 (the “2015 CB”)

On October 16, 2009, Petroplus Finance Ltd., a subsidiary of the Company issued USD 150.0 million in guaranteed senior secured convertible bonds due 2015. The debt is guaranteed by the Company as well as by certain of its subsidiaries. The specified conversion price into common shares of the Company is CHF 30.42 per share. The 2015 CB bears interest at 4.0 % per annum. For further details, see Note 18 “Interest-Bearing Loans and Borrowings”.

Convertible Bond USD 500 million, 3.375 % due 2013 (the “2013 CB”) redeemed on October 16, 2009

In October 2009, we successfully completed a tender offer to repurchase our 2013 CB of USD 500.0 million 3.375 % due in 2013. The 2013 CB was redeemed on October 16, 2009 at the principal amount of USD 500.0 million, plus aggregate accrued interest. For further details, see Note 18 “Interest-Bearing Loans and Borrowings”.

Senior Notes

Senior Notes USD 400 million, 9.375 % due 2019 (the “2019 SN”)

On September 17, 2009, Petroplus Finance 3 Limited, Bermuda, an unrestricted subsidiary of the Company, issued USD 400.0 million aggregate principal amount of 9.375 % senior notes due 2019 at an issue price of 98.42 % giving a yield of 9.625 %. For further details, see Note 18 “Interest-Bearing Loans and Borrowings”.

Upon successful completion of the tender offer and subsequent repayment of the 2013 CB, Petroplus Finance Limited assumed the obligations of Petroplus Finance 3 Limited under the 2019 SN, the Company and certain of its subsidiaries became guarantors of the 2019 SN and Petroplus Finance 3 Limited was released of all obligations under the 2019 SN.

Rights Issue and International Offering

During September 2009, we completed a rights issue and international offering whereby the Company issued 17,265,058 new registered shares from existing authorized share capital. Existing shareholders were entitled to subscribe for one new share at a subscription price of CHF 16.90 per share for every four existing shares held. The new shares began trading on September 22, 2009. The gross proceeds amounted to USD 284.2 million, excluding share issue costs of USD 12.2 million. For further details, see Note 22 “Shareholders’ Equity”.

2 Accounting Policies

Basis of Preparation

Statement of Compliance

The Consolidated Financial Statements of Petroplus have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and comply with Swiss Law.

All amounts included in the Consolidated Financial Statements and notes are presented in USD and rounded to the nearest USD in hundreds of thousands except where otherwise indicated.

Basis of Measurement

The Consolidated Financial Statements have been prepared on the historical cost basis except for the following Statement of Financial Position items that are measured at fair value:

– Financial assets available-for-sale;
– Derivative financial instruments; and
– Assets/liabilities held for sale.

The methods used to measure fair values are further discussed below.

Summary of Significant Accounting Policies

Scope of Consolidation

These Financial Statements are the Consolidated Financial Statements of Petroplus Holdings AG and its subsidiaries. Subsidiaries are those companies directly or indirectly controlled by Petroplus Holdings AG (generally over 50 % of voting interest, or potential voting rights, of the relevant company's share capital). Control is defined as the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. Special purpose entities, irrespective of their legal structure, are consolidated in instances where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Investments in associated companies (where Petroplus generally holds between 20 % and 50 % of a company's voting shares, or over which it otherwise has significant influence) and joint ventures are accounted for using the equity method as described in the paragraph "Investments in associates".

Other investments, where the Company holds less than 20 % and does not have significant influence, are valued at fair value and classified as financial assets available-for-sale.

Companies acquired or disposed of during the year are included in the Consolidated Financial Statements from the date of acquisition or up to the date of disposal. Intercompany transactions, balances and unrealized gains are eliminated in full.

Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree. All acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and the services are received. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 *Business Combinations* are recognized at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, which are recognized and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If, after reassessment, the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognized immediately in the Consolidated Statement of Comprehensive Income.

The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders' proportion of the net fair value of the assets and liabilities recognized.

Discontinued Operations

A discontinued operation is a component of the Company's business that represents a separate major line of business or geographical area of operations that has been disposed of, is held for sale, or is a subsidiary acquired exclusively with the intent to sell. Classification as a discontinued operation occurs when the operation meets the criteria to be classified as held for sale or upon disposal. When an operation is classified as a discontinued operation, the comparative Consolidated Statement of Comprehensive Income is re-presented as if the operation had been discontinued from the start of the comparative period.

Assets and Liabilities Classified as Held for Sale

Disposal groups comprised of assets and liabilities (or non-current assets) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the components of the disposal group (or non-current assets) are re-measured in accordance with the Company's accounting policies. Thereafter, the assets or the disposal group are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis. No loss is allocated to inventory, financial assets or deferred tax assets, which continue to be measured in accordance with the Company's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognized in profit and loss. Gains are not recognized in excess of any cumulative impairment loss.

Functional Currency

Petroplus Holdings AG and its subsidiaries have determined that their functional currency is the USD as the majority of the Company's revenues are related to the sale of refined products for which the sales prices are primarily influenced by the USD. In addition, the Company's costs are primarily associated with the purchase of crude oil, which, on a worldwide basis, is priced in USD.

Transactions in foreign currencies are initially recorded at their respective currency rates prevailing at the date of the transaction. All foreign exchange results related to our daily refining and marketing activities and the associated hedging activities are classified in "Materials cost"; all results related to exposure from operating, personnel and other administrative costs, which are incurred in local currencies, are classified in the associated line item in the Consolidated Statement of Comprehensive Income.

Monetary assets and liabilities denominated in a currency that differs from the functional currency of the Company are translated into the functional currency at year-end exchange rates. All differences are taken to the Consolidated Statement of Comprehensive Income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The Company has outstanding intercompany loans in USD that are classified as net investments. Until December 31, 2007, before the Company changed its functional currency from various local currencies into the USD, certain subsidiaries with functional currencies other than USD have directly recognized the gain or loss arising from the revaluation of these loans in other comprehensive income. Exchange differences arising from the translation of these net investments previously classified in other comprehensive income are not recognized in profit and loss until repayment of these loans.

The following exchange rates were used for translation of foreign currencies into USD:

	Consolidated Statement of Comprehensive Income		Consolidated Statement of Financial Position	
	Average rates		Period-end rates	
	2010	2009	2010	2009
1 EUR/USD	1.33	1.40	1.34	1.44
1 CHF/USD	0.96	0.92	1.07	0.97
1 GBP/USD	1.55	1.56	1.55	1.62
1 CZK/USD	0.05	0.05	0.05	0.05

Cash and Short-Term Deposits

Cash and short-term deposits are comprised of cash on hand, current balances with banks and similar institutions, and short-term, low risk, highly liquid investments that are readily convertible to known amounts of cash and have a maturity of up to three months.

For the purpose of the Consolidated Cash Flow Statement, cash and short-term cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

Trade Receivables, Net

The reported values of trade receivables, net represent amounts invoiced to customers, less adjustments for doubtful receivables. Doubtful receivable provisions are established based upon the difference between the receivable value and the estimated net collectible amount. The amount of the respective estimated loss is recognized in the Consolidated Statement of Comprehensive Income within gross margin.

Derivative Financial Instruments
The Company uses derivative financial instruments, such as commodity derivatives and forward currency contracts, to manage a portion of its risk associated with commodity price and foreign currency fluctuation. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of the derivative financial instruments is either derived from market quotes or is based on recent arm's length transactions.

The Company applies hedge accounting, in accordance with IAS 39 *Financial Instruments: Recognition and Measurement* and IFRS 7 *Financial Instruments: Disclosures*, to certain transactions, including fixed price contracts to sell bitumen in the UK. On the date a derivative contract is entered into, the Company designates certain derivatives as a hedge of a particular risk associated with a recognized asset or liability (fair value hedge). At the inception of the transaction, the Company documents the relationship between the hedging instruments and the hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. This process includes linking all derivatives designated as hedges to specific assets and liabilities. The Company also documents its assessment, both at hedge inception and on an ongoing basis at each quarter end, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values of hedged items. In accordance with IAS 39, changes in the fair value of derivatives that are designated and qualify as fair value hedges and that are highly effective are recorded in the Consolidated Statement of Comprehensive Income in the line item "Materials cost", along with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Other than those disclosed above, the Company has not currently designated any of its derivative financial instruments as effective hedges in line with IAS 39 *Financial Instruments: Recognition and Measurement* and IFRS 7 *Financial Instruments: Disclosures*. Changes in the fair value of any derivative financial instruments not designated as effective hedges are recognized directly in profit and loss for the year. Such derivatives are primarily commodity instruments and currency contracts. Commodity instruments are used by the Company to manage commodity price fluctuation for a portion of our inventory and certain sales contracts. Gains and losses related to these commodity instruments are recorded in the line item "Materials cost" in the Consolidated Statement of Comprehensive Income. The Company uses currency contracts to manage the foreign currency risk associated with non USD sales, assets and liabilities. Gains and losses related to these currency contracts are taken directly to profit and loss for the year.

Financial Assets
Financial assets within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. When financial assets are initially recognized, they are measured at fair value, plus, in the case of financial assets not measured at fair value through profit or loss, directly attributable financing costs. The Company determines the classification of the financial assets at initial recognition and, where appropriate, evaluates this designation at each financial year end.

All regular purchases and sales of financial assets are recognized on the transaction date, the date the Company commits to purchase the asset. Regular purchases and sales are purchases or sales of financial assets that require delivery of those assets within the period generally established by regulation or marketplace convention.

Financial Assets at Fair Value through Profit or Loss
Financial assets classified as held for trading are included in the category financial assets at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of being sold in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains and losses on investments held for trading are recognized in the Consolidated Statement of Comprehensive Income.

Loans and Receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method. Gains and losses are recognized in the Statement of Comprehensive Income when the loans and receivables are de-recognized or impaired, as well as through the amortization process.

Financial Assets Available-for-Sale
Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale financial assets or are not classified in any of the preceding two categories. After initial recognition, available-for-sale financial assets are mea-

sured at fair value with gains or losses being recognized in other comprehensive income until the investment is de-recognized or the investment is determined as being impaired, at which time the cumulative gain or loss previously recorded in other comprehensive income is reclassified from equity to profit and loss.

The fair value of the investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the Statement of Financial Position date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length transactions, reference to the current market value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.

Other available-for-sale financial assets, such as investments over which the Company has no significant influence, and whose fair value cannot be reliably measured are stated at cost, less a provision for any prolonged diminution in value. Dividends are recorded when declared.

Impairment of Financial Assets
A financial asset is considered to be impaired if objective evidence indicates that events have had a negative effect on the estimated future cash flows of that asset. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss on an available-for-sale financial asset is calculated by reference to its current fair value. Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed in groups that share similar risk characteristics.

In relation to trade receivables, a provision for impairment is recorded when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through a provision for doubtful accounts. Impaired receivables are de-recognized when they are assessed as uncollectible.

All impairment losses are recognized in profit and loss. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in other comprehensive income is transferred to profit and loss upon recognition of an impairment charge. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit and loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been, had the impairment not been recognized. For available-for-sale financial assets that are equity instruments, the reversal is recognized directly in other comprehensive income.

Inventories
Inventories are valued at the lower of cost and net realizable value. Cost is determined using the first-in, first-out ("FIFO") method and is accounted for as follows:

Crude oil and feedstock
– purchase cost on a FIFO basis including freight.

Finished goods and intermediates
– cost of direct materials and labor and a proportion of manufacturing overhead based on normal operating capacity, but excluding borrowing costs.

For determination of the cost of raw materials, the relevant purchase contract and the attributable freight costs are included. The costs of the refined products are built up by identifying the appropriate crude oil and feedstock cost based on the crude oil and feedstock processed in the refinery for the last month of the reporting period. Additional factors considered include the charge and yield of the refinery, average product prices to guide allocation of raw material cost and the relevant variable and fixed overhead for the stated month of production. Whenever the net realizable value ("NRV") of inventory is lower than its cost value, the stock is re-measured at its NRV. The NRV is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Intangible Assets
Intangible assets, including software, that are acquired by the Company are stated at cost less accumulated amortization and impairment losses. Where acquired in a business combination, the fair value is allocated in accordance with acquisition accounting.

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are expensed as incurred.

Amortization is charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of intangible assets, from the time the assets are available for use. The estimated useful lives are as follows:

Amortization periods	
Software	3–5 years
Leasehold	41 years
Other intangible assets	5–20 years
Intangible assets under construction	Not amortized

Property, Plant and Equipment

Property, plant and equipment ("PP&E") is stated at cost, less accumulated depreciation and impairment losses. Cost includes the cost of restoring part of the relevant plant and equipment when the recognition criteria are met. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets. The useful lives are estimated as follows:

Depreciation periods	
Land	Not depreciated
Buildings	30–40 years
Machinery and equipment	2–40 years
Other assets	3–25 years
Assets under construction	Not depreciated

The carrying value of PP&E is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Where parts of an item of PP&E have different useful lives, they are accounted for as separate items. Routine maintenance costs are expensed as incurred.

PP&E is de-recognized upon disposal of the asset or when no future economic benefits are expected from its use. Any gain or loss arising upon de-recognition of the assets (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Comprehensive Income in the year the asset is de-recognized. Asset residual values and useful lives are reviewed and adjusted if appropriate at each financial year end.

Capitalized Turnaround Costs

A turnaround is a required standard procedure for maintenance of a refinery that involves the shutdown and inspection of major processing units, which occurs approximately every two to five years. Turnaround costs include actual direct and contract labor, materials costs incurred for the overhaul, inspection and the replacement of major components of processing and support units performed during the turnaround. Turnaround costs, which are included in the Company's Consolidated Statement of Financial Position in PP&E, are depreciated on a straight-line basis over the period until the next scheduled turnaround, beginning the month following completion. The depreciation of the turnaround costs is presented in the line item "Depreciation and amortization" in the Consolidated Statement of Comprehensive Income.

Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any such indication exists, or, when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's, or cash-generating unit's, fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses from continuing operations are recognized in the Consolidated Statement of Comprehensive Income in the line item "Depreciation and amortization".

Investments in Associates

The Company's investments in associates are accounted for using the equity method. An associate is an entity in which the Company has determined it has significant influence but is not considered a subsidiary.

Under the equity method, an investment in an associate is carried in the Consolidated Statement of Financial Position at cost plus post acquisition changes in the Company's share of net assets of the associate. After application of the equity method, the Company determines whether it is necessary to recognize any impairment loss with respect to the net investment in the associate. The Consolidated Statement of Comprehensive

Income reflects the Company's share of the results of operations of the associate. Where there has been a change recognized directly in the equity of the associate, the Company recognizes its share of any changes and reflects this, or major transactions, when applicable, in the Consolidated Statement of Changes in Equity.

The reporting dates of the associates are the same as the reporting date of the Company.

Debt Instruments

Debt instruments are initially recognized at fair value, which is the proceeds received, less attributable financing costs. Subsequent to initial recognition, debt instruments are stated at amortized cost with any difference between cost and redemption value being recognized in the Consolidated Statement of Comprehensive Income over the period of the debt instrument using the effective interest method. Any discount between the net proceeds received and the principal value due on redemption is amortized over the duration of the debt instrument and is recognized as part of financing costs using the effective interest method.

Compound financial instruments issued by the Company comprise convertible bonds that can be converted into share capital. The liability component of a compound financial instrument is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable financing costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

Financial Liabilities

Interest-Bearing Loans and Borrowings

All loans and borrowings are initially recognized at fair value less directly attributable financing costs.

The Company capitalizes financing costs which are netted against proceeds received. If new debt securities and credit facilities are issued but not drawn, the capitalized financing costs are presented within "Other financial assets". The Company amortizes these costs over the maturity period of the debt or over the life of the credit facility. The amortization of these costs is included in "Financial expenses" in the Consolidated Statement of Comprehensive Income.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method.

Gains and losses are recognized in profit and loss when the liabilities are de-recognized as well as through the amortization process.

Financial Liabilities at Fair value through Profit and Loss

Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss.

Derivatives are classified as held for trading. Gains and losses on liabilities held for trading are recognized in profit and loss.

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset, or assets, and the arrangement conveys a right to use the asset.

Company as a Lessee

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are expensed.

Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Leases which do not meet the requirements of a finance lease are classified as operating leases. Operating lease payments are recognized as an expense in the Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term.

Company as a Lessor

Leases where the Company does not transfer substantially all the risks and benefits of ownership of the asset to the lessee are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Provisions for Liabilities and Charges

Provisions are recognized only when the Company has a present obligation (legal or constructive) as a result of a past event whereby it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made as to the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset on condition that the reimbursement is virtually certain. The expense relating to any provision is presented in the Consolidated Statement of Comprehensive Income net of any reimbursement. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate which reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a financial expense.

Provisions and liabilities for environmental remediation, resulting from past operations or events, are accounted for in the period in which a legal or constructive obligation arises and the amount can be estimated reasonably. Obligations and liabilities are measured on the basis of current legal requirements and existing technology. Environmental expenditures relating to current operations are expensed, or capitalized where such expenditures provide future economic benefits. Obligations and expected insurance pay-outs are accounted for separately.

Emission Rights

Emission rights that are granted to the Company at no cost are not recorded in the Consolidated Statement of Financial Position and a provision is only recognized when the total of actual emissions at the Statement of Financial Position date exceeds the number of granted emission rights held. The provision for such a shortfall is based on the fair value of emission rights at the Statement of Financial Position date. Sales of emission rights are reflected in gross margin under “Revenue”.

Retirement Benefit Obligation

The Company operates several different defined benefit plans in the United Kingdom, Switzerland, Germany, France and Belgium. The cost of providing benefits under the defined benefit plans is determined separately for each plan using an actuarial valuation.

The liability recognized in the Consolidated Statement of Financial Position is the present value of the defined benefit obligation at the Statement of Financial Position date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and unrecognized past service costs. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using a discount rate that is similar to the interest rate on high quality corporate bonds where the currency and terms of the corporate bonds are consistent with the currency and estimated terms of the defined benefit obligation.

Actuarial gains or losses are amortized over the expected average remaining working lives of the participating employees, but only to the extent that the net cumulative unrecognized amount at the start of the year exceeds 10 % of the greater of the present value of the defined benefit obligation and the fair value of plan assets at the same date.

Past service costs are recognized on a straight-line basis over the average period until the benefits become vested. If the benefits vest immediately following the introduction of, or changes to, a pension plan, past service cost is recognized immediately. Gains or losses on the curtailment or settlement of pension benefits are recognized when the curtailment or settlement occurs.

A net pension asset is recorded only to the extent that it does not exceed the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan and any unrecognized net actuarial losses and past service costs.

Taxes

Current Taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to, the tax authorities. The tax rates and tax laws applied in the computation of the amount are those enacted at the Statement of Financial Position date.

Deferred Taxes

Deferred income tax is provided using the liability method on temporary differences, at the Statement of Financial Position date, between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

– where the deferred tax liability arises from the initial recognition of goodwill;
– where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, branches, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and carry-forwards of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized, except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, branches, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each Statement of Financial Position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each Statement of Financial Position date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted, or substantively enacted, at the Statement of Financial Position date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right to offset exists and the deferred taxes relate to the same taxable entity and same taxation authority.

Current and Deferred Taxes for the Period

Current and deferred taxes are recognized as an expense or income in profit and loss, except when they relate to items that are recognized outside of profit and loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside profit and loss.

Related Party Transactions

Transactions between the Company and related parties are disclosed in Note 29 “Related Parties”, specifying the nature, types and details of the transactions and the relationships.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Amounts collected on behalf of third parties such as mineral oil taxes, sales taxes and value added taxes are not included in revenue.

Sale of Crude

In certain circumstances the Company enters into transactions for the sale of surplus crude oil that cannot be utilized due to operational circumstances or unplanned refinery shutdowns. As these transactions are incidental to the Company’s main revenue generating activities, the results of such transactions are presented by netting any income with related expenses arising on the same transaction. The net amount realized is included in “Materials cost” in the Consolidated Statement of Comprehensive Income.

Cross Sales and Purchases

A cross sale is a sale to an entity outside of the Company under a cross sale/purchase agreement, where a sale of petroleum products is made on the understanding that a specified quantity of products, including that of a different grade, is bought back. The purpose of such arrangements is to allow the parties to achieve savings in their distribution costs in the selling of petroleum products. Cross sale and purchase transactions are presented net in “Materials cost” in the Consolidated Statement of Comprehensive Income.

Interest Income

Interest income is recognized using the effective interest method which exactly discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Segment Reporting
The Company has determined that we operate as one segment "Refining".

Share-Based Payment Transactions
Employees of the Company, including members of the Executive Committee, and members of the Board of Directors receive compensation in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions"). Equity-settled transactions are share options which can only be settled through the issuance of shares or other equity instruments. Share options which can only be settled in cash are cash-settled transactions. The Company only has equity-settled transactions.

The cost of equity-settled transactions is measured by reference to the fair value at the date on which they are granted. The fair value of share options is determined using the Black-Scholes model, further details of which are provided in Note 24 "Share-based Payments". In determining the fair value of the share options, the service condition is not taken into account.

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, on a straight-line basis over the period in which service conditions are fulfilled. At each reporting date, based on the Company's best estimate, the expense recognized is adjusted to reflect the actual number of share options that vest.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the new awards are treated as if they were a modification of the original award. All cancellations of equity-settled transaction awards are treated equally.

If an equity-settled award is repurchased during the vesting period for fully vested equity instruments, the payment is treated as a deduction from equity, except to the extent that the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Such excess is recognized as an expense in the Consolidated Statement of Comprehensive Income in the line item "Personnel expenses".

Earnings per Share
The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all potential dilutive ordinary shares, which comprise share options and Restricted Share Units ("RSUs") granted to employees and the dilutive effect of the convertible bond.

Cash Flow Presentation
The Consolidated Statement of Cash Flows is presented using the indirect method. The activity presented in the Consolidated Statement of Cash Flows is divided between operating, investing and financing activities and includes cash flows from discontinued operations.

Receipts relating to interest, dividends received and income taxes and payments relating to interest expense and income taxes are included within net cash flows from operating activities.

Net cash flows from acquisitions and disposals of subsidiaries and equity participations are included within cash flows from investing activities.

Dividend distributions are included within net cash flows from financing activities.

Summary of Significant Judgments and Estimates

Use of Estimates
The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The Company makes estimates and assumptions concerning the future. The resulting accounting will not necessarily equal the actual results. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Consolidated Financial Statements are discussed below.

Judgments
In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimates, which have the most significant impact on the amounts recognized in the consolidated financial information:

Finance Lease Commitments – The Company has a contract with a third party to provide hydrogen to its Cressier refinery; in the course of evaluating that contract under IFRIC 4 (International Financial Reporting Interpretations Committee) *Determining whether an arrangement contains a lease*, the Company has determined the contract to be a finance lease.

Forward Purchase and Sale Commitments – The Company enters into physical forward sales and purchase contracts for crude oil procurement to deliver refined products to distributors and end customers. The Company has determined that these contracts do not meet the criteria of a derivative financial instrument according to IAS 39 *Financial Instruments: Recognition and Measurement*. This is due to management's determination that the function of the activities is to supply crude oil to the refineries and to deliver refined products to distributors and end customers.

Impairment of Assets – In accordance with IAS 36 *Impairment of Assets*, at each Statement of Financial Position date, the Company performs an assessment to determine whether there are any indications of impairment. If indications of impairment exist, an impairment test is performed to assess the recoverable amount of the assets.

Deferred Tax Assets – Deferred tax assets are recognized to the extent that it is probable that there will be future taxable income against which the temporary differences can be utilized. The valuation of future taxable income depends on assumptions that can change through time, with the possibility of significant differences in management's final valuation of deferred income tax. Judgment is required when determining the key assumptions used in the assessment and changes to the assumptions can significantly affect the outcome of the assessment.

Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the Statement of Financial Position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below:

Useful Lives of Property, Plant and Equipment – PP&E is depreciated on a straight-line basis over the estimated useful lives of the assets. The useful lives are estimated by management at the time the assets are acquired and are reassessed annually, with the estimated useful lives being based on historical experience with similar assets, market conditions and future anticipated events. The actual useful life might be different from the estimated useful life. The related carrying amount as of December 31, 2010 is disclosed in Note 14 "Property, Plant & Equipment".

Valuation of Costs in Determining FIFO Inventory – In determining the costs of our crude oil and refined petroleum products in inventory, management must make certain assumptions and estimates in order to develop the production cost of our refined petroleum products. While crude and feedstock oil valuation is directly attributed to relevant purchase contracts and freight costs, the value of the refined products cost is built up by identifying the appropriate crude and feedstock cost. Additional factors considered include charge and yield of the refinery, average product prices to guide allocation of cost of crude and feedstock processed and the relevant operating and fixed overheads for the stated month of production. Whenever net realizable value ("NRV") is lower than FIFO cost, the NRV is considered for valuation purposes. Management periodically reassesses its assumptions and estimates, and judgment is required when determining the assumptions. Changes to these assumptions and estimates can significantly affect the outcome of the value of the oil products. The related carrying amount as of December 31, 2010 is disclosed in Note 11 "Inventories".

Environmental Costs – We provide for costs associated with environmental remediation obligations when the Company has a present obligation and the provision can be reasonably estimated. Such provisions are adjusted as further information develops or circumstances change. The related carrying amount as of December 31, 2010 is disclosed in Note 19 "Provisions".

New and Amended Standards Adopted by the Company

The Company has adopted the following relevant new, revised and amended IFRSs as of January 1, 2010:

IFRS 2 *(Amended) Group cash-settled and share-based payment transactions* – The amendments are effective for annual periods beginning on or after January 1, 2010. IFRS 2 has been amended to clarify the accounting for group cash-settled share-based payment transactions, where a subsidiary receives goods or services from employees or suppliers but the parent or another entity in the group pays for those goods or services. The amendments clarify that the scope of IFRS 2 includes such transactions. The amendment incorporates the guidance from IFRIC 8 *Scope of IFRS 2* and IFRIC 11 *Group and Treasury Share Transactions* and hence both IFRIC 8 and IFRIC 11 have been withdrawn. As the Company currently does not have any cash-settled share-based payment transactions, this amended standard has no impact on the Company's Consolidated Financial Statements.

IFRS 3 *(Revised) Business Combinations* – The revised standard is effective for annual periods beginning on or after July 1, 2009. The revised standard introduces several changes such as the choice to measure the non-controlling interest in the acquiree either at fair value or at its proportionate interest in the acquiree's net assets, the re-measurement of previously held interests to fair value at the date of the subsequent acquisition and including this value in calculating goodwill, the measurement of contingent considerations at fair value at the date of acquisition as well as the expense of all acquisition-related costs. The changes from IFRS 3 (revised) will affect future acquisitions, but will have no impact on the current Consolidated Financial Statements of the Company.

IAS 27 *(Amended) Consolidated and Separate Financial Statements* – According to the amended standard, effective July 1, 2009, changes in the ownership of a non-controlling interest that do not result in a loss of control shall be accounted for as an equity transaction. Upon loss of control of a subsidiary, any retained interest is re-measured to fair value and a gain or loss is recognized in profit and loss. The standard also clarifies that losses incurred by the subsidiary are allocated between controlling and non-controlling interests even if the losses exceed the non-controlling equity investment in the subsidiary. The revised standard has no impact on the Consolidated Financial Statements of the Company.

IAS 39 *(Amended) Financial Instruments: Recognition and Measurement – Eligible Hedged Items* – The amended standard is effective for annual periods beginning on or after July 1, 2009. The amended standard addresses the designation of a one-sided risk in a hedged item, and the designation of inflation as a hedged risk or portion in particular situations. It clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. The amendment has no impact on the financial position or performance of the Company as the Company currently does not enter into such hedges.

IFRIC 17 *Distributions of non-cash assets to owners* – This IFRIC is effective for annual periods beginning on or after July 1, 2009. This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and the distribution is highly probable. This interpretation does not have an impact on the Company's Consolidated Financial Statements.

IFRIC 18 *Transfers of Assets from Customers* – This IFRIC is effective for annual periods beginning on or after July 1, 2009. This interpretation provides guidance on how to account for items of property, plant and equipment received from customers or cash that is received and used to acquire or construct specific assets in return for connection to a network or ongoing access to goods or services. The interpretation requires an entity to initially determine whether the transferred item meets the definition of an asset as set out in the Framework. A key element in the definition is whether the entity has control of the item. Additionally, the interpretation requires the transferred assets to be recognized initially at fair value and the related revenue to be recognized immediately. This interpretation has no impact on the Company's Consolidated Financial Statements.

Amendments resulting from annual improvements to IFRS do not have a material impact on the Company's Consolidated Financial Statements.

Early Adoption of Standards and Interpretations

The Company has early adopted the following standard:

IAS 32 *(Amended) Financial Instruments: Presentation* – In 2009, the International Accounting Standards Board (IASB) issued "Classification of Rights Issues – an amendment to IAS 32", becoming effective for annual periods beginning on or after February 1, 2010, with early application permitted. The amendment addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. Previously, such rights issues were accounted for as a derivative transaction. The amendment requires that, provided certain conditions are met, such rights issues are classified as equity regardless of the currency in which the exercise price is denominated. The Company has early adopted the amendment and have appropriately classified the September 2009 rights issue as an equity transaction.

Standards, Amendments and Interpretations to Existing Standards that are not yet Effective and have not been Early Adopted by the Company

At the date of authorization of these Consolidated Financial Statements, other than the Standards and Interpretations adopted by the Company, the following amended Standards and new Interpretations, which could have an impact on the Company, were issued but are not yet effective:

IFRS 9 *Financial Instruments* – The new standard is effective for annual periods beginning on or after January 1, 2013. IFRS 9 is the wider project to replace IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The Company intends to apply IFRS 9 at January 1, 2013. This revised Standard is not expected to have a significant impact on the Company's Consolidated Financial Statements.

IFRIC 14 *(Amended) IAS 19 The Limit on Defined Benefit Assets, Minimum Funding Requirements and their Interaction* – The amendment is effective for annual periods beginning on or after January 1, 2011. This amendment removes unintended consequences arising from the treatment of prepayments where there is a minimum funding requirement. The amendment results in prepayments of contributions in certain circumstances being recognized as an asset rather than an expense. The Company intends to adopt IFRIC 14 (amended) at January 1, 2011. This amended standard is not expected to have a material impact on the Company's Consolidated Financial Statements.

IFRIC 19 *Extinguishing financial liabilities with equity instruments ("debt for equity swaps")* – The new interpretation is effective for annual periods beginning on or after July 1, 2010. IFRIC 19 clarifies the accounting when an entity renegotiates the terms of its debt with the result that the liability is extinguished by the debtor issuing its own equity instruments to the creditor (referred to as a "debt for equity swap"). These equity instruments issued are measured at their fair value and any gain or loss is recognized immediately in profit and loss. The Company intends to adopt IFRIC 19 at January 1, 2011. This new interpretation is not expected to have a material impact on the Company's Consolidated Financial Statements.

Amendments resulting from annual improvements to IFRS that are not yet applicable are not expected to have a material impact on the Company's Consolidated Financial Statements.

In the Company's view, other issued amendments to the accounting standards and interpretations that are not yet applicable do not have a material impact on the accounting policies, financial position or performance of the Group.

3 Revenue and Materials Cost

Revenue

(in millions of USD)	2010	2009
Sale of products	20,626.7	14,714.8
Sale of biofuel certificates	44.5	51.3
Sale of CO_2 emission rights	36.8	–
Tank rental	8.9	17.0
Compulsory stock storage	4.5	3.6
Handling fee	1.4	1.3
Other	12.2	9.8
Total revenue	**20,735.0**	**14,797.8**

Revenue represents the revenues earned from the sale of refined products and other revenues from sale of biofuel certificates at the French refineries, sale of CO_2 emission rights, tank rental, compulsory stock storage and handling fees. The increase in revenue is mainly attributable to higher refined petroleum product prices and increased volumes sold during 2010 compared to the same period in 2009.

Excise duties are not included in revenues but they are levied on part of the revenues. The excise duties invoiced during the year 2010 amounted to USD 4.3 billion (2009: USD 4.3 billion).

Materials Cost

Materials cost represents the cost to purchase crude oil and gains and losses on commodity instruments. Materials cost included a gain of USD 21.9 million for the year ended December 31, 2010 (2009: loss of USD 5.7 million) related to our commodity price management program.

Included in "Materials cost" are sales of crude oil. These sales are executed to avoid failures of timely deliveries, delivery shortages of crude oil, and, at times, are a result of operational optimization decisions. These sales occur mainly with refineries that are dependent on crude oil supply by vessels. The related primary crude oil purchase is sold at the current market price. The crude oil sales revenue offset against materials cost in 2010 is USD 304.0 million (2009: USD 109.5 million).

4 Segment Information

Segment information is presented with respect to the Company's operating segment, together with selected geographical and other information.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

We have one reportable operating segment, refining. Our refining segment includes refining and wholesale marketing operations. Petroplus is an independent refining company with no other operating activities. As such, we manage operations on a consolidated basis. Additionally, the Company does not generate financial information down to the net income level for its refineries.

Operating Segment

	Refining		Total Continuing Operations		Discontinued Operations		Total Company	
(in millions of USD)	2010	2009	2010	2009	2010	2009	2010	2009
Total external revenue	20,735.0	14,797.8	20,735.0	14,797.8	12.2	1,413.1	20,747.2	16,210.9
Total revenue	**20,735.0**	**14,797.8**	**20,735.0**	**14,797.8**	**12.2**	**1,413.1**	**20,747.2**	**16,210.9**
Operating profit/(loss)	155.4	65.3	155.4	65.3	(0.8)	(165.3)	154.6	(100.0)
Financial income			3.1	2.6	–	0.2	3.1	2.8
Financial expenses			(189.6)	(167.2)	–	(0.3)	(189.6)	(167.5)
Foreign currency exchange (loss)/gain			(2.2)	2.5	–	–	(2.2)	2.5
Share of income/(loss) from associates			8.5	(1.6)	–	–	8.5	(1.6)
Income tax (expense)/ benefit			(82.1)	(10.4)	(0.3)	24.3	(82.4)	13.9
Loss on sale of discontinued operations, net of income tax			–	–	(4.3)	–	(4.3)	–
Net loss			**(106.9)**	**(108.8)**	**(5.4)**	**(141.1)**	**(112.3)**	**(249.9)**
Segment assets	6,755.0	6,568.9	6,755.0	6,568.9	–	88.2	6,755.0	6,657.1
Investments in associates	14.6	21.2	14.6	21.2	–	–	14.6	21.2
Total assets	**6,769.6**	**6,590.1**	**6,769.6**	**6,590.1**	**–**	**88.2**	**6,769.6**	**6,678.3**
Segment liabilities	4,765.7	4,659.7	4,765.7	4,659.7	–	30.6	4,765.7	4,690.3
Total liabilities	**4,765.7**	**4,659.7**	**4,765.7**	**4,659.7**	**–**	**30.6**	**4,765.7**	**4,690.3**
Other information								
Capital expenditures	226.7	342.3	226.7	342.3	0.2	5.4	226.9	347.7
Depreciation	(309.5)	(252.5)	(309.5)	(252.5)	–	(18.6)	(309.5)	(271.1)
Amortization	(21.1)	(23.0)	(21.1)	(23.0)	–	(0.6)	(21.1)	(23.6)
Impairment	(8.2)	(6.6)	(8.2)	(6.6)	(0.6)	(125.3)	(8.8)	(131.9)

Geographical Information

The following table provides details of total external revenues by geographic market area for the years ended December 31, 2010 and 2009 and the non-current assets by location as of December 31, 2010 and 2009.

The revenue information is based on the location of the customer. Non-current assets for this purpose consist of property, plant and equipment and intangible assets:

	External revenue [1]		Non-current assets [1]	
(in millions of USD)	2010	2009	2010	2009
United Kingdom	7,207.5	4,342.0	1,393.8	1,506.4
France	4,709.3	3,492.4	466.7	445.7
Switzerland	3,768.6	2,502.1	329.6	335.4
Germany	2,594.9	2,656.6	674.1	695.2
Belgium	770.9	585.3	632.6	639.7
The Netherlands	523.7	302.0	–	–
Rest of the world	1,160.1	917.4	–	–
Total	**20,735.0**	**14,797.8**	**3,496.8**	**3,622.4**

[1] Excludes external revenue relating to the Antwerp Processing facility and the Teesside refining operations and non-current assets relating to the Antwerp Processing facility.

Major Customers

The following table provides information about major customers. The total sales to each customer are compared with total sales from continuing operations of USD 20,735.0 million (2009: USD 14,797.8 million). If the Company sells products to different customers that form a group of companies, these sales are shown as sales to one customer.

	2010		2009	
(in millions of USD)	Sales	in % of total sales	Sales	in % of total sales
Customer 1	4,972.6	24.0 %	4,213.3	28.5 %
Customer 2	1,415.4	6.8 %	1,216.3	8.2 %
Total	**6,388.0**	**30.8 %**	**5,429.6**	**36.7 %**

5 Additional Statement of Comprehensive Income Disclosures

Personnel expenses

(in millions of USD)	2010	2009
Wages, salaries and bonuses	(232.8)	(228.9)
Social security and pension expenses	(82.9)	(80.9)
Contract labor	(15.9)	(12.4)
Expense of share-based payments	(5.0)	(6.1)
Other personnel expenses [1]	(15.3)	(22.8)
Total personnel expenses	**(351.9)**	**(351.1)**

[1] Other personnel expenses include mainly recruitment, education and health and staff insurance expenses.

Operating expenses

(in millions of USD)	2010	2009
Maintenance	(145.1)	(162.6)
Energy expenses	(115.6)	(104.0)
Chemical expenses	(65.2)	(57.4)
Other selling, general and administrative expenses	(91.1)	(102.3)
Utilities	(0.7)	(0.4)
Safety, health and environmental costs	(22.1)	(24.5)
Total operating expenses	**(439.8)**	**(451.2)**

Other administrative expenses

(in millions of USD)	2010	2009
Consultancy fees	(13.0)	(17.0)
Information technology	(11.4)	(16.3)
Insurance	(9.0)	(10.8)
Travel and accommodation	(4.2)	(4.2)
Other [1)]	(5.1)	(7.4)
Total other administrative expenses	**(42.7)**	**(55.7)**

[1)] Other includes leasing, postage and telecom, printing and office supplies, canteen, public relations, property and other indirect taxes and other miscellaneous administrative expenses.

Financial income

(in millions of USD)	2010	2009
Interest income	0.6	0.4
Other financial income	2.5	2.2
Total financial income	**3.1**	**2.6**

Financial expenses

(in millions of USD)	2010	2009
Interest expense	(137.2)	(116.0)
Refinancing costs and bond accretion	(13.3)	(25.4)
Letter of credit expense	(26.9)	(14.1)
Bank and commission fees	(12.1)	(9.3)
Other financial expenses	(0.1)	(2.4)
Total financial expenses	**(189.6)**	**(167.2)**

6 Taxes

Current Tax

The major components of income tax expense for the years ended December 31, 2010 and 2009 are as follows:

(in millions of USD)	2010	2009
Consolidated Statement of Comprehensive Income		
Current income tax		
Current income tax charge	(2.0)	(10.7)
Charges in respect to current tax of previous years	(0.7)	(5.7)
Deferred income tax		
Related to origin and reversal of temporary differences	(80.7)	5.3
Related to changes in tax rates	1.3	0.7
Total income tax expense from continuing operations	**(82.1)**	**(10.4)**
Aggregate current and deferred tax relating to items charged or credited to equity		
Total income tax recognized in other comprehensive income	**–**	**12.0**
Total income tax recognized in equity	**–**	**–**

The reconciliations between the actual tax charge and the expected tax charge for the years ended December 31, 2010 and 2009 are as follows:

(in millions of USD)	2010	2009
Total loss from continuing operations before income taxes	**(24.8)**	**(98.4)**
Expected tax benefit at head office rate (2010: 10 %; 2009: 10 %)	**2.5**	**9.8**
Income taxed at different rates	19.9	41.8
Foreign currency impact	(55.9)	(27.5)
Tax effect of expenses not deductible in determining taxable profit	(9.5)	(20.4)
Tax effect of non-taxable income	10.2	17.3
Change in tax rate	1.3	0.7
Adjustment in respect of prior periods	(1.4)	(1.5)
Utilization of tax losses not previously recognized	4.1	2.4
Unrecognized deferred tax assets relating to current year	(18.1)	(32.5)
Deferred tax expense arising from the write-down of previously recognized deferred tax assets	(35.2)	–
Other	–	(0.5)
Income tax expense from continuing operations	**(82.1)**	**(10.4)**

Deferred Tax

Deferred tax at December 31, 2010 and 2009 relates to the following:

(in millions of USD)	2010	2009
Deferred tax assets		
Temporary differences:		
Intangible assets	4.6	4.5
Trade and other receivables	4.2	6.6
Retirement benefit obligation	37.0	39.7
Other assets	10.0	12.0
Tax losses and tax credits available for offset against future taxable income	46.0	78.9
Total deferred tax assets	**101.8**	**141.7**
Deferred tax liabilities		
Temporary differences:		
Property, plant and equipment	366.0	351.3
Intangible assets	15.9	20.7
Derivative financial instruments	2.3	12.2
Inventories	3.7	4.4
Trade and other payables	10.0	4.4
Provisions and other liabilities	86.8	51.3
Total deferred tax liabilities	**484.7**	**444.3**
Deferred tax liabilities, net	**(382.9)**	**(302.6)**
Presented in the Consolidated Statement of Financial Position as:		
Deferred tax assets	13.7	40.0
Deferred tax liabilities	(396.6)	(342.6)
Deferred tax liabilities, net	**(382.9)**	**(302.6)**

Tax Losses Carried Forward

The deferred tax assets on the loss carry forwards which have been recognized as of December 31, 2010 relate to Switzerland, Germany and Belgium. The realization of tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible or in which tax losses can be utilized.

Tax losses on which no deferred tax assets were recognized as their utilization is not probable, are described in the table to the right.

(in millions of USD)	2010	2009
Unrecognized tax losses expiry		
Switzerland		
From 4 to 7 years	743.1	309.5
Belgium		
Never expire	0.9	78.2
The Netherlands		
From 7 to 9 years	83.1	75.9
Others		
From 3 to 6 years	34.1	3.3
Never expire	5.5	0.8
Total unrecognized tax losses	**866.7**	**467.7**

Dividend Distributions

Any intragroup dividend distributions would have no or limited tax consequences to the Company due to the expected application of relevant European Union Directives, Double Tax Treaties and participation exemption rules.

7 Discontinued Operations

Disposal of the Antwerp Processing Facility
On October 23, 2009, the Company, through certain of its subsidiaries, entered into a definitive agreement with Eurotank Belgium B.V., a wholly-owned subsidiary of Vitol Tank Terminals International B.V., part of the Vitol Group of companies ("Vitol"), for the sale of Petroplus Refining Antwerp N.V. and Petroplus Refining Antwerp Bitumen N.V. (the "Antwerp Processing facility"). The disposal of the Antwerp Processing facility is consistent with the Company's long-term policy to focus on its core refining business. The gross sales price for the net asset value of the facility, excluding hydrocarbon inventory, was USD 25.0 million in cash. The disposal was completed on January 12, 2010, on which date control of the Antwerp Processing facility passed over to the acquirer for total cash consideration of USD 56.3 million. Details of the assets and liabilities disposed of and the calculation of the loss on disposal are disclosed in Note 8 "Disposal of the Antwerp Processing Facility". Total loss from discontinued operations in 2010 related to the Antwerp Processing facility amounted to USD 4.7 million.

During 2009, the Company recorded an impairment loss of USD 15.0 million to reflect the fair value of the facility which was included within discontinued operations in the line item "Depreciation, amortization and impairment" for the year ended December 31, 2009. The related income tax impact was a USD 2.0 million tax benefit. The results of the Antwerp Processing facility, including selling costs of USD 4.5 million, have been included in the line item "Discontinued operations" in our Consolidated Statement of Comprehensive Income for the year ended December 31, 2009. As at December 31, 2009, the Antwerp Processing facility was classified as a disposal group held for sale. The major classes of assets and liabilities classified as held for sale are disclosed in Note 9 "Net Assets Held for Sale".

Suspension of the Teesside Refinery Operations
In November 2009, the Company suspended the Teesside refining operations due to the unfavorable market environment and capital expenditures required to maintain refinery operations. During 2010, the site was converted into a marketing and storage facility. In addition to the charges recorded in 2009, additional transition costs of USD 0.7 million were recorded in the line item "Discontinued operations" in our Consolidated Statement of Comprehensive Income for the year ended 2010. Further details regarding restructuring expenses are disclosed in Note 19 "Provisions".

As a result of the suspension of the Teesside refinery operations in 2009, an impairment test was performed on the fixed asset value in 2009 based on value in use by using a discount factor of 8%. As the estimated recoverable amount determined under value in use was less than the net book value, an impairment charge of USD 110.0 million was recorded. Related to the transition, the Company recognized a provision of USD 19.0 million for expected restructuring costs, including contract termination costs, consulting fees, employee termination benefits and related incremental costs. The results of the Teesside refining and marketing operations were included in the line item "Discontinued operations" in our Consolidated Statement of Comprehensive Income for the year ended December 31, 2009.

Analysis of Loss for the Year from Discontinued Operations
The combined results of the discontinued operations (i.e. Antwerp Processing facility and Teesside refining operations) are set forth on the next page.

The loss for the year from discontinued operations is analyzed as follows:

(in millions of USD)	2010	2009
Loss from discontinued operations		
Revenue	12.2	1,413.1
Materials cost	(10.3)	(1,311.7)
Gross margin	**1.9**	**101.4**
Personnel expenses	(0.3)	(35.5)
Operating expenses	(1.3)	(61.1)
Depreciation, amortization and impairment	(0.6)	(144.5)
Restructuring expenses	(0.1)	(19.0)
Other administrative expenses	(0.4)	(6.6)
Operating loss	**(0.8)**	**(165.3)**
Financial income	–	0.2
Financial expenses	–	(0.3)
Loss before income taxes	**(0.8)**	**(165.4)**
Income tax (expense)/benefit	(0.3)	24.3
Results from discontinued operations	**(1.1)**	**(141.1)**
Loss on disposal of discontinued operations	**(4.3)**	**–**
Total loss from discontinued operations	**(5.4)**	**(141.1)**

(in USD)	2010	2009
Earnings per share from discontinued operations		
Earnings per share – basic	(0.06)	(1.81)
Earnings per share – diluted	(0.06)	(1.81)

The net cash flows from discontinued operations are as follows:

(in millions of USD)	2010	2009
Cash flows from operating activities	(25.2)	19.5
Cash flows from investing activities	56.1 [1)	(10.5)
Cash flows from financing activities	–	–
Net cash flows	**30.9**	**9.0**

1) Includes USD 0.2 million for capital expenditures.

8 Disposal of the Antwerp Processing Facility

On January 12, 2010, the Company disposed of the Antwerp Processing facility. Cash proceeds of USD 56.3 million were received during 2010.

Consideration:

(in millions of USD)	2010
Consideration received in cash	56.3
Total consideration	**56.3**

Effect of disposal on the financial position of the Group as per January 12, 2010:

(in millions of USD)	2010
Cash	0.1
Other receivables and prepayments	2.6
Inventories	31.9
Property, plant and equipment	41.8
Other financial assets	13.3
Total assets disposed of	**89.7**
Other payables and accrued expenses	(15.3)
Current tax liabilities	(0.2)
Retirement benefit obligation	(8.3)
Provisions	(5.5)
Other financial liabilities	(0.6)
Total liabilities disposed of	**(29.9)**
Net assets disposed of	**59.8**

Loss on disposal of Antwerp Processing facility:

(in millions of USD)	2010
Consideration	56.3
Net assets disposed of	(59.8)
Loss on disposal	**(3.5)**
Cumulative exchange differences reclassified from equity	(0.8)
Total loss on disposal of Antwerp Processing facility	**(4.3)**

The loss on disposal amounting to USD 4.3 million is included in the line item "Discontinued operations" in our Consolidated Statement of Comprehensive Income for the year ended December 31, 2010. Further details are disclosed in Note 7 "Discontinued Operations".

Net cash inflow on disposal of the Antwerp Processing facility:

(in millions of USD)	2010
Consideration received in cash	56.3
Less: Cash balances disposed of	(0.1)
Net cash inflow	**56.2**

9 Net Assets Held for Sale

During 2009, the Company, through certain of its subsidiaries, entered into a definitive agreement with Eurotank Belgium B.V., a wholly-owned subsidiary of the Vitol Group of Companies, for the sale of its Antwerp Processing facility. The sale was completed on January 12, 2010.

The major classes of assets and liabilities of the Antwerp Processing facility were classified as held for sale as of December 31, 2009:

(in millions of USD)	2009
Cash	0.1
Other receivables and prepayments	2.6
Inventories	34.0
Property, plant and equipment	41.6
Other financial assets	9.9
Total assets classified as held for sale	**88.2**
Other payables and accrued expenses	(16.0)
Current tax liabilities	(0.2)
Retirement benefit obligation	(8.3)
Provisions	(5.5)
Other financial liabilities	(0.6)
Total liabilities classified as held for sale	**(30.6)**
Net assets held for sale	**57.6**

10 Cash and Short-Term Deposits

Cash and short-term deposits for the years ended December 31, 2010 and 2009 are as follows:

(in millions of USD)	2010	2009
Cash	111.7	10.5
Short-term deposits	67.3	0.7
Total cash and short-term deposits	**179.0**	**11.2**

Cash held at banks earns interest at floating rates based on bank deposit rates. Short-term deposits are made for varying periods between one day and three months depending on the immediate cash requirements of the Company. Interest is earned at the respective short-term deposit rates. See Note 28 “Financial Instruments” for the fair value of cash and short-term deposits.

Of the total amount included in cash and short-term deposits at December 31, 2010, USD 166.7 million was pledged under the Company’s borrowing agreements (2009: USD nil).

Cash and short-term deposits are composed of the following currencies:

(in millions of USD)	2010	2009
USD	123.1	4.5
EUR	33.6	4.8
GBP	16.0	0.1
CZK	4.1	1.4
CHF	2.2	0.4
Total cash and short-term deposits	**179.0**	**11.2**

11 Inventories

There were no write-downs for obsolete or slow-moving items related to raw materials and finished goods in 2010 and 2009. Of the total amount included in inventories at December 31, 2010, USD 1,322.8 million (2009: USD 1,213.1 million) was pledged as security for the Company’s credit facilities.

(in millions of USD)	2010	2009
Crude oil	717.6	825.5
Finished goods & feedstock	933.4	808.1
Other materials	56.9	50.9
Total inventories	**1,707.9**	**1,684.5**

12 Trade and Other Receivables

Trade receivables

(in millions of USD)	2010	2009
Trade receivables	1,154.8	1,052.2
Provision for doubtful debt	(0.1)	(0.8)
Total trade receivables, net	**1,154.7**	**1,051.4**

Trade receivables are non-interest-bearing and are generally on 5 to 35 day terms.

At December 31, the aging analysis of trade receivables is as follows:

(in millions of USD)	2010	2009
Neither past due nor impaired	1,133.9	1,025.4
Past due		
less than 30 days	17.5	23.0
between 31 and 60 days	0.3	0.1
between 61 and 90 days	0.2	1.1
between 91 and 180 days	2.4	1.0
between 181 and 360 days	0.4	0.8
more than 360 days	–	–
Total trade receivables, net	**1,154.7**	**1,051.4**

At December 31, trade receivables are composed of the following currencies:

(in millions of USD)	2010	2009
EUR	623.6	632.8
USD	222.4	103.6
GBP	222.0	198.0
CHF	79.7	73.2
CZK	7.0	43.8
Total trade receivables, net	**1,154.7**	**1,051.4**

At December 31, 2010, trade receivables at a nominal value of USD 0.1 million (2009: USD 0.8 million) were impaired and fully provided for. The movements in the provision for impairment of receivables were as follows:

(in millions of USD)	Individually impaired
Balance at January 1, 2009	(1.2)
Charge for the year	(0.4)
Utilized	0.1
Unused amount reversed	0.7
Balance at December 31, 2009	**(0.8)**
Charge for the year	(0.1)
Utilized	0.3
Unused amount reversed	0.5
Balance at December 31, 2010	**(0.1)**

Of the total amount included in trade receivables at December 31, 2010, USD 1,004.0 million (2009: USD 962.6 million) was pledged as security for the Company's credit facilities.

Factoring Agreement
On June 8, 2009, one of the Company's subsidiaries concluded an uncommitted factoring agreement of up to approximately USD 250 million resulting in the sale of some of the Company's oil major receivables (the "Factoring Agreement"). The Factoring Agreement is available, subject to certain oil major receivables being eligible for sale. The eligible receivables are sold at their nominal value less the bank's funding rate plus a margin below that of the RCF. As of December 31, 2010, the Company utilized USD 178.7 million against this facility.

Other Receivables and Prepayments

(in millions of USD)	2010	2009
Receivables from associates	0.8	1.2
Taxes other than income taxes	30.6	31.6
Other receivables and prepayments	77.9	67.0
Total other receivables and prepayments	**109.3**	**99.8**

Other receivables and prepayments consist mainly of receivables in connection with compulsory stock obligations in the amount of USD 30.8 million (2009: USD 26.5 million), prepaid biotax allowances of USD 9.7 million and prepaid insurance of USD 4.0 million.

13 Intangible Assets

Changes in intangible assets for the years ended December 31, 2010 and 2009 were as follows:

(in millions of USD)	Notes	Software	Leasehold	Other intangible assets	Intangible assets under construction	Total
Cost						
Balance at January 1, 2009		52.0	26.8	54.1	5.8	138.7
Additions		–	–	–	1.9	1.9
Disposals		–	–	(0.8)	–	(0.8)
Reclassification		8.4	–	7.7	(6.6)	9.5
Balance at December 31, 2009		**60.4**	**26.8**	**61.0**	**1.1**	**149.3**
Additions		0.1	–	0.2	4.9	5.2
Reclassification		1.8	–	4.4	(5.3)	0.9
Balance at December 31, 2010		**62.3**	**26.8**	**65.6**	**0.7**	**155.4**
Accumulated amortization						
Balance at January 1, 2009		10.8	1.3	13.2	–	25.3
Amortization – continued		15.1	0.7	7.2	–	23.0
Amortization – discontinued [1)]	7	0.6	–	–	–	0.6
Disposals		–	–	(0.2)	–	(0.2)
Reclassification		(1.8)	–	3.1	–	1.3
Balance at December 31, 2009		**24.7**	**2.0**	**23.3**	**–**	**50.0**
Amortization – continued		17.9	0.7	2.5	–	21.1
Reclassification		0.4	–	2.6	–	3.0
Balance at December 31, 2010		**43.0**	**2.7**	**28.4**	**–**	**74.1**
Net carrying amount at						
January 1, 2009		41.2	25.5	40.9	5.8	113.4
December 31, 2009		35.7	24.8	37.7	1.1	99.3
December 31, 2010		**19.3**	**24.1**	**37.2**	**0.7**	**81.3**

[1)] Attributable to the Teesside refining operations.

14 Property, Plant and Equipment

Changes in property, plant and equipment for the years ended December 31, 2010 and 2009 were as follows:

(in millions of USD)	Notes	Land & Buildings	Machinery & Equipment	Other assets	Assets under construction	Total
Cost						
Balance at January 1, 2009		453.3	3,541.2	26.9	225.8	4,247.2
Final purchase price allocation and reclassification adjustment	31	(16.5)	(12.8)	–	–	(29.3)
Additions		–	–	2.0	343.8	345.8
Disposals		–	(19.4)	(1.9)	–	(21.3)
Reclassification		21.5	268.0	15.8	(343.9)	(38.6)
Classified as held for sale 1)	9	(4.1)	(151.4)	(1.3)	(5.2)	(162.0)
Balance at December 31, 2009		**454.2**	**3,625.6**	**41.5**	**220.5**	**4,341.8**
Additions		–	–	0.3	221.4	221.7
Disposals		(0.4)	(200.8)	(0.1)	(1.8)	(203.1)
Reclassification		10.7	284.5	3.9	(296.9)	2.2
Balance at December 31, 2010		**464.5**	**3,709.3**	**45.6**	**143.2**	**4,362.6**
Accumulated depreciation						
Balance at January 1, 2009		12.6	559.0	14.8	–	586.4
Depreciation – continued		4.2	243.9	4.4	–	252.5
Depreciation – discontinued 2)	7	0.3	18.1	0.2	–	18.6
Impairment – continued		4.1	2.5	–	–	6.6
Impairment – discontinued 2)	7	–	125.3	–	–	125.3
Disposals		–	(18.0)	(1.1)	–	(19.1)
Reclassification		2.2	(33.1)	(0.3)	–	(31.2)
Classified as held for sale 1)	9	(0.8)	(118.6)	(1.0)	–	(120.4)
Balance at December 31, 2009		**22.6**	**779.1**	**17.0**	**–**	**818.7**
Depreciation – continued		5.4	300.1	4.0	–	309.5
Impairment – continued		2.2	6.0	–	–	8.2
Impairment – discontinued 2)	7	–	0.6	–	–	0.6
Disposals		–	(199.3)	–	–	(199.3)
Reclassification		18.5	(9.3)	0.2	–	9.4
Balance at December 31, 2010		**48.7**	**877.2**	**21.2**	**–**	**947.1**
Net carrying amount at						
January 1, 2009		440.7	2,982.2	12.1	225.8	3,660.8
December 31, 2009		431.6	2,846.5	24.5	220.5	3,523.1
December 31, 2010		**415.8**	**2,832.1**	**24.4**	**143.2**	**3,415.5**

1) Attributable to the Antwerp Processing facility.
2) Attributable to the Antwerp Processing facility and the Teesside refining operations.

The carrying amount of finance leases included in Machinery & Equipment as of December 31, 2010 is USD 22.2 million (2009: USD 29.8 million). Of the total amount included in Property, Plant and Equipment at December 31, 2010, USD 8.5 million (2009: USD 11.4 million) was pledged as security for the Company's credit facilities.

The Company has purchase commitments at December 31, 2010 of USD 40.8 million (2009: USD 19.7 million) for property, plant and equipment.

15 Investments in Associates

The following table illustrates the summarized financial information of the Company's investments in associates for December 31, 2010 and 2009:

	December 31,	
(in millions of USD)	2010	2009
Current assets	62.6	78.9
Non-current assets	81.2	80.1
Total assets	*143.8*	*159.0*
Current liabilities	(67.5)	(66.4)
Non-current liabilities	(26.8)	(25.0)
Total liabilities	*(94.3)*	*(91.4)*
Net assets	**49.5**	**67.6**
Company's share of associates' net assets	**14.6**	**21.2**

	For the year ended December 31,	
(in millions of USD)	2010	2009
Revenue	38.6	40.0
Income/(loss)	1.2	(2.4)
Company's share of associates' revenue	**11.9**	**12.3**
Company's share of associates' income/(loss)	**8.5** [1]	**(1.6)**

[1] Includes gain on sale of PBF.

A complete list of the Company's associated entities, countries of incorporation, and interest held is disclosed in Note 32 "Subsidiaries".

Acquisitions/Disposals

During 2010 and 2009, there were no other acquisitions or disposals of investments in associates, except as noted below.

Acquisition of Delaware City Refinery Assets

On June 1, 2010, the Company's investment vehicle, PBF Energy Company LLC ("PBF"), a partnership entered into with The Blackstone Group and First Reserve Corporation, completed its purchase of the Delaware City refinery in Delaware City, Delaware from Valero Energy Corporation. On May 28, 2010, the Company contributed USD 76.4 million to PBF related to the purchase of the Delaware City refinery.

Sale of Petroplus' Share in Investment Vehicle PBF

On September 26, 2010, the Company reached an agreement in principle with The Blackstone Group and First Reserve, its partners in PBF, for the sale of Petroplus' 32.62 % share of PBF in the amount of USD 91.0 million. Cash proceeds received on October 18, 2010, amounted to USD 81.9 million after withholding tax. The sale transaction resulted in a gain of USD 8.3 million in 2010. During 2009, PBF reported a loss in the amount of USD 2.1 million.

This transaction represents a strategic shift for the Company mainly caused by the expected rapid expansion rate of PBF in the United States, which would require large investments by the Company to maintain a meaningful position in PBF and the amount and timing of such investments would not be entirely within the Company's control.

Management believes it is most important to focus the Company's resources on our core European operations and to pursue strategies to improve the competitiveness of the existing asset base.

16 Financial Assets Available-for-Sale

(in millions of USD)	2010	2009
At fair value:		
Shares – unlisted	**34.6**	**28.6**

Financial assets available-for-sale consist of investments in unlisted ordinary shares that have no fixed maturity date or coupon rate. These investments, held for strategic purposes, relate to pipeline and tankstorage companies and are carried at fair value.

The Company recognizes dividend income from investments when declared.

With the acquisition of the Ingolstadt refinery in March 2007, the Company acquired, as part of the acquisition agreement, a 10 % ownership in each of the pipeline entities Deutsche Transalpine Ölleitung GmbH, Munich in Germany, Transalpine Ölleitung in Österreich Gesellschaft m.b.H., Innsbruck in Austria and Società Italiana per l'Oleodotto Transalpino S.p.A., Trieste in Italy ("TAL"). Due to formal legal requirements, the ownership rights were transferred to the Company in December 2010. The fair value of the Company's investment in TAL amounts to USD 7.2 million as of December 31, 2010.

The change in fair value of financial assets available-for-sale as of December 31, 2010 recorded in other comprehensive income resulted in a loss of USD 1.2 million.

17 Trade and Other Payables

(in millions of USD)	2010	2009
Trade payables	1,406.6	1,463.4
Total trade payables	**1,406.6**	**1,463.4**
Taxes other than income taxes	803.0	485.3
Other payables and accrued expenses	299.2	337.4
Total other payables and accrued expenses	**1,102.2**	**822.7**

At December 31, 2010, USD 299.2 million (2009: USD 337.4 million) of other payables and accrued expenses primarily relate to capital expenditures accruals, personnel expenses, general expenses, accrued interest and invoices to be received.

Taxes other than income taxes consist of excise duties, value added taxes, withholding taxes and wage taxes.

Trade payables are non-interest-bearing and normally settled between 5 and 30 days. Other payables are non-interest-bearing and have an average term of one to three months.

At December 31, trade payables are composed of the following currencies:

(in millions of USD)	2010	2009
USD	1,272.9	1,123.7
EUR	109.7	186.1
CHF	14.3	106.8
GBP	8.6	20.2
CZK	1.1	26.6
Total trade payables	**1,406.6**	**1,463.4**

Other payables are mainly composed of amounts denominated in USD, EUR, CHF, GBP and CZK.

18 Interest-Bearing Loans and Borrowings

(in millions of USD)	2010	2009	Interest rate	Maturity	Currency
Current					
Revolving Credit Facility	–	138.8	LIBOR + (range of 2.75 % – 4 %)	On demand	USD
Credit facilities [1]	–	24.3	LIBOR	On demand	CHF
Total current (at nominal value)	**–**	**163.1**			
Current loans and borrowings (at amortized cost)	–	149.6			
Total current	**–**	**149.6**			
Non-current					
Convertible Bond 2015	150.0	150.0	4.000 %	Oct. 2015	USD
Senior Note 2019	400.0	400.0	9.375 %	Sept. 2019	USD
Senior Note 2017	600.0	600.0	7.000 %	May 2017	USD
Senior Note 2014	600.0	600.0	6.750 %	May 2014	USD
Convertible Bond/Senior Notes (at nominal value)	**1,750.0**	**1,750.0**			
Convertible Bond (liability component at amortized cost)	117.2	111.9			
Senior Notes (at amortized cost)	1,574.8	1,571.9			
Total non-current	**1,692.0**	**1,683.8**			

[1] Credit facility for Swiss compulsory stocks.

Current

Working Capital Facilities

Revolving Credit Facility (“RCF”)

Certain of our subsidiaries are party to a USD 1.05 billion committed multicurrency secured RCF agreement dated October 16, 2009, which replaced our former revolving credit facility. The RCF includes an option to increase the committed facility amount up to USD 2.0 billion on a pre-approved but not pre-committed basis in the event of increased working capital needs or future acquisitions. The Company also has access to significant uncommitted lines from committed banks, providing increased liquidity on an as needed basis. As of December 31, 2010, the Company had additional uncommitted lines under the RCF of USD 1.07 billion, bringing the total size of the RCF to USD 2.12 billion.

The RCF is available, subject to a current asset borrowing base, primarily in the form of letters of credit and short-term loan advances. Not more than 60 % of the committed line utilizations may be in the form of short-term cash borrowings. The rate of interest on cash borrowings is the aggregate of LIBOR plus a margin plus mandatory costs, if any. The margin is subject to a pricing grid determined by reference to the Company’s ratio of Net Debt to Net Capitalization and ranges from 2.75 % to 4.00 % for a ratio below 25 % or above 60 %, respectively. Commissions on payment instruments are also subject to a pricing grid determined by reference to the Company’s ratio of Net Debt to Net Capitalization.

Borrowings under the RCF are jointly and severally guaranteed by certain of our subsidiaries. Such borrowings are secured by certain assets of the borrowers and of the guarantors. The form of such security includes certain pledges of bank accounts held at participating banks, oil inventory, trade receivables and other assets. In certain conditions related to an event of default as defined in the RCF, the RCF Security Agent can enforce the pledge over the pledged assets. The amounts pledged are indicated in Note 10 “Cash and Short-Term Deposits”, in Note 11 “Inventories” and Note 12 “Trade and Other Receivables”. These pledges will expire together with the RCF on October 16, 2012.

As of December 31, 2010, we have no cash borrowings under the RCF. The related financing costs of USD 15.1 million are capitalized and amortized over the three-year term of the RCF. The carrying amount of these costs under the RCF amounts to USD 9.0 million as of December 31, 2010 and is presented within "Other financial assets" in the Statement of Financial Position.

Old Revolving Credit Facility ("Old RCF")
Certain of our subsidiaries were party to a USD 1.2 billion committed multicurrency, secured, revolving credit facility which was terminated and replaced by the RCF on October 16, 2009. Moreover, the Company was able to obtain additional availability on an uncommitted basis under the same facility.

The Old RCF was available, subject to a current asset borrowing base, primarily in the form of letters of credit, short-term loan advances, and bank overdrafts. For the committed part, cash borrowings and revolving loans together could not exceed more than 60 % of the committed amount of the Old RCF. Bank overdrafts were limited to USD 100 million. Revolving loans and bank overdrafts under the Old RCF incurred interest at a rate that was the aggregate of a margin of cost of funds plus 1.0 % in 2008 and up to February 3, 2009, and cost of funds plus 1.75 % from February 3, 2009 until its termination in October 2009. Commissions on payment instruments varied depending upon the instrument type.

Other Working Capital Facilities
One of our subsidiaries has a smaller working capital facility available in relation to Swiss compulsory stocks of which USD nil (2009: USD 24.3 million) was drawn upon as of December 31, 2010.

Covenants
The RCF contains covenants that could restrict certain of our activities, including restrictions on creating or permitting to subsist certain securities, engaging in certain mergers or consolidations, sales or other disposals of certain assets, giving certain guarantees, making certain loans, making certain investments, incurring certain additional indebtedness, engaging in different businesses, making certain debt or other restricted payments, and amending or waiving certain material agreements.

The RCF also includes three financial covenants, calculated on a quarterly basis, requiring us to maintain:
- a minimum Consolidated Tangible Net Worth of USD 1.5 billion;
- a minimum ratio of Group Clean EBITDA (as defined in the RCF documentation) to Net Interest Expense of 2.5 to 1.0 for the four prior rolling consecutive quarters; and
- a minimum ratio of Current Assets to Current Liabilities of 1.05:1.

Compliance with these covenants is determined in the manner specified in the documentation governing the RCF.

At December 31, 2009, the Clean EBITDA to Net Interest Expense ratio was below 2.5 to 1.0. On January 27, 2010, the Company received a waiver for the fourth quarter 2009 through the third quarter 2010. During the waiver period, and, as long as the ratio of the Clean EBITDA to Net Interest Expense ratio covenant was below 2.5 to 1.0, the interest rate margin on cash borrowings was increased by 0.25 % and the Company was required to meet an additional covenant. The Company's Free Cash Flow before working capital changes, as defined in the waiver documentation, could not be more negative than minus USD 250 million for the period starting from January 1, 2010, to each quarter end during the waiver period. The Company fulfilled this temporary covenant throughout the year 2010. The Company is in compliance with all financial covenants based on year-end 2010 financial figures, and has, therefore, exited the waiver period.

Non-Current

Convertible Bonds
Convertible Bond USD 150 million, 4.0 % due 2015 (the "2015 CB")
On October 16, 2009, Petroplus Finance Ltd., a subsidiary of the Company, issued USD 150.0 million in guaranteed senior secured convertible bonds due 2015. The debt is guaranteed by the Company as well as by certain of its subsidiaries. Each bond in the principal amount of USD 100,000 is convertible into common shares of the Company at a conversion price of CHF 30.42 (subsequent to a reduction of CHF 0.19 due to the nominal value repayment on July 26, 2010) per share with a fixed exchange rate on conversion of USD/CHF 1.0469 at the option of the bondholder at any time on or after November 26, 2009 until October 9, 2015.

The bond is a "hybrid instrument" which requires that an "equity portion" and the financing costs related thereto must be accounted for in the equity section of the Statement of Financial Position. The equity portion, net of allocated financing costs, amounted to USD 36.4 million. The 2015 CB bears interest at the rate of 4.0 % per annum, with the interest payable semi-annually in arrears on October 16 and April 16 of each year the debt is outstanding, commencing on April 16, 2010. The financing costs related to the issuance of the 2015 CB have been capitalized in the aggregate amount of USD 2.6 million and are amortized over six years.

Convertible Bond USD 500 million, 3.375 % due 2013 (the "2013 CB") redeemed on October 16, 2009

On March 26, 2008, Petroplus Finance Ltd., a subsidiary of the Company, issued USD 500.0 million in guaranteed convertible bonds due in 2013. The debt was guaranteed by the Company as well as by certain of its subsidiaries. Each bond in the principal amount of USD 100,000 was convertible into common shares of the Company at an initial conversion price of CHF 85.18 per share with a fixed exchange rate on conversion of USD/CHF 1.0203 at the option of the bondholder at any time on or after May 6, 2008 until March 19, 2013.

The bonds were "hybrid instruments", which required that an "equity portion", and the financing costs related thereto, must be accounted for in the equity section of the Statement of Financial Position. The equity portion, net of allocated financing costs, amounted to USD 51.6 million. The bonds were interest-bearing at the rate of 3.375 %, with the interest payable semi-annually in arrears on March 26 and September 26 of each year the debt was outstanding, and commenced on September 26, 2008. The financing costs related to the issuance of the convertible bond were capitalized in the aggregate amount of USD 8.4 million and amortized over the expected life of the bond. In 2009 and 2008, no bonds were converted. The terms and conditions included an investor put option on March 28, 2011 for principal plus accrued interest.

On October 12, 2009, Petroplus announced the successful result of the tender offer to repurchase all of its outstanding USD 500.0 million in guaranteed, convertible bonds due in 2013. The last day the 2013 CB was traded on the SIX Swiss Exchange was October 13, 2009. The 2013 CB was redeemed on October 16, 2009 at the principal amount of USD 500.0 million, plus aggregate accrued interest calculated from September 26, 2009 until October 16, 2009 (20 days). The related remaining capitalized financing costs of USD 6.0 million and the difference between the carrying amount and the fair value of the liability portion of USD 2.1 million were written off and included in the line item "Financial expenses" in the Consolidated Statement of Comprehensive Income. The remaining difference of USD 35.0 million between the repurchase price of the bond and the fair value of the liability portion was recorded as a reduction of equity. The costs of the tender offer amounted to USD 2.6 million and were included in the line item "Financial expenses" in the Consolidated Statement of Comprehensive Income.

Senior Notes

Senior Notes USD 400 million, 9.375 % due 2019 (the "2019 SN")

On September 17, 2009, Petroplus Finance 3 Limited, Bermuda, an unrestricted subsidiary of the Company, issued USD 400.0 million aggregate principal amount of 9.375 % senior notes due 2019 at an issue price of 98.42 % giving a yield of 9.625 %. The coupon is payable semi-annually in arrears on March 15 and September 15, beginning March 15, 2010. The 2019 SN are presented net of capitalized financing costs of USD 8.7 million which are amortized over ten years. The proceeds from the 2019 SN were used to repurchase or redeem a portion of the 2013 CB on October 16, 2009.

Upon successful completion of the tender offer and subsequent repayment of the 2013 CB, Petroplus Finance Limited assumed the obligations of Petroplus Finance 3 Limited under the 2019 SN, the Company and certain of its subsidiaries became guarantors of the 2019 SN and Petroplus Finance 3 Limited was released of all obligations under the 2019 SN.

Senior Note USD 600 million, 6.75 % due 2014 (the "2014 SN") & Senior Note USD 600 million, 7 % due 2017 (the "2017 SN")

On May 1, 2007, Petroplus Finance Ltd., a subsidiary of the Company, issued USD 600.0 million, 6.75 % senior notes due 2014 and USD 600.0 million, 7 % senior notes due 2017 (together the "Notes"). The Company used the proceeds from the Notes primarily to fund the acquisition of the Coryton refinery. The Notes are presented net of total capitalized financing costs of USD 18.1 million which are amortized over seven and ten years, respectively.

Financial Covenants

The main financial covenant under the 2015 CB, the 2014 SN, 2017 SN and 2019 SN is an EBITDA to gross interest expense coverage ratio which is required to exceed 2.0 to 1.0. This covenant is not a maintenance covenant and, therefore, when the ratio is not met, the Company is not in breach but only limited in incurring certain debt or making certain payments outside of the ordinary course of business as long as the ratio does not exceed 2.0 to 1.0.

As of December 31, 2010 we are in compliance with this covenant.

19 Provisions

(in millions of USD)	Litigation	Environmental remediation	Restructuring	Total
Balance at January 1, 2010	2.7	11.1	12.6	26.4
Additions	0.8	0.3	6.4	7.5
Utilized arising from payments	(0.1)	(0.3)	(11.2)	(11.6)
Unused provision reversed	(0.9)	(0.7)	(1.2)	(2.8)
Reclassification	0.4	(0.4)	(5.1)	(5.1)
Currency translation	0.2	(0.8)	(0.4)	(1.0)
Balance at December 31, 2010	**3.1**	**9.2**	**1.1**	**13.4**
Non-current	2.7	8.9	–	11.6
Current	0.4	0.3	1.1	1.8
Balance at December 31, 2010	**3.1**	**9.2**	**1.1**	**13.4**
Non-current	2.2	10.3	–	12.5
Current	0.5	0.8	12.6	13.9
Balance at December 31, 2009	**2.7**	**11.1**	**12.6**	**26.4**

Litigation

The litigation provision relates primarily to two claims recorded in 2008 and 2010 where tax authorities have challenged, in one case, certain biofuel credits claimed by arguing that not all biofuels are blended with diesel which could give rise to a reduction of excise duties and, in a second case, tax authorities could challenge a potential error in the Company's reporting of its customs duties obligations. The outcomes of these cases are expected by year-end 2011.

A provision was recorded in June 2007, in conjunction with a claim filed against the Company, arising out of what is alleged to be an unfit cargo of gasoil. The cargo supplied was tested and found to be on specification at loadport, however, the defendant has claimed that the cargo was not able to withstand an ordinary voyage so as to arrive at the discharge port still meeting the specification for sediment.

The Company has provided for USD 3.1 million associated with potential costs of the cases described above and minor other legal cases.

During 2010, the Company reached a settlement with a former employee for circumstances surrounding termination of the employee's employment contract dating back to September 2004 resulting in a payment of USD 0.1 million. The remaining unused provision was reversed.

Environmental Remediation

The provisions for environmental matters are recorded on a site-by-site basis when the Company has a present obligation to remediate the environmental disturbance and the amount of the liability can be reasonably estimated.

Antwerp Refinery

Soil and groundwater contamination has been identified on various areas throughout the site. Cost estimates obtained for remediation are based on different scenarios, the most reasonable scenario being estimated at USD 6.3 million. Currently, neither the remediation plan nor an agreed upon timeline has been approved by the local authorities.

Ingolstadt Refinery

In 2006, an environmental due diligence assessment was performed on a portion of the land in Ingolstadt. Based on the results of this assessment, the Company provided for possible contaminated land and cropland next to the site. As part of the related ongoing remediation, the Company paid USD 0.3 million during 2010. Total remaining estimated costs of monitoring for this site are USD 1.4 million.

Teesside Marketing and Storage Facility

Soil contamination has been detected on site. According to a pollution prevention and control permit, the operator is required to remediate any contamination that results from the permitted activities. Therefore, contamination detected as a result of obligatory monitoring that cannot be related to the period before the permit was issued becomes the responsibility of the Company. The estimated costs to demolish an old oil pump bay and remediate the contaminated soil are estimated to be USD 1.5 million.

Other Sites
The Company is currently not responsible for material remedial action at any other sites. For further information related to environmental contingencies refer to Note 26 "Other Commitments and Contingencies".

Restructuring

Teesside Marketing and Storage Facility
On November 5, 2009, the Company suspended the Teesside refining operations and began to convert the site into a marketing and storage facility. In conjunction with this decision, the Company recognized a provision of USD 12.6 million for expected restructuring costs, including contract termination costs, consulting fees, employee termination benefits and related incremental costs as of December 31, 2009. Estimated costs were based on the terms of the relevant contracts and management's best estimates.

During 2010, the site was converted into a marketing and storage facility. In conjunction with the transition, an additional provision of USD 6.4 million for expected restructuring costs, primarily further employee redundancies and contract cancellation costs, was recorded in 2010. During 2010, total severance payments of USD 11.2 million were made. Subsequently, USD 5.1 million of the total provision which relates to pension costs was reclassified to Retirement Benefit Obligation. Based on final valuations of the Company's pension liability, the USD 5.1 million was released in 2010 and recorded in the line item "Discontinued Operations" in the Consolidated Statement of Comprehensive Income. As of December 31, 2010, the Company has a remaining provision of USD 1.1 million related to its obligation under this restructuring plan.

Coryton Refinery
During 2010, the Company commenced a plan to reduce operating expenses by reorganizing and streamlining its Coryton refinery operations. The plan involved the reduction of certain third party contractors and own employee positions, on a voluntary basis. The plan will be finalized during the beginning of 2011. As of December 31, 2010, the Company has recorded an accrual of USD 0.5 million related to its obligation under this plan. This amount is included in the line item "Other payables and accrued expenses" in the Consolidated Statement of Financial Position.

Emission Rights

For the years ended December 31, 2010 and 2009 the total of the Company's actual emissions did not exceed the number of granted emission credits held. As there was a surplus, no provisions were recorded for the years ended December 31, 2010 and 2009.

20 Employee Benefits

The Company has several different defined benefit pension plans (in the United Kingdom, Switzerland, Germany, France and Belgium) which cover substantially all of its employees and require contributions to be made to separately administered funds.

The principal assumptions used at the year end are shown below and are based on weighted averages:

Assumptions (weighted averages)	2010	2009
Discount factor	4.4 %	5.3 %
Expected investment yield	5.3 %	5.6 %
Future pay increases	3.7 %	3.8 %
Future price inflation	2.4 %	2.4 %

The assumptions, other than expected investment yield, are used in determining the employee benefit obligations and are weighted on the present value of the respective defined benefit obligations. The overall expected investment yield is a weighted average of the expected returns of the different asset categories at December 31, 2010. The assessment of the expected returns on investments by the Company is based on historical return trends and analysts' predictions of the market for the respective categories.

Demographic assumptions (including mortality) are based on the advice of local independent actuaries. Mortality assumptions are based on the latest available standard mortality tables for the individual countries concerned, adjusted where appropriate to reflect the experience of the Company's employees.

Defined Benefit Obligation

Changes in the present value of the defined benefit obligation are as follows:

(in millions of USD)	2010	2009
Defined benefit obligation at January 1,	486.9	396.1
Interest cost	24.6	22.4
Current service costs	26.9	28.6
Past service cost	0.7	29.0
Contributions by plan participants	5.6	5.9
Benefits paid	(28.4)	(17.8)
Actuarial loss/(gain) on obligation	40.8	(2.6)
Plan curtailments	–	(0.9)
Plan settlements	(3.4)	–
Disposal of businesses	(9.5)	–
Exchange differences	(3.8)	26.2
Defined benefit obligation at December 31,	**540.4**	**486.9**

During 2010 the yields on long-dated AA Corporate bonds (and hence IAS 19 discount rates) reduced considerably. As a result, large actuarial losses on plan obligations were generated. The actuarial losses will be amortized through the Consolidated Statement of Comprehensive Income in future years using the 10 % corridor methodology outlined in IAS 19 *Employee Benefits*.

The past service costs recognized in 2009 related to changes in French legislation which resulted in additional social charges on early retirement payments. As a result of this new legislation, the Company included past service costs of USD 22.6 million in the defined benefit obligation at January 1, 2009. These costs are recognized in the Consolidated Statement of Comprehensive Income over the vesting period of 13 to 17 years. In addition, past service cost included USD 6.4 million related to a restructuring plan at the Teesside facility which was announced in November 2009, resulting in a plan curtailment under IAS 19 for affected pension plan members. Because the benefit enhancements were immediately vested, the full amount was recognized in the Consolidated Statement of Comprehensive Income in 2009.

On January 12, 2010, the Company sold the Antwerp Processing facility which resulted in a decrease in the net retirement benefit obligation of USD 8.3 million, including a net actuarial gain of USD 2.9 million.

Fair Value of the Plan Assets

Changes in the fair value of plan assets are as follows:

(in millions of USD)	2010	2009
Fair value of plan assets at January 1,	342.1	221.8
Expected return on assets	19.0	14.1
Contributions by employers	48.0	71.1
Contributions by plan participants	5.6	5.9
Benefits paid	(28.4)	(17.8)
Plan settlements	(1.6)	–
Transfers	–	0.7
Disposal of businesses	(4.1)	–
Actuarial gain	9.3	25.8
Exchange differences	2.0	20.5
Fair value of the plan assets at December 31,	**391.9**	**342.1**

Employer contributions are lower in 2010 than in 2009 due to the sizeable contribution in 2009 made to fund the German Pension Plan.

Net Retirement Benefit Obligation

The following tables summarize the funded and unfunded net retirement benefit obligation presented in the Consolidated Statement of Financial Position for the respective employee benefit plans.

(in millions of USD)	2010	2009
Total funded defined benefit obligation at December 31,	(439.7)	(371.8)
Total unfunded defined benefit obligation at December 31,	(100.7)	(115.1)
Defined benefit obligation at December 31,	(540.4)	(486.9)
Fair value of plan assets at December 31,	391.9	342.1
Deficit	**(148.5)**	**(144.8)**
Unrecognized net actuarial loss	37.8	1.7
Unrecognized past service cost	18.5	21.6
Other benefit obligations	–	(0.5)
Net retirement benefit obligation at December 31,	**(92.2)**	**(122.0)**

As Presented in the Statement of Financial Position at December 31,	2010	2009
Retirement benefit obligation classified as held for sale	–	(8.3)
Retirement benefit obligation from continuing operations:		
Retirement benefit asset	26.2	9.3
Retirement benefit obligation	(118.4)	(123.0)
Net retirement benefit obligation	**(92.2)**	**(122.0)**

Net Benefit (Expense)

The net benefit (expense) is recognized in the line item "Personnel expenses" in the Consolidated Statement of Comprehensive Income.

(in millions of USD)	2010	2009
Current service costs	(26.9)	(28.6)
Interest cost on benefit obligation	(24.6)	(22.4)
Expected return on plan assets	19.0	14.1
Net actuarial gain/(loss) recognized in the year	1.9	(1.5)
Past service costs recognized in the year	(2.3)	(8.1)
Plan curtailments	–	0.9
Plan settlements	1.8	–
Net benefit (expense)	**(31.1)**	**(45.6)**
Net benefit (expense) included in:		
Continued operations	(31.1)	(38.0)
Discontinued operations	–	(7.6)
Net benefit (expense)	**(31.1)**	**(45.6)**

The Company recognizes as net benefit (expense) the portion of actuarial gains and losses for each defined benefit plan which exceeds a 10% corridor (determined as 10% of the greater of the plan assets or defined benefit obligations), divided by the expected average remaining working lives of the employees participating in that plan.

Total employer contributions to the defined benefit pension plans in 2011 are expected to be USD 30 million.

Major categories of Plan Assets

The major categories of plan assets for the years ended December 31, 2010 and 2009 are as follows:

(in %)	2010	2009
Equity instruments	43.4	40.6
Debt instruments	36.3	37.7
Property	7.1	7.6
Other assets	13.2	14.1
Total	**100.0**	**100.0**

The actual return on plan assets was USD 28.3 million for 2010 and USD 39.9 million for 2009.

The plan assets do not include any of the Company's own financial instruments, nor any property occupied by, or other assets used by the Company.

The history of experience adjustments is as follows:

(in millions of USD)	2010	2009	2008	2007	2006
Defined benefit obligation at December 31,	(540.4)	(486.9)	(396.1)	(325.2)	(156.5)
Fair value of plan assets at December 31,	391.9	342.1	221.8	271.1	142.2
Deficit at December 31,	**(148.5)**	**(144.8)**	**(174.3)**	**(54.1)**	**(14.3)**
Experience adjustment (gain)/loss on plan liabilities	(1.6)	(1.8)	11.9	3.1	(5.2)
Experience adjustment gain/(loss) on plan assets	9.3	25.8	(56.1)	(2.5)	4.1

21 Non-controlling Interest

Non-controlling interest represents the portion of profit or loss and net assets in subsidiaries that are not held by the Company and are presented separately within the Consolidated Statement of Comprehensive Income and within equity in the Consolidated Statement of Financial Position.

22 Shareholders' Equity

	2010				2009			
	Nominal value per share in CHF	Share Capital in millions of USD	Share Capital in millions of CHF	Number of shares	Nominal value per share in CHF	Share Capital in millions of USD	Share Capital in millions of CHF	Number of shares
Issued share capital	7.48	608.1	712.3	95,230,953	7.58	555.2	654.3	86,325,289
Authorized share capital	7.48	214.6	251.4	33,615,057	7.58	111.0	130.9	17,265,057
Conditional share capital	7.48	185.8	217.6	29,096,005	7.58	92.3	108.8	14,351,669

Share Capital

Issued Share Capital

The outstanding share capital as of December 31, 2010 amounts to USD 608.1 million (CHF 712.3 million), comprised of 95,230,953 shares which are fully paid and include new shares issued out of authorized share capital in May 2010 from a private placement as well as new shares created out of conditional share capital during 2010 due to the exercise of options and Restricted Share Units ("RSUs") granted under the Equity Incentive Plan and the Equity Participation Plan.

The movements in the share capital over the last two years, expressed in number of shares, are as follows:

	Number of shares
January 1, 2009	**69,060,231**
September 21, 2009 [1)]	17,265,058
December 31, 2009	**86,325,289**
May 7, 2010 [2)]	8,650,000
During the period [3)]	255,664
December 31, 2010	**95,230,953**

1) During September 2009, the Company completed a rights issue and international offering whereby the Company issued 17,265,058 new registered shares from existing authorized share capital.
2) During May 2010, the Company completed a private placement whereby the Company issued 8,650,000 new registered shares from existing authorized share capital.
3) During 2010, a total of 255,664 new shares were created out of the conditional share capital due to the exercise of options granted under the Equity Participation Plan (157,762 RSUs) and the Equity Incentive Plan (97,902 options).

Authorized Share Capital

At the annual ordinary shareholders' meeting held on May 5, 2010, the Board of Directors ("BoD") received shareholder authorization to increase the share capital of the Company. Additional authorized capital may be raised at any time until May 5, 2012, by a maximum amount of CHF 187.0 million by issuing a maximum of 25,000,000 fully paid shares with a nominal value of CHF 7.48 each. The BoD is entitled to issue these shares by means of a firm underwriting or in partial amounts. The outstanding authorized share capital as of December 31, 2010 amounts to USD 214.6 million (CHF 251.4 million), comprising 33,615,057 shares.

Conditional Share Capital

At the annual ordinary shareholders' meeting held on May 5, 2010, the BoD received shareholder authorization to increase the share capital of the Company. Additional conditional capital may be raised at any time by a maximum amount of CHF 112.2 million by issuing up to 15,000,000 fully paid registered shares with a nominal value of CHF 7.48 each in connection with further issuance of convertible bonds, bonds with warrants or other financial market instruments with conversion or warrant rights.

The conditional share capital is reduced by the amount used by the BoD regarding share capital increases through the exercise of options and RSUs granted under our Equity Participation Plan and the Equity Incentive Plan. During 2010, a total of 255,664 shares were created out of the conditional share capital due to options and RSUs exercised.

The outstanding conditional share capital at December 31, 2010, amounts to USD 185.8 million (CHF 217.6 million), comprising of 29,096,005 shares.

Repayment of Nominal Share Capital

At the annual ordinary shareholders' meeting of the Company which took place on May 5, 2010, the shareholders resolved to reduce the share capital by CHF 0.10 per share. The entry of the share capital reduction in the commercial register took place on July 15, 2010, and the repayment of CHF 0.10 per registered share was paid to the shareholders on July 26, 2010, amounting to USD 9.0 million. The foreign currency impact of USD 0.9 million resulting from the historical rate of the share capital has been partly allocated to translation reserve within shareholders' equity (USD 0.4 million) and to the line item "Foreign currency exchange loss" within the Consolidated Statement of Comprehensive Income (USD 0.5 million).

At the annual ordinary shareholders' meeting of the Company which took place on May 6, 2009, the shareholders resolved to reduce the share capital by CHF 0.60 per share. The entry of the share capital reduction in the commercial register took place on July 21, 2009 and the repayment of CHF 0.60 per registered share was paid to the shareholders on July 28, 2009, amounting to USD 38.2 million. The foreign currency impact of USD 4.2 million resulting from the historical rate of the share capital has been partly allocated to translation reserve within shareholders' equity (USD 2.8 million) and to the line item "Foreign currency exchange gain" within the Consolidated Statement of Comprehensive Income (USD 1.4 million).

Issuance of Shares

Private Placement in 2010

During May 2010, the Company completed a private placement whereby the Company issued 8,650,000 new registered shares from existing authorized capital. The shares were sold at a price of CHF 17.50. The first trading day of the new shares was May 7, 2010. The gross proceeds amounted to USD 136.4 million (after a realized foreign exchange loss of USD 0.2 million) excluding share issue costs of USD 5.6 million.

Rights Issue and International Offering in 2009

During September 2009, the Company completed a rights issue and international offering whereby the Company issued 17,265,058 new registered shares from existing authorized share capital. Existing shareholders were entitled to subscribe for one new share at a subscription price of CHF 16.90 per share for every four existing shares held. The new shares began trading on September 22, 2009. The gross proceeds amounted to USD 284.2 million (after a realized foreign exchange gain of USD 4.4 million) excluding share issue costs of USD 12.2 million.

Equity Instruments

At December 31, 2010, Petroplus has 3,504,564 options and RSUs outstanding that were granted through two plans: the Equity Incentive Plan and the Equity Participation Plan.

Under the *Equity Incentive Plan*, options were granted to investors (some of which are Directors or members of the Executive Committee) in connection with purchases of the Company's shares and are not dependent upon employment or service and therefore do not qualify as share-based payment transactions under IFRS 2 *Share-based Payment*. Each of these options, granted in an investment capacity, provides the holder the right to purchase one share at a price of USD 14.58. The options have to be exercised according to the following schedule: 537,322 options during 2014, 652,668 options during 2015, 498,623 options during 2016 and 325,138 by end of July 2016. The time of exercise can be accelerated in the event of a change of control of Petroplus Holdings AG, death, disability or separation from employment and the options are subject to further terms and conditions of the Equity Incentive Plan. In 2010, a total of 97,902 (2009: nil) options were exercised and 43,707 (2009: nil) options expired as of December 31, 2010. At December 31, 2010 a total of 2,013,751 options are outstanding under this plan.

Under the *Equity Participation Plan*, options and RSUs were granted to employees, members of the Executive Committee and members of the BoD:

- Options were granted between November 30, 2006 and December 31, 2010. Each of these options provides the holder with the right to purchase one share at an exercise price with a range between CHF 11.92 and CHF 119.98, depending on the grant date. At December 31, 2010, a total of 1,119,824 options are outstanding under this plan.
- RSUs were granted between February 4, 2009 and December 31, 2010. Each RSU granted entitles the participant to receive one share upon vesting. At December 31, 2010, a total of 370,989 RSUs are outstanding under this plan.

Further details of these options and RSUs granted under the Equity Participation Plan are described in Note 24 "Share-based Payments".

Equity Component of Convertible Bonds

On October 16, 2009, Petroplus Finance Ltd., a subsidiary of the Company, issued the 2015 CB in the amount of USD 150.0 million. The 2015 CB is a "hybrid instrument" which requires that an "equity portion" and the financing costs related thereto must be accounted for in the equity section of the Consolidated Statement of Financial Position. The equity portion, net of allocated financing costs, amounted to USD 36.4 million.

On October 16, 2009, Petroplus redeemed the 2013 CB. The remaining equity component of USD 35.0 million was recorded as a reduction of equity.

Further details of the issuance of the 2015 CB and the repurchase of the 2013 CB are disclosed in Note 18 "Interest-Bearing Loans and Borrowings".

23 Earnings per Share

The following table shows the basis used for the calculation of basic and diluted earnings per share ("EPS"):

Net loss

(in millions of USD)	2010	2009
Net loss from continuing operations attributable to ordinary shareholders of the parent	(106.9)	(108.8)
Net loss from discontinued operations	(5.4)	(141.1)
Net loss attributable to ordinary shareholders of the parent	**(112.3)**	**(249.9)**

Basic EPS is calculated by dividing the net loss attributable to shareholders of Petroplus Holdings AG by the weighted average number of shares outstanding. To calculate diluted EPS, the weighted average number of shares outstanding is adjusted to assume conversion of all potentially dilutive shares arising from RSUs/options/convertible bonds into Petroplus Holdings AG shares. As the conversion of these potential equity instruments would decrease the loss per share, the instruments are antidilutive for the years ended December 31, 2010 and 2009:

Basic and diluted earnings per share	2010	2009
Weighted average number of shares outstanding (in shares)	92,162,578	78,010,060
Basic and diluted earnings per share calculated on:		
Net loss from continuing operations (in USD)	(1.16)	(1.39)
Net loss from discontinued operations (in USD)	(0.06)	(1.81)
Net loss attributable to ordinary shareholders of the parent (in USD)	**(1.22)**	**(3.20)**

A weighted average number of RSUs/options/convertible bonds equivalent to 8,903,457 shares (2009: 8,453,928 shares) were antidilutive. There have been no material transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the Consolidated Financial Statements.

24 Share-based Payments

The share option and RSU scheme of the Company, the Equity Participation Plan, is an equity-settled share-based payment plan. The services the Company receives from management and personnel in exchange for the options or other equity awards being granted do not qualify for recognition as assets and are therefore recognized as expenses.

The BoD has granted stock options and RSUs under the Equity Participation Plan as described below.

Stock Options
Each option converts into one ordinary share of Petroplus Holdings AG upon exercise. No amounts are paid or payable by the recipient upon receipt of the option. The options carry neither rights to dividends nor voting rights. The options may be exercised at any time from the date of vesting to the date of expiry. The options can only be exercised when the employee remains in the Company's employ or service, unless otherwise agreed.

Depending on the grant date, the options have a
- three-year graded vesting scheme, with one third of the options vesting each year; or
- a vesting period of four years.

The options will be fully vested on the third or fourth anniversary of the grant date.

The following table summarizes the number of outstanding options at the end of December 31, 2010, the exercise price per grant and the weighted average remaining contractual life:

Grant	Exercise price (in CHF)	Number of options outstanding	Remaining contractual life (years)
Nov. 2006 [1]	58.14	128,228	5.9
Jan. 2007 [1]	68.25	287,138	6.0
Feb. 2007 [1]	87.91	16,253	6.1
May 2007 [1]	91.69	162,539	6.3
Jul. 2007 [1]	119.98	10,836	6.6
Aug. 2007 [1]	112.69	27,090	6.7
Nov. 2007 [1]	89.06	75,853	6.8
May 2008 [1]	55.47	8,127	7.3
Jan. 2009 [1]	21.41	204,530	8.0
Oct. 2010	11.92	199,230	9.8
	55.10	**1,119,824**	**7.2**

[1] Adjusted to reflect the September 2009 rights issue.

In 2010, the BoD granted a total of 199,230 options (2009: 204,530) to members of the Executive Committee and employees. The weighted average fair value of the share options granted during 2010 is CHF 4.08 per option (2009: CHF 8.27). Consistent with the provisions of IFRS 2 *Share-based Payment,* we estimated the fair value of stock options on the date of grant with the Black-Scholes Option Valuation Model using the following assumptions:

	2010	2009
Assumptions	October	January [1]
Number of options granted	199,230	204,530
Closing price at grant date (in CHF)	11.92	21.41
Exercise price (in CHF)	11.92	21.41
Expected volatility	60.0 %	60.0 %
Vesting (in years)	4	1, 2, 3
Expected average option life (in years)	6	6
Dividend yield	5.5 %	4.7 %
Risk-free interest rate	1.0 %	1.6 %
Market value of option at grant date (in CHF)	4.08	8.27

[1] Adjusted to reflect the September 2009 rights issue.

The risk-free interest rate is based on yields of the Swiss Confederation bonds on the date of grant with the maturity date approximately equal to the expected life at the grant date. The expected life of the options is six years compared to the options' contractual life of ten years. The Company derives its expected volatility based on the average volatility of our main competitors' share prices over the past four years.

The following table shows stock option activity for the years ended December 31, 2010 and 2009:

	2010		2009	
	Number of options	Weighted average exercise price CHF	Number of options [1]	Weighted average exercise price [1] CHF
Balance at January 1,	996,445	65.22	898,463	77.56
Granted during the year	199,230	11.92	204,530	21.41
Forfeited during the year	(75,851)	74.64	(106,548)	85.17
Exercised during the year	–	–	–	–
Expired during the year	–	–	–	–
Balance at December 31,	**1,119,824**	**55.10**	**996,445**	**65.22**
Exercisable at December 31,	893,095	65.66	578,786	74.89

[1] Adjusted to reflect the September 2009 rights issue.

During 2010 and 2009, no options were exercised. The share options outstanding at the end of 2010 have a weighted average exercise price of CHF 55.10 (2009: CHF 65.22) and a weighted average remaining contractual life of 7.2 years (2009: 7.7 years).

Total expense for stock options granted under the Equity Participation Plan for the year ended December 31, 2010 was USD 1.1 million (2009: USD 4.7 million).

Restricted Stock Units ("RSUs")

Each RSU granted entitles the participant to receive one share upon vesting. Shareholders' rights (including rights to receive distributions) can only be exercised once the shares are delivered and voting rights can be exercised as soon as the participant is registered in the share register of Petroplus Holdings AG as shareholder with voting rights.

RSUs have a three-year graded vesting scheme, with one third of the RSUs vesting each year. Unless otherwise agreed, the RSUs will be fully vested on the third anniversary of the grant date.

The following table summarizes the number of outstanding RSUs at the end of December 31, 2010:

Grant	Number of RSUs outstanding
Feb. 2009 [1]	17,336
Sep. 2009 [1]	3,429
Jan. 2010	44,554
Feb. 2010	200,000
Oct. 2010	105,670
	370,989

[1] Adjusted to reflect the September 2009 rights issue.

In 2010, pursuant to the Equity Participation Plan, the BoD granted a total of 396,914 RSUs (2009: 143,837 RSUs) to members of the Executive Committee and employees. The weighted average fair value of the RSUs granted during 2010 is CHF 15.42 (2009: CHF 19.28) based on the following assumptions:

	2010			2009	
Assumptions	October	February	January	September [1]	February [1]
Number of RSUs granted	105,670	212,000	79,244	5,144	138,693
Closing price at grant date (in CHF)	11.92	18.30	18.89	21.53	20.82
RSU life (in years)	1, 2, 3	1, 2, 3	1, 2, 3	1, 2, 3	1, 2, 3
Dividend yield	4.5%	2.9%	2.8%	4.6%	4.8%
Average market value of RSUs at grant date (in CHF)	10.64	16.99	17.61	19.80	19.26

[1] Adjusted to reflect the September 2009 rights issue.

The following table shows RSU activity for the years ended December 31, 2010 and 2009:

	2010	2009
	Number of RSUs	Number of RSUs
Balance at January 1,	143,837	–
Granted during the year	396,914	143,837
Forfeited during the year	(12,000)	–
Exercised during the year	(157,762)	–
Expired during the year	–	–
Balance at December 31,	**370,989**	**143,837**

During 2010, a total of 157,762 (2009: nil) RSUs were exercised. The weighted average share price at the date of exercise for 2010 was CHF 16.26.

Total expense for the RSUs under the Equity Participation Plan for the year ended December 31, 2010 was USD 3.9 million (2009: USD 1.4 million).

25 Leases

Finance Lease Commitments – Company is Lessee

The Company has one major contract which contains a finance lease for a hydrogen unit with the supplier Air Product. Future minimum lease payments under finance leases, together with the present value of the lease payments, are as follows:

	2010		2009	
(in millions of USD)	Minimum lease payments	Present value of payments	Minimum lease payments	Present value of payments
Within one year	3.4	2.2	4.3	2.9
After one year but not more than five years	13.4	9.7	14.5	10.0
More than five years	13.4	11.9	18.1	15.6
Total	**30.2**	**23.8**	**36.9**	**28.5**
Less amounts for finance charge	(6.4)		(8.4)	
Present value of the minimum payments	**23.8**	**23.8**	**28.5**	**28.5**

Under the hydrogen supply contract, Air Product supplies the Company with hydrogen whereby the supplier legally owns and operates the hydrogen unit on the site of the Cressier refinery. Petroplus effectively purchases all of the hydrogen produced for a fee of USD 4.7 million per year. This fee also includes payments for non-lease elements in the arrangement.

The contract has a duration of 15 years as from the end of 2004 and does not contain any option for the Company to purchase the asset.

Total contingent rent recognized as an expense for the finance lease for the year ended December 31, 2010 was USD 1.5 million (2009: USD 1.5 million) and is dependent on the Swiss Index of Consumer Prices.

Operating Lease Commitments – Company is Lessee

The Company has entered into rental agreements, hire purchases and commercial leases on machinery, motor vehicles and office equipment. There are no restrictions placed upon the lessee by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases at December 31, are as follows:

(in millions of USD)	2010	2009
Within one year	17.6	20.7
After one year but not more than five years	26.6	40.8
More than five years	22.7	37.3
Total operating lease commitments – Company is lessee	**66.9**	**98.8**

The decrease in future minimum rentals payable under non-cancellable operating leases is mainly related to contracts which were terminated in connection with the suspension of the Teesside refining operations and the sale of the Antwerp Processing facility.

Total expense associated with operating leases was USD 24.9 million in 2010 (2009: USD 18.2 million).

Operating Lease Commitments – Company is Lessor

The Company has entered into lessor agreements for use of land and buildings.

The receivables under non-cancellable operating leases at December 31, are as follows:

(in millions of USD)	2010	2009
Within one year	8.6	30.1
After one year but not more than five years	0.3	60.3
More than five years	–	1.2
Total operating lease commitments – Company is lessor	**8.9**	**91.6**

Bitumen Supply Contracts

Under the bitumen supply contract, the Antwerp Processing facility was supplied with crude oil feedstock and converted the crude into bitumen and distillates. This contract contained a lease whereby the Company was the lessor. The supplier of the feedstock purchased all of the bitumen production and paid a processing fee consisting of fixed elements (USD 2.2 million per month) and variable elements. The fixed fee also included payments for non-lease elements in the arrangement.

This contract was part of the sale of the Antwerp Processing facility as per January 12, 2010. Since this date, the Company has no further obligation to purchase feedstock or to deliver bitumen.

26 Other Commitments and Contingencies

Legal Contingencies

We have extensive operations and are both a defendant and a plaintiff in a number of arbitration and legal proceedings in connection with our operations. While we are currently involved in several legal proceedings, we believe that, other than as discussed below, the results of these proceedings will not have a material adverse effect on our business, results of operations or financial condition.

In 1989, certain Belgian subsidiaries of the Company sold products to a customer without collecting excise taxes because the customer had provided documents that the products were to be exported and, therefore, no taxes were due. The customer neither exported the product nor paid the excise tax liability. The Belgian authorities have brought a claim against these entities for the taxes owed. The case has been suspended until the criminal case against the customer is resolved. If a court determines that the Company is liable for the taxes, the amount due, including interest, is expected to be USD 2.6 million. The timing of the resolution of this case is uncertain.

Environmental Commitments

In connection with the sale of the Antwerp Processing facility, we have agreed to reimburse Vitol for certain specific environmental liabilities, subject to a maximum liability cap of EUR 7.5 million (USD 10.0 million), and for certain other liabilities subject to a liability cap of USD 25.0 million. These indemnities are limited to a period of ten years and are subject to various thresholds and conditions.

In connection with the acquisition of the Petit Couronne and Reichstett refineries, we entered an agreement with Shell concerning environmental liabilities. Under the agreement, generally, Shell is to indemnify us for certain losses we may incur related to environmental contamination for eight years, for off-site contamination associated with the Petit Couronne refinery for 20 years and for rectifying possible non-compliance, if any, with environmental laws for five years. In turn, we indemnify Shell for certain losses Shell may incur from post completion environmental matters and for certain pre-completion environmental matters as Shell indemnity expires. These indemnities are limited by various thresholds, caps and conditions and include a sharing mechanism under which our liability generally increases in steps during the indemnity periods.

Commercial Commitments

In connection with the acquisition of the Petit Couronne and Reichstett refineries in 2008, we entered into four to five year processing agreements with Shell for approximately half of the Petit Couronne refinery's total crude oil throughput. The processing agreement related to refined products expired on December 31, 2008, while the processing arrangements to produce Shell lube oil base stocks will continue until 2011. Additionally, Petroplus has entered into off-take agreements with Shell, at market prices, which are estimated to account for approximately 90 % of bitumen produced at the Petit Couronne and Reichstett refineries in 2011.

In connection with the acquisition of the Coryton refinery in 2007, we entered into an off-take agreement with BP that is estimated to account for approximately 70 % of the refinery's gasoline production, approximately 90 % of its jet fuel and ULSD production and approximately 30 % of its gasoil production in 2011. The initial term of the agreement lasts until 2012.

In connection with the acquisition of the Ingolstadt refinery in 2007, we entered into a five year off-take agreement with Esso to supply its retail chain in Bavaria with substantial amounts of gasoline and diesel fuel and to supply Esso with significant amounts of jet fuel. In 2010, this agreement was transferred to ENI (an integrated energy company based in Italy) as part of their purchase of Esso's Austrian business and is estimated to account for approximately 15-20 % of the Ingolstadt refinery's gasoline and diesel fuel production and approximately 90 % of its jet fuel production in 2011. The off-take agreement terminates on December 31, 2011.

On May 1, 2007, under the terms of a distribution agreement, Petroplus Deutschland GmbH entered into an agreement with Nynas for the right of distribution of bitumen produced at the Ingolstadt refinery in Germany. The agreed upon term of this contract is ten years, with yearly pricing negotiations, beginning January 1, 2008.

27 Financial Risk Management Objectives and Policies

Risk Assessment

The Company has established an organizational framework for risk assessment and management which includes risk identification and appraisal, development of acceptable exposure limits, implementation of strategies, policies and procedures to mitigate identified financial risks, and the monitoring of compliance with such strategies, policies and procedures.

The BoD of Petroplus Holdings AG and the Executive Committee have overall responsibility for the Company's risk management strategies. Risk Owners, comprised of key members of senior management, are responsible for the day-to-day execution of corporate risk strategies and policies, while Risk Committees, comprised of financial disclosure experts, procedures and controls experts and appropriate subject matter experts evaluate the adequacy of the implementation and execution of the strategies and policies by the Risk Owners.

The Company's internal risk assessment process consists of regular reporting to the BoD on identified risks and management's reaction to them. The BoD has performed the risk assessment based on the Company's internal risk assessment process and monitors management's response to the risks identified.

The Company's principal financial liabilities, other than derivatives, are comprised of interest-bearing loans and borrowings, finance leases and trade and other payables. The main purpose of these financial liabilities is financing for the Company's operations and acquisitions. The Company has various financial assets, other than derivatives, such as cash and short-term deposits and trade and other receivables which arise directly from our operations.

The main risks which influence the Company's financial instruments and, ultimately, the financial results are commodity price risk, credit risk, foreign currency exchange rate risk, interest rate risk and financial liquidity risk. The Company seeks to minimize the effects of some of these risks by using derivative financial instruments. The use of financial derivatives is governed by the Company's risk policies which provide written principles on risk management.

Commodity Price Risk Management

Due to the nature of our business, the Company has significant exposure to the fluctuation of crude and oil product prices as part of its normal operations. There are many factors of our business which are impacted by prevailing market conditions. Specifically, a change in the crude and product pricing environment, rise or decline, will influence our inventory levels, purchasing decisions and commodity price management activities and will ultimately have an impact on our realized gross margin. Our commercial and operational decisions are a direct response to the market and, as such, will change as market conditions change.

On average, throughout 2010, we have held approximately 21 million barrels of crude and product inventory on hand. The 21 million barrels represent the level of inventory we will hold on average in order to maintain our daily refinery operations and sales requirements. This level fluctuates on a daily basis, depending on timing of crude purchases and product sales, operations and optimization of crude and product pricing. We are exposed to the fluctuation in crude and product pricing on the inventory we hold. Currently, we primarily use a commodity price management program to manage the fluctuation associated with commodity pricing on a defined volume of inventory. Under this program, we enter into commodity Intercontinental Exchange ("ICE") futures contracts and counterparty swaps to lock in the price of certain commodities.

Our earnings, as under the FIFO inventory accounting methodology, will be impacted by crude and product pricing volatility. The FIFO accounting methodology, in times of extreme pricing volatility, creates a lag between the cost of crude applied to current market sales. This lag can, at times, be greater than the natural lag from the processing of crude oil into refined products. If crude prices rise or decline by USD 10 per barrel, the impact on our margin, using the 21 million barrels we hold on average, could result in a gain or loss of approximately USD 210 million.

Additionally, the Company is exposed to the refining margin crack, which is defined as the net result of the purchase of crude and the corresponding sale of the refined product. If the refining margin crack, based on fluctuations in crude and product pricing, was to rise or decline by USD 1 per barrel, the effect on the Company's profit before income taxes would be a gain or loss of approximately USD 218 million in 2010 and approximately USD 193 million in 2009. This analysis does not take into consideration any changes in commercial or operating decisions which would be made given the change in the environment, changes in the inventory held, or other factors which could be present in a volatile crude and product pricing environment.

The Company currently does not enter into material derivative financial instruments for speculative transactions and does not hedge the Group refining margin. This strategy is continually reviewed and adapted for current economic and market conditions.

Credit Risk Management

Credit risk arises from the potential failure of a counterparty to meet its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from granting trade credit to customers and from placing deposits with banks and financial institutions. To minimize credit risk, all customers are subject to credit verification procedures and extensions of credit above defined thresholds are subject to an approval process. We also maintain relationships with several different banks in order to minimize our concentration of risk. The Company's intention is to grant trade credit only to recognized creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis. The Company also limits the risk of bad debts by obtaining bank securities such as guarantees or letters of credit and credit insurance.

The maximum exposure to credit risk is represented by the carrying amounts of cash and receivables that are presented in the Consolidated Statement of Financial Position, including derivatives with positive market values. Trade credit risk is minimized as the Company's trade debtor portfolio consists primarily of large, financially strong players in world markets such as the major oil companies. In addition, the majority of receivables from non-investment grade companies are credit insured or covered by letters of credit.

Foreign Currency Exchange Rate Risk Management

The Company is exposed to foreign currency risk as a significant percentage of our revenues and some of our expenses are recorded in EUR, CHF and GBP and then translated into USD. In order to keep the currency risk at an acceptable level, the Company uses financial instruments (swaps, spot and forward foreign currency derivatives contracts) to manage certain foreign currency risk associated with non-USD sales, assets and liabilities. The Company is exposed to foreign currency movement on non-USD operating and personnel costs as we currently do not hedge these costs.

The following table details the Company's sensitivity to a 5 % increase and decrease in the USD against the relevant foreign currencies. 5 % is the sensitivity rate used when reporting foreign currency risk internally to management. The sensitivity analysis below includes the effect of changes in foreign currency rates on income, expenses, assets and liabilities that are subject to foreign currency risks in profit before income taxes. There is no material impact on the Company's equity.

(in millions of USD)	Effect on profit before income taxes
2010	
5 % increase in EUR/USD rate	(20.9)
5 % increase in CHF/USD rate	(8.6)
5 % increase in GBP/USD rate	(12.5)
5 % decrease in EUR/USD rate	20.9
5 % decrease in CHF/USD rate	8.6
5 % decrease in GBP/USD rate	12.5
2009	
5 % increase in EUR/USD rate	(13.1)
5 % increase in CHF/USD rate	(3.6)
5 % increase in GBP/USD rate	(6.7)
5 % decrease in EUR/USD rate	13.1
5 % decrease in CHF/USD rate	3.6
5 % decrease in GBP/USD rate	6.7

Interest Rate Risk Management

The Company is exposed to interest rate risk mainly through interest-bearing net debt. The Company's interest rate risk management aims to reduce the volatility of interest costs in the Consolidated Statement of Comprehensive Income. Long-term debt raised to finance our acquisitions is, therefore, kept at fixed interest rates while only cash, short-term deposits and short-term borrowings raised through our working capital facilities are exposed to changes in market conditions. At December 31, 2010, none of our Net Debt was exposed to interest rate risk. As of December 31, 2009, approximately 8 % or USD 151.9 million of our Net Debt (excluding capitalized fees) was exposed to interest rate risk. In addition, proceeds from the sale of the Company's eligible receivables under our Factoring Agreement are exposed to interest rate risk. As of December 31, 2010, USD 178.7 million (2009: USD 159.3 million) was exposed to interest rate risk with respect to the Factoring Agreement. For additional details of the Factoring Agreement, refer to Note 12 "Trade and Other Receivables".

The following table demonstrates the sensitivity to a reasonable change in interest rates, with all other variables held constant, of the Company's profit before income tax. There is no material impact on the Company's equity.

(in millions of USD)	Effect on profit before income taxes
2010	
Increase of 2 % in LIBOR	(6.3)
Decrease of 2 % in LIBOR	–
2009	
Increase of 2 % in LIBOR	(5.7)
Decrease of 2 % in LIBOR	–

As the average 1-week LIBOR rate for 2010 and 2009 was below 1 %, a 2 % decrease would not have a material impact on the Company's profit before income tax.

Financial Liquidity Risk Management

The primary objective of the Company's financial liquidity risk management is to ensure that the Company maintains a strong credit rating and healthy capital ratios to support our daily business activities, reduce financing costs and maximize shareholder value.

Management is committed to maintaining a healthy financial position while executing the Company's growth strategy. Through the acquisition process, we carefully evaluate the price paid and financing options available for every asset acquired. The assets acquired by the Company are long-term assets for which we maintain a portion of long-term debt. The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 18 "Interest-Bearing Loans and Borrowings", cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Note 22 "Shareholders' Equity".

Management reviews the capital structure on a continual basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. While the Company's leverage may temporarily change with acquisitions and material oil price risks, the target is to maintain a gearing ratio below 40 %, determined as the proportion of net debt to net capital. The gearing ratio at December 31 was as follows:

(in millions of USD)	2010	2009
Interest-bearing loans and borrowings	1,692.0	1,833.4
Cash and short-term deposits	(179.0)	(11.2)
Net Debt	**1,513.0**	**1,822.2**
Equity	**2,003.9**	**1,988.0**

Ratio

Net Debt to Net Capital	43.0 %	47.8 %

The decrease in net debt to net capital in 2010 is primarily related to the reduction in short-term borrowings, as compared to 2009.

Ultimate responsibility for financial liquidity risk management rests with the BoD, which has developed an appropriate financial liquidity risk management framework for the Company's short, medium and long-term funding and financial liquidity management requirements. The Company manages the financial liquidity risk by maintaining adequate reserves, available revolving credit facilities, continuously monitoring forecasted and actual cash flows, and matching the maturity profiles of financial assets and liabilities. Included in Note 18 "Interest-Bearing Loans and Borrowings" is a listing of our existing facilities and available limits the Company has at its disposal to further reduce financial liquidity risk.

The table below summarizes the maturity profile of the Company's financial liabilities at December 31, 2010 and 2009 based on contractual, undiscounted payments:

(in millions of USD)	Total	On demand	Less than 3 months	3 to 12 months	1 to 5 years	over 5 years
December 31, 2010						
Interest-bearing loans and borrowings [1]	2,506.5	–	31.5	94.5	1,185.3	1,195.2
Finance lease commitments	30.2	–	0.9	2.5	13.4	13.4
Trade payables	1,406.6	–	1,405.4	1.2	–	–
Other payables [2]	238.5	–	226.9	11.6	–	–
Derivative financial instruments	1.2	–	1.2	–	–	–
Total	**4,183.0**	**–**	**1,665.9**	**109.8**	**1,198.7**	**1,208.6**

(in millions of USD)	Total	On demand	Less than 3 months	3 to 12 months	1 to 5 years	over 5 years
December 31, 2009						
Interest-bearing loans and borrowings [1]	2,795.5	163.1	31.5	94.5	1,077.0	1,429.4
Finance lease commitments	36.9	–	1.0	3.3	14.5	18.1
Trade payables	1,463.4	–	1,417.2	46.2	–	–
Other payables [2]	277.0	–	277.0	–	–	–
Derivative financial instruments	4.0	–	4.0	–	–	–
Total	**4,576.8**	**163.1**	**1,730.7**	**144.0**	**1,091.5**	**1,447.5**

[1] Includes expected interest payments.
[2] Excluding USD 863.7 million at December 31, 2010 and USD 545.7 million at December 31, 2009, of other payables and accrued expenses which do not qualify as financial liabilities.

28 Financial Instruments

The nominal value of financial instruments, other than long-term interest-bearing loans and borrowings, approximate fair value. Long-term interest-bearing loans and borrowings are initially recognized at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. The fair values reported for long-term interest-bearing loans and borrowings are based on quoted market prices of the Company's Senior Notes and Convertible Bonds. The Company's financial instruments included in the Consolidated Financial Statements are listed below:

(in millions of USD)		December 31, 2010						
	Category in accordance with IAS 39	Carrying amount	Amortized cost	Cost	Fair value through profit or loss	Fair value through other comprehensive income	Amounts recognized in Consolidated Statement of Financial Position according to IAS 17	Fair value
Financial assets								
Cash and short-term deposits	C	179.0	–	–	179.0	–	–	179.0
Trade receivables, net	LaR	1,154.7	1,154.7	–	–	–	–	1,154.7
Other receivables [1]	LaR	15.2	15.2	–	–	–	–	15.2
Financial assets available-for-sale	AfS	34.6	–	–	–	34.6	–	34.6
Other financial assets [2]	LaR	4.9	4.9	–	–	–	–	4.9
Derivative financial instruments [3]	FAHfT	4.2	–	–	4.2	–	–	4.2
Financial liabilities								
Interest-bearing loans and borrowings	FLAC	1,692.0	1,692.0	–	–	–	–	1,598.7
Finance lease commitments	n.a.	23.8	–	–	–	–	23.8	23.8
Trade payables	FLAC	1,406.6	1,406.6	–	–	–	–	1,406.6
Other payables [4]	FLAC	238.5	238.5	–	–	–	–	238.5
Derivative financial instruments	FLHfT	1.2	–	–	1.2	–	–	1.2
Aggregated by category								
Cash (C)		179.0	–	–	179.0	–	–	179.0
Loans and Receivables (LaR)		1,174.8	1,174.8	–	–	–	–	1,174.8
Available-for-Sale financial assets (AfS)		34.6	–	–	–	34.6	–	34.6
Financial Assets Held for Trading (FAHfT)		4.2	–	–	4.2	–	–	4.2
Financial Liabilities measured at Amortized Costs (FLAC)		3,337.1	3,337.1	–	–	–	–	3,243.8
Financial Liabilities Held for Trading (FLHfT)		1.2	–	–	1.2	–	–	1.2

[1] Excluding USD 94.1 million at December 31, 2010 and USD 81.7 million at December 31, 2009, of other receivables and prepayments which do not qualify as financial assets.
[2] Excluding capitalized financing costs of USD 9.1 million at December 31, 2010 and USD nil at December 31, 2009.
[3] Excluding a hedge accounting portion amounting to an asset of USD 1.8 million at December 31, 2010 and an asset of USD 7.1 million at December 31, 2009.
[4] Excluding USD 863.7 million at December 31, 2010 and USD 545.7 million at December 31, 2009, of other payables and accrued expenses which do not qualify as financial liabilities.

December 31, 2009						
Carrying amount	Amortized cost	Cost	Fair value through profit or loss	Fair value through other comprehensive income	Amounts recognized in Consolidated Statement of Financial Position according to IAS 17	Fair value
11.2	–	–	11.2	–	–	11.2
1,051.4	1,051.4	–	–	–	–	1,051.4
18.1	18.1	–	–	–	–	18.1
28.6	–	0.9	–	27.7	–	28.6
5.6	5.6	–	–	–	–	5.6
0.6	–	–	0.6	–	–	0.6
1,833.4	1,833.4	–	–	–	–	1,773.6
28.5	–	–	–	–	28.5	28.5
1,463.4	1,463.4	–	–	–	–	1,463.4
277.0	277.0	–	–	–	–	277.0
4.0	–	–	4.0	–	–	4.0
11.2	–	–	11.2	–	–	11.2
1,075.1	1,075.1	–	–	–	–	1,075.1
28.6	–	0.9	–	27.7	–	28.6
0.6	–	–	0.6	–	–	0.6
3,573.8	3,573.8	–	–	–	–	3,514.0
4.0	–	–	4.0	–	–	4.0

Net (loss)/gain by measurement category (in millions of USD)	From interest	Bond accretion/ amortized financing costs	From subsequent measurement		Net (loss)/gain	
			At fair value	Impairment/ reversal of impairment	2010	2009
Loans and Receivables (LaR)	–	–	–	0.4	0.4	(0.7)
Available-for-Sale financial assets (AfS) [1)]	–	–	(1.2)	–	(1.2)	(2.3)
Financial Assets held for Trading (FAHfT)	–	–	33.6	–	33.6	–
Financial Liabilities measured at Amortized Costs (FLAC)	(137.2)	(13.3)	–	–	(150.5)	(141.4)
Financial Liabilities Held for Trading (FLHfT)	–	–	–	–	–	(32.6)
Net (loss)/gain	**(137.2)**	**(13.3)**	**32.4**	**0.4**	**(117.7)**	**(177.0)**

[1)] Recognised in other comprehensive income.

Derivatives not Designated as Hedging Instruments

The Company enters into commodity instruments to manage the fluctuation associated with commodity pricing on a defined volume of inventory. The Company also uses financial instruments (swaps and forward exchange contracts) to manage certain of its foreign currency risk. These derivative transactions have not been designated as effective hedges, therefore, any gains or losses arising from the changes in the fair value of these instruments is recorded in our Consolidated Statement of Comprehensive Income.

Derivatives Designated as Hedging Instruments

In connection with a German governmental stock-piling requirement and with fixed price contracts for the sale of bitumen in the UK, the Company enters into fixed price contracts to buy and sell specified volumes of gasoline, gasoil and bitumen. As a result, we enter into gasoline and fuel swaps and gasoil futures to manage the price risk associated with such fixed price contracts. There were no outstanding amounts related to hedges of German stock-piling requirements at December 31, 2010 and 2009. The fair value for fuel swaps included as an asset in the Consolidated Statement of Financial Position at December 31, 2010 is USD 1.8 million (2009: USD 7.1 million). In 2010, the Company realized a gain of USD 1.1 million (2009: USD 10.6 million) related to the hedging instruments and a loss of USD 2.2 million (2009: USD 13.5 million) related to the hedged items. During the year, the fair value of the gasoline and fuel swaps was determined through broker forward curve quotations, whereas the fair value of gasoil futures was obtained from published settlement quotes on the ICE.

Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table presents the Company's assets and liabilities that are measured at fair value at December 31, 2010 and 2009:

(in millions of USD)				December 31, 2010
Financial assets measured at fair value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Derivative financial instruments – held for trading	1.7	2.5	–	4.2
Derivative financial instruments – hedge accounting applied	1.8	–	–	1.8
Available-for-sale financial assets	–	–	34.6	34.6
Total assets measured at fair value	**3.5**	**2.5**	**34.6**	**40.6**
Financial liabilities measured at fair value				
Financial liabilities at fair value through profit or loss				
Derivative financial instruments – held for trading	–	1.2	–	1.2
Total liabilities measured at fair value	**–**	**1.2**	**–**	**1.2**

(in millions of USD)				December 31, 2009
Financial assets measured at fair value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Derivative financial instruments – held for trading	0.6	–	–	0.6
Derivative financial instruments – hedge accounting applied	7.1	–	–	7.1
Available-for-sale financial assets	–	–	27.7	27.7
Total assets measured at fair value	**7.7**	**–**	**27.7**	**35.4**
Financial liabilities measured at fair value				
Financial liabilities at fair value through profit or loss				
Derivative financial instruments – held for trading	–	4.0	–	4.0
Total liabilities measured at fair value	**–**	**4.0**	**–**	**4.0**

There were no transfers between Level 1 and Level 2 or into or out of Level 3 during 2010 or 2009.

The Company carries unquoted equity shares as available-for-sale financial assets classified as Level 3 within the fair value hierarchy. For further details, including the impact of changes during 2010, refer to Note 16 "Financial Assets Available-for-Sale".

29 Related Parties

The Company maintains business relationships with related parties, including its subsidiaries, its associated companies, other investments, and its key management personnel.

All related party transactions between the Company and its subsidiaries are eliminated on consolidation and are not disclosed in this note. Details of transactions between the Company and other related parties are disclosed below.

	Sales of goods		Purchases of goods		Other transactions		Amounts owed by related parties December 31,	
(in millions of USD)	2010	2009	2010	2009	2010	2009	2010	2009
Associates								
Raffinerie du Midi	–	–	–	–	1.7	2.0	–	–
Groupement Pétrolier de Saint Pierre des Corps	–	–	–	–	0.6	–	–	–
Sempachtank AG	–	–	–	(0.1)	–	–	–	–
Société Genevoise des Pétroles SA	–	–	–	(0.1)	(0.2)	–	–	0.1
Pflichtlagergesellschaft für Mineralöle	0.4	–	–	–	5.5	–	–	–
Total	**0.4**	**–**	**–**	**(0.2)**	**7.6**	**2.0**	**–**	**0.1**

Sales to and purchases from related parties are made at normal market prices. In general, outstanding balances at year-end are unsecured, interest free and settlement typically occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. Additionally, no provisions have been made for doubtful debts relating to amounts owed by related parties. This assessment is undertaken each financial year through examination of the financial position of the related party and the market in which the related party operates.

Guarantees

Petroplus Holdings AG guarantees certain obligations of subsidiaries to third parties. For further information, see Note 7 "Contingent Liabilities/Guarantees and Pledges" in the Statutory Financial Statements of Petroplus Holdings AG.

Compensation of Key Management Personnel

Effective September 1, 2009, Mr. Jean-Paul Vettier succeeded Mr. Robert J. Lavinia as the CEO of the Company.

At the end of 2010, key management personnel includes fourteen members (2009: fourteen), including nine non-executive members of the BoD, the CEO of the Company, who is also a member of the BoD, and four members of the Executive Committee.

The compensation for key management personnel as described above, including one former member of BoD and three former members of the Executive Committee, was as follows:

(in millions of USD)	2010	2009
Short-term employee benefits	11.6	10.7
Post-employment benefits	0.5	0.6
Other long-term benefits	0.1	–
Termination benefits	3.1	–
Share-based payments [1]	3.3	3.7
Total compensation of key management personnel	**18.6**	**15.0**

[1] The fair value of options/RSUs granted have been calculated in accordance with IFRS 2 Share-based Payment. In comparison to the treatment under IFRS 2, where the fair value of the options/RSUs are recorded as an expense over the vesting period, Swiss Code of Obligation requires the presentation of the total fair value of the options/RSUs at the date of grant and are based on the valuation principles contained in a tax ruling from the Swiss tax authorities. The share-based payment expense above does therefore not reconcile with the amount disclosed in Note 6 "Compensation, Shareholdings and Loans" in the Statutory Financial Statements of Petroplus Holdings AG.

The compensation of key management personnel is determined by the Compensation Committee after considering the performance of the individual and market trends.

Other

In March 2008, we entered into a partnership ("PBF") with The Blackstone Group and First Reserve, to evaluate acquisitions of crude oil refineries in the United States, its possessions and Eastern Canada. Mr. O'Malley serves as Chairman of the BoD and CEO of PBF. On September 26, 2010, the Company reached an agreement in principle with the Blackstone Group and First Reserve, its partners in PBF, for the sale of Petroplus' 32.62 % share of PBF. The Company's proportionate contribution for Mr. O'Malley's compensation from PBF amounted to USD 0.4 million for the time we held an interest in PBF in 2010 (2009: USD 0.5 million).

30 Number of Employees

The following table sets out information on the number of full-time equivalent employees we employed in the periods indicated:

Number of employees	December 31, 2010	December 31, 2009 [1]
Switzerland	494	500
France	836	855
United Kingdom	615	742
Germany	411	391
Belgium	217	353
Czech Republic	2	4
Total	**2,575**	**2,845**

[1] Includes employees of the Antwerp Processing facility which had not been sold during the period indicated.

31 Acquisitions

In 2010 and 2009, Petroplus did not acquire any new businesses.

Purchase Price Allocation Finalized in 2009 Regarding the Acquisitions of the Petit Couronne and Reichstett Refineries in 2008

Pursuant to an Asset Purchase Agreement dated March 31, 2008, the Company completed the acquisition of refineries located in Petit Couronne and Reichstett, France. The aggregate purchase consideration was USD 810.9 million.

During 2008, the Company's purchase price allocation was calculated on a provisional basis. The allocation was finalized in March 2009 upon final agreement with Shell as to the value of inventory, receivables and pension liabilities transferred to the Company, resulting in the following updates as detailed below:

As the finalization of the purchase price allocation did not result in material changes in assets, liabilities or net income, prior period balances were not adjusted. If the Company had restated the Consolidated Statement of Comprehensive Income based on the updated asset balance, net loss for the twelve months ended December 31, 2008 would have been approximately USD 3.2 million lower and the net loss for the twelve months ended December 31, 2009 would have been approximately USD 3.2 million higher. During 2009, the Company collected USD 9.0 million in regards to the final purchase price adjustment.

The Company did not have access to sufficient information to calculate a reliable estimate of the carrying amount of net assets prior to the acquisition.

The presentation of pro-forma financial information would require significant estimates and assumptions on behalf of the Company and, therefore, cannot be presented. Additionally, the Company does not generate financial information down to the net income level for its refineries.

Purchase Consideration

(in millions of USD)	
Purchase price	784.1
Fees	26.8
Total purchase consideration	**810.9**

Purchase Price Allocation

(in millions of USD)	Preliminary purchase price allocation	Changes as at acquisition date	Fair value
Assets acquired			
Inventories	632.7	(1.4)	631.3
Other receivables and prepayments	55.1	25.8	80.9
Intangible assets	1.9	–	1.9
Property, plant and equipment	373.8	(29.3)	344.5
Investment in associates	13.4	–	13.4
Financial assets available-for-sale	27.7	–	27.7
Deferred tax assets	38.5	10.3	48.8
Total assets	*1,143.1*	*5.4*	*1,148.5*
Liabilities acquired			
Trade payables	203.6	–	203.6
Other payables	35.4	26.0	61.4
Other financial liabilities	72.6	–	72.6
Total liabilities	*311.6*	*26.0*	*337.6*
Net assets acquired	**831.5**	**(20.6)**	**810.9**
Total purchase consideration	831.5	(20.6)	810.9
Net cash outflow from transaction	**831.5**	**(20.6)**	**810.9**

32 Subsidiaries

Subsidiary		Share capital (in millions local currency)	2010	2009	Activities*
Switzerland					
Petroplus Marketing AG, Zug	CHF	51.400	100.0 %	100.0 %	H/F, M
Petroplus Tankstorage AG, Zug	CHF	5.000	100.0 %	100.0 %	P/T
Petroplus Switzerland Investment GmbH, Zug	CHF	1.000	100.0 %	100.0 %	H/F
Petroplus Refining Cressier SA, Cressier	CHF	5.000	100.0 %	100.0 %	R
Société Immobilière Les Planches Vallier SA, Cressier	CHF	0.050	80.0 %	80.0 %	O
Oléoduc du Jura Neuchâtelois S.A., Cornaux	CHF	1.000	80.0 %	80.0 %	P/T
Belgium					
Belgian Refining Corporation N.V., Antwerp	EUR	51.150	100.0 %	100.0 %	R
Petroplus Refining Antwerp Bitumen N.V., Antwerp 1)	USD	–	–	100.0 %	R
Petroplus Refining Antwerp N.V., Antwerp 1)	USD	–	–	100.0 %	R
Universal Holding N.V., Antwerp	USD	11.568	100.0 %	100.0 %	H/F
Petrobel N.V., Kontich	EUR	0.372	100.0 %	100.0 %	M
Bermuda					
Argus International Ltd., Hamilton	USD	1,500.000	100.0 %	100.0 %	H/F
Petroplus Finance Ltd., Hamilton	USD	0.010	100.0 %	100.0 %	H/F
Petroplus Finance 2 Ltd., Hamilton	USD	1,450.000	100.0 %	100.0 %	H/F
Petroplus Finance 3 Ltd., Hamilton 2)	USD	–	–	100.0 %	H/F
Cyprus					
Rivermill Investments Ltd., Nicosia	EUR	0.002	99.9 %	99.9 %	H/F
Czech Republic					
Marimpex Prague (branch office), Prague 2)		–	–	100.0 %	M
Petroplus Czech Republic s.r.o., Prague 3)	CZK	148.489	100.0 %	100.0 %	M
France					
SKI Participations SA, Villeneuve d'Ascq	EUR	0.045	100.0 %	100.0 %	H/F
Société Française du Pipeline du Jura, Paris	EUR	3.114	100.0 %	100.0 %	P/T
Petroplus Holdings France SAS, Paris la Défense Cedex	EUR	76.561	100.0 %	100.0 %	H/F
Petroplus Marketing France SAS, Paris la Défense Cedex	EUR	20.731	100.0 %	100.0 %	M
Petroplus Raffinage Petit-Couronne SAS, Petit Couronne	EUR	89.724	100.0 %	100.0 %	R
Petroplus Pipelines Petit-Couronne SAS, Petit Couronne	EUR	1.370	100.0 %	100.0 %	P/T
Petroplus Raffinage Reichstett SAS, Reichstett	EUR	40.854	100.0 %	100.0 %	R
Petroplus Pipelines Reichstett SAS, Reichstett	EUR	0.388	100.0 %	100.0 %	P/T

*** Activities:**

H/F = Holding/Finance: This entity is a holding company and/or performs finance functions for the Group.
M = Marketing: This entity performs marketing and sales activities for the Group.
R = Refining: This entity performs refining activities for the Group.
P/T = Pipeline/Tankstorage: This entity is either a pipeline or a tankstorage.
O = Other: Includes property and waste disposal.

Subsidiary		Share capital (in millions local currency)	2010	2009	Activities
Germany					
Marimpex Mineralöl-Handelsgesellschaft mbH, Hamburg	EUR	6.647	100.0 %	100.0 %	H/F
Petroplus Deutschland GmbH, Ingolstadt	EUR	2.960	100.0 %	100.0 %	M
Petroplus Raffinerie Ingolstadt GmbH, Kösching	EUR	10.000	100.0 %	100.0 %	R
Petroplus Bayern GmbH, Kösching	EUR	0.170	100.0 %	100.0 %	M
Petroplus Tankstorage Holding GmbH, Ingolstadt [4]	EUR	–	–	100.0 %	H/F
Petroplus Tankstorage Holding Deutschland GmbH, Ingolstadt	EUR	0.025	100.0 %	100.0 %	H/F
The Netherlands					
Petroplus Holdings B.V., Rotterdam	EUR	0.113	100.0 %	100.0 %	H/F
Petroplus International B.V., Rotterdam	EUR	1.235	100.0 %	100.0 %	H/F
United Kingdom					
Petroplus Marketing Ltd., Teesside, Middlesbrough	GBP	0.010	100.0 %	100.0 %	M
Petroplus Refining & Marketing Ltd., Stanford-Le-Hope	GBP	79.790	100.0 %	100.0 %	R
Petroplus Refining Teesside Ltd., Middlesbrough	GBP	0.020	100.0 %	100.0 %	M
Luxemburg					
Argus International S. à r. l., Munsbach	EUR	0.040	100.0 %	100.0 %	H/F
Argus Energy S. à r. l., Munsbach	EUR	0.040	100.0 %	100.0 %	H/F
Portugal					
Refinaria Vasco da Gama, Lisboa [2]	EUR	–	–	100.0 %	H/F
USA					
Argus Services Corporation, Delaware [2]	USD	–	–	100.0 %	H/F

[1] Sold in 2010.
[2] Liquidated in 2010.
[3] Contribution in kind from parent company Marimpex Mineralöl-Handelsgesellschaft mbH, Hamburg to Petroplus Czech Republic s.r.o., Prague, in 2010.
[4] Merged with Marimpex Mineralöl-Handelsgesellschaft mbH, Hamburg, in 2010.

Investments in associates		Share capital (in millions local currency)	2010	2009	Activities
Switzerland					
Pflichtlagergesellschaft für Mineralöle, Zug	CHF	1.000	35.0 %	35.0 %	P/T
SOGEP Société Genevoise des Pétroles, Vernier	CHF	0.100	32.0 %	32.0 %	P/T
Sempachtank AG, Neuenkirch	CHF	0.113	22.0 %	22.0 %	P/T
France					
Raffinerie du Midi, Paris	EUR	3.432	33.3 %	33.3 %	P/T
Groupement Pétrolier de Saint Pierre des Corps, Cergy	EUR	0.330	20.0 %	20.0 %	P/T
USA					
PBF Investments LLC and Affiliates, Greenwich, CT [1]	USD	–	–	35.4 %	H/F

Investments available-for-sale		Share capital (in millions local currency)	2010	2009	Activities
France					
Entrepôt Pétrolier de Valenciennes, Haulchin	EUR	0.480	16.0 %	16.0 %	P/T
Entrepôt Pétrolier de Mulhouse, Illzach	EUR	0.287	14.3 %	14.3 %	P/T
Société des Transports Pétroliers par Pipeline (Trapil), Paris	EUR	13.160	5.5 %	5.5 %	P/T
Société Anonyme de Gestion des Stocks de Sécurité (SAGESS), Cedex	EUR	0.240	1.1 %	1.1 %	O
Germany					
RBE-Rheinische Bio Ester GmbH & Co. KG, Neuss [1]	EUR	–	–	15.0 %	R
GSB Sonderabfallentsorgung Bayern GmbH, Bayern	EUR	42.260	0.3 %	0.3 %	O
Deutsche Transalpine Ölleitung GmbH, Munich [2]	EUR	5.150	10.0 %	–	P/T
Austria					
Transalpine Ölleitung in Österreich Gesellschaft m.b.H., Innsbruck [2]	EUR	18.200	10.0 %	–	P/T
Italy					
Società Italiana per l'Oleodotto Transalpino S.p.A., Trieste [2]	EUR	4.900	10.0 %	–	P/T
Switzerland					
SAPPRO SA (Société du Pipeline à Produits Pétroliers sur Territoire Genevois), Vernier	CHF	0.653	12.3 %	12.3 %	P/T

1) Sold in 2010.
2) Transfer of legal ownership in 2010.

None of the above listed subsidiaries, associates or investments available-for-sale are listed on SIX or any other stock exchange.

33 Subsequent Events

New Chairman of the Board of Directors

On February 3, 2011, Petroplus announced that Thomas D. O'Malley's retirement as Chairman and member of the BoD, originally announced on December 8, 2010 and effective May 5, 2011, was brought forward to the Petroplus Board meeting on February 2, 2011, due to the continuing rapid development of PBF Energy Company LLC, of which he is Chairman of the BoD. Patrick Monteiro de Barros, formerly Vice Chairman of the Board, has succeeded Mr. O'Malley as Chairman.

With the recent sale of Petroplus' interest in PBF Energy Company LLC, of which Mr. O'Malley was also Chairman of the BoD, and the pending development of PBF into an operating Atlantic Basin oil refiner, the Petroplus Board and Mr. O'Malley decided that, from a corporate governance perspective, it would not be advisable for him to remain as Chairman of both organizations.

There are no events to report that had an influence on the Consolidated Statement of Financial Position or the Consolidated Statement of Comprehensive Income for the year ended December 31, 2010.

34 Authorization of Consolidated Financial Statements

These Consolidated Financial Statements have been authorized for issue by the Board of Directors on February 28, 2011 and will be recommended for approval at the Annual Shareholders' Meeting on May 5, 2011.

Zug, February 28, 2011

Petroplus Holdings AG
For the Board of Directors

Patrick Monteiro de Barros
Chairman of the Board of Directors

Report of the Statutory Auditor

ERNST & YOUNG

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To the General Meeting of

Petroplus Holdings AG, Zug

Zurich, 28 February 2011

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of Petroplus Holdings AG, which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and notes to the consolidated financial statements (pages 68 to 130), for the year ended 31 December 2010.

Board of Directors' responsibility
The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards ('IFRS') and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law, Swiss Auditing Standards and International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control system.

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An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of 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.

Opinion
In our opinion, the consolidated financial statements for the year ended 31 December 2010 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with IFRS and comply with Swiss law.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Reto Hofer Licensed audit expert (Auditor in charge)	Iwan Rogenmoser Licensed audit expert

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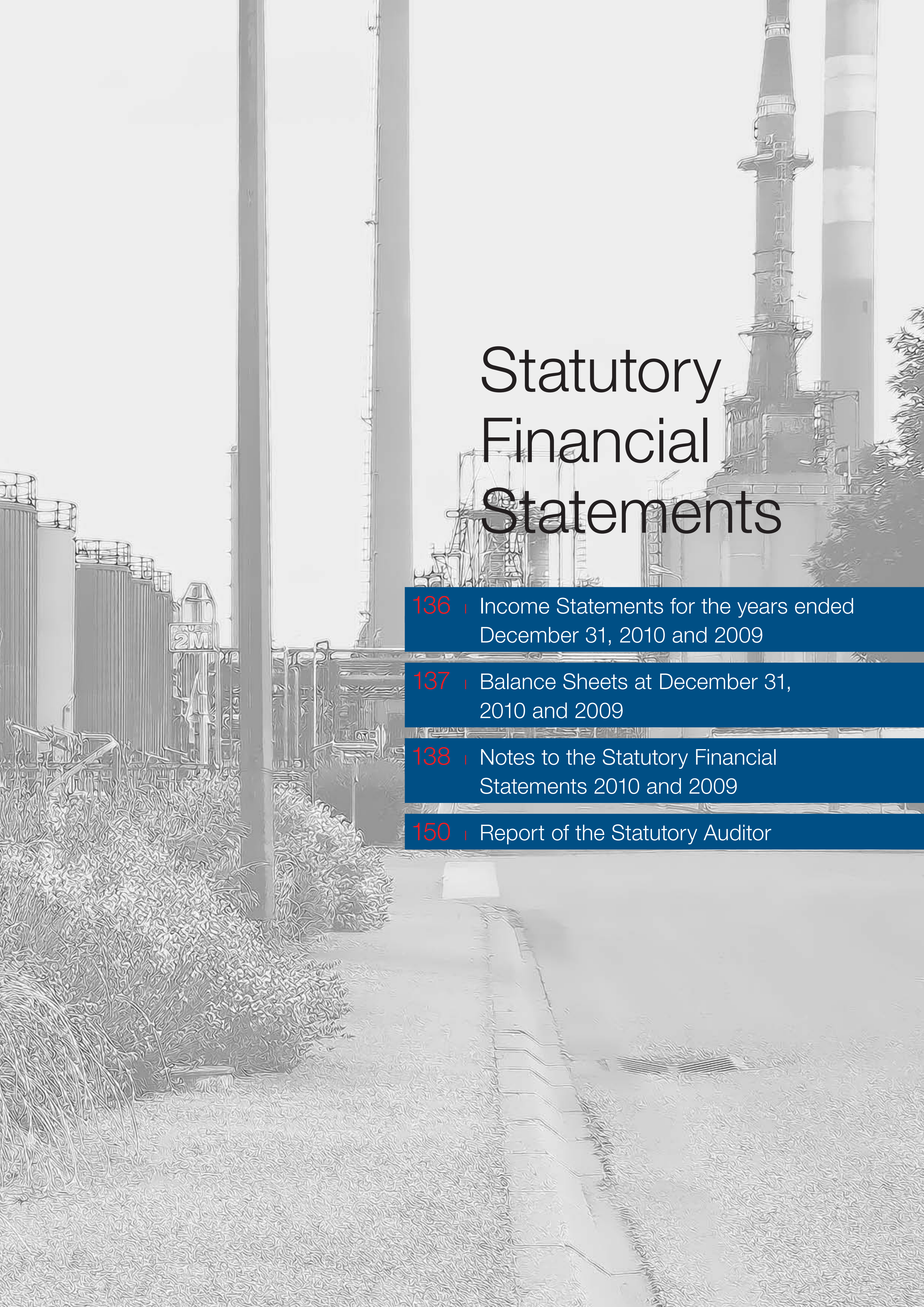

Statutory Financial Statements

Income Statements for the years ended December 31, 2010 and 2009

(in millions of CHF)	2010	2009
Financial income	26.7	21.8
Total income	**26.7**	**21.8**
Financial expenses	(29.0)	(8.1)
Capital issue expenses	(6.0)	(12.7)
Administrative expenses	(6.5)	(9.5)
Total expenses	**(41.5)**	**(30.3)**
Loss before taxes	**(14.8)**	**(8.5)**
Income taxes	–	–
Net loss	**(14.8)**	**(8.5)**

Balance Sheets at December 31, 2010 and 2009

(in millions of CHF)	Notes	2010	2009
Current assets			
Cash and short-term deposits		0.2	0.3
Other receivables from subsidiaries		203.3	68.2
Other receivables and prepayments		0.1	0.3
Total current assets		**203.6**	**68.8**
Non-current assets			
Investments	3	2,824.1	2,824.1
Total non-current assets		**2,824.1**	**2,824.1**
Total assets		**3,027.7**	**2,892.9**
Current liabilities			
Other payables to subsidiaries		5.2	6.4
Other payables and accrued expenses		1.8	1.3
Total current liabilities		**7.0**	**7.7**
Non-current liabilities			
Long-term deferred income		9.3	4.9
Total non-current liabilities		**9.3**	**4.9**
Total liabilities		**16.3**	**12.6**
Shareholders' equity			
Share capital	5	712.3	654.3
Share premium	5	87.9	161.7
Legal reserves	5	131.0	113.0
Free reserves	5	2,095.0	1,959.8
Net loss	5	(14.8)	(8.5)
Total shareholders' equity		**3,011.4**	**2,880.3**
Total liabilities and shareholders' equity		**3,027.7**	**2,892.9**

Notes to the Statutory Financial Statements 2010 and 2009

1 General

Petroplus Holdings AG (the "Company" or "Petroplus"), Zug, Switzerland is a publicly traded company listed in the main segment of the SIX Swiss Exchange ("SIX"). The address of its registered office is Petroplus Holdings AG, Industriestrasse 24, 6300 Zug, Switzerland.

2 Accounting Policies

These Statutory Financial Statements of Petroplus comply with the requirements of Swiss law.

Presentation
All amounts included in these Statutory Financial Statements are presented in millions of Swiss Francs ("CHF") except where otherwise indicated.

Foreign Exchange Rate Differences
Assets and liabilities denominated in foreign currencies are translated into CHF using year-end rates. Transactions during the year which are denominated in foreign currencies are translated at exchange rates effective at the relevant transaction dates. Resulting exchange gains and losses are recognized in the Income Statement with the exception of net unrealized gains which are deferred.

Investments
Investments are valued at acquisition cost less adjustments for impairment of value.

3 Investments

As at December 31, 2010 and 2009 Petroplus Holdings AG holds direct interests in the following companies:

	2010 [1]	2009
Argus International Ltd., Bermuda	100 %	100 %
Petroplus Finance Ltd., Bermuda	100 %	100 %
Petroplus Finance 3 Ltd., Bermuda [2]	–	100 %
Petroplus International B.V., The Netherlands	100 %	100 %

[1] Details of the individual share capitals in local currency and purpose of the entities are disclosed in Note 32 "Subsidiaries" of the Consolidated Financial Statements.
[2] Liquidated in 2010.

4 Major Shareholders

The following shareholders of Petroplus Holdings AG own more than 5 % of the voting rights as at December 31, 2010 and 2009 according to the requirements of Art. 663c of the Swiss Code of Obligation ("CO"):

Significant Shareholders	2010	2009
Janus Capital Group, USA [1]	10.1 %	n.a.

[1] Janus Capital Group, located at 151 Detroit Street, Denver, CO 80209, USA, is the parent company of Janus Capital Management LLC. Janus Capital Management LLC is an investment company and manages US and global portfolios. Janus Capital Group has reported on August 9, 2010 their ownership of 10.13 % (after a reported ownership of 5.56 % on April 21, 2010 and 3.66 % on April 19, 2010).

To the best of the Company's knowledge, no other shareholder holds 5 % or more of Petroplus Holdings AG shares at December 31, 2010 and 2009.

Subsequent to December 31, 2010 and prior to the authorization of the Annual Report 2010 on February 28, 2011, FMR Corp. reported an increase in their ownership from 4.92 % to 5.04 % on January 31, 2011, and subsequently reported a decrease in their ownership to 4.95 % on February 15, 2011. FMR Corp., located at 82 Devonshire Street, Boston, MA 02109, USA, is the parent company of Fidelity Management & Research Company, an investment manager for US mutual funds, and Fidelity Management Trust Company, a US state chartered bank which acts as a trustee or investment manager for various pension and trust accounts.

5 Share Capital of Petroplus Holdings AG

At December 31, 2010 and 2009, the Company had the following issued, authorized and conditional share capital:

	2010			2009		
	Nominal value per share in CHF	Share Capital in millions of CHF	Number of shares	Nominal value per share in CHF	Share Capital in millions of CHF	Number of shares
Issued share capital	7.48	712.3	95,230,953	7.58	654.3	86,325,289
Authorized share capital	7.48	251.4	33,615,057	7.58	130.9	17,265,057
Conditional share capital	7.48	217.6	29,096,005	7.58	108.8	14,351,669

The following table shows the changes in Equity for the years ended December 31, 2010 and 2009:

(in millions of CHF)	Share capital	Share premium	Legal reserves	Free reserves	Accumu-lated loss	Net loss	Total Equity
Balance as at January 1, 2009	**564.9**	**2,179.0**	**–**	**–**	**(85.6)**	**(20.6)**	**2,637.7**
Issuance of shares (public offering)	130.9	161.7	–	–	–	–	292.6
Repayment of nominal share capital	(41.5)	–	–	–	–	–	(41.5)
Allocation of share premium to reserves [1)]	–	(2,179.0)	113.0	2,066.0	–	–	–
Allocation to accumulated loss	–	–	–	–	(20.6)	20.6	–
Allocation to free reserves [1)]	–	–	–	(106.2)	106.2	–	–
Net loss 2009	–	–	–	–	–	(8.5)	(8.5)
Balance as at December 31, 2009	**654.3**	**161.7**	**113.0**	**1,959.8**	**–**	**(8.5)**	**2,880.3**
Issuance of shares (private placement)	65.6	85.8	–	–	–	–	151.4
Issuance of shares under stock option plan	1.9	2.1	–	–	–	–	4.0
Repayment of nominal share capital	(9.5)	–	–	–	–	–	(9.5)
Allocation of share premium to reserves [2)]	–	(161.7)	18.0	143.7	–	–	–
Allocation to accumulated loss	–	–	–	–	(8.5)	8.5	–
Allocation to free reserves [2)]	–	–	–	(8.5)	8.5	–	–
Net loss 2010	–	–	–	–	–	(14.8)	(14.8)
Balance as at December 31, 2010	**712.3**	**87.9**	**131.0**	**2,095.0**	**–**	**(14.8)**	**3,011.4**

1) Allocation of share capital to legal reserves and free reserves in accordance with the Board of Directors proposal for the year ended December 31, 2008 which was approved at the Annual General Meeting on May 6, 2009.
2) Allocation of share capital to legal reserves and free reserves in accordance with the Board of Directors proposal for the year ended December 31, 2009 which was approved at the Annual General Meeting on May 5, 2010.

6 Compensation, Shareholdings and Loans

Compensation for Acting Members of Governing Bodies for 2010

The following tables illustrate the compensation earned by the members of the Board of Directors and the Executive Committee for 2010 based on the requirements of Article 663b^{bis} CO:

Compensation for the Members of the Board of Directors [1)]

	2010					
(in thousands of CHF)	Salary	BoD fees [2)]	Other [3)]	Pension, health and fringe benefits [4)]	Fair value of RSUs granted [5)]	Total compensation
Board of Directors						
Thomas D. O'Malley (Chairman, non-executive member)	600.0	–	–	35.5	–	**635.5**
Patrick Monteiro de Barros (Vice Chairman and Chairperson, non-executive member)	–	277.5	–	–	–	**277.5**
Markus Dennler (Non-executive member and Chairperson)	–	368.5	–	19.9	–	**388.4**
Walter Grüebler (Non-executive member)	–	268.5	–	12.7	–	**281.2**
Robert J. Lavinia (Non-executive member and former CEO)	–	252.0	–	–	–	**252.0**
Maria Livanos Cattaui (Non-executive member)	–	263.0	–	12.4	–	**275.4**
Eija Malmivirta (Non-executive member and Chairperson)	–	288.5	–	–	–	**288.5**
Werner G. Müller (Non-executive member)	–	274.0	–	13.0	–	**287.0**
Patrick Power (Non-executive member)	–	257.5	–	–	–	**257.5**
Jean-Paul Vettier [6)] (Executive member and CEO)	2,400.0	–	90.0	135.4	428.1	**3,053.5**
Total Board of Directors	**3,000.0**	**2,249.5**	**90.0**	**228.9**	**428.1**	**5,996.5**
Former Member of Board of Directors						
Ernst Weil [7)] (Non-executive member)	–	140.0	–	6.6	–	**146.6**
Total Former Board of Directors	**–**	**140.0**	**–**	**6.6**	**–**	**146.6**
Total	**3,000.0**	**2,389.5**	**90.0**	**235.5**	**428.1**	**6,143.1**

Footnotes for the table above are outlined on page 142.

Compensation for the Members of the Executive Committee [1)]

(in thousands of CHF)	2010 Salary	Bonuses [8)]	Termi-nation benefits	Other [3)]	Pension, health and fringe benefits [4)]	Fair value of options/RSUs granted [5)]	Total com-pensation
Executive Committee							
Chester J. Kuchta (Executive Vice President and Chief Operating Officer)	1,216.7	180.0	–	–	204.6	272.9	**1,874.2**
Peter F. Senkbeil [9)] (General Manager Refining)	456.8	180.0	–	62.5	125.9	209.7	**1,034.9**
W. Thomas Skok (General Counsel and Corporate Secretary)	675.0	240.0	–	–	174.5	166.6	**1,256.1**
Joseph D. Watson [10)] (Executive Vice President and Chief Financial Officer)	405.9	180.0	–	48.5	100.7	161.5	**896.6**
Total Executive Committee	**2,754.4**	**780.0**	**–**	**111.0**	**605.7**	**810.7**	**5,061.8**
Former Members of the Executive Committee							
Michael D. Gayda [11)] (Executive Vice President and General Counsel)	205.9 [14)]	–	–	16.9	23.2	–	**246.0**
Bruce A. Jones [12)] (Executive Vice President and Chief Operating Officer)	185.8 [14)]	–	1,522.5	14.6	111.2	272.9	**2,107.0**
Karyn F. Ovelmen [13)] (Executive Vice President and Chief Financial Officer)	957.9 [14)]	–	1,500.0	43.1	243.8	272.9	**3,017.7**
Total Former Executive Committee	**1,349.6**	**–**	**3,022.5**	**74.6**	**378.2**	**545.8**	**5,370.7**
Total	**4,104.0**	**780.0**	**3,022.5**	**185.6**	**983.9**	**1,356.5**	**10,432.5**

Footnotes for the table above are outlined on page 142.

Footnotes for the tables on page 140 & 141

1) Compensation is disclosed gross of withholding tax and employee social security contributions. The compensation does not include reimbursements for travel and other necessary business expenses incurred in the performance of their services as these are not considered compensation. Compensation for members of the Board of Directors with executive functions (Mr. Vettier) is disclosed within the compensation for the members of the Board of Directors.

2) Includes the annual compensation of the Board of Directors fees and the compensation fee for each board or committee meeting attended.

3) Represents housing and personal transportation costs for Mr. Vettier, long-term service benefits for Mr. Senkbeil, relocation and settling in allowance for Mr. Watson and relocation allowance for Mr. Gayda, Mr. Jones and Ms. Ovelmen.

4) Includes the employer pension contribution (if applicable; state old age and survivors insurance {AHV}, disability insurance {IV}, pension fund), health/accident insurance and other fringe benefits.

5) Details regarding options and RSUs granted during 2010:

Name	Type*	Grant date	Number	Exercise price (in CHF)	Fair value (CO)**	Vesting (in years)	Life time (in years)
Jean-Paul Vettier	RSU	04.01.2010	27,209	–	15.73	1, 2, 3	1, 2, 3
Chester J. Kuchta	RSU	04.01.2010	17,345	–	15.73	1, 2, 3	1, 2, 3
Peter F. Senkbeil	RSU	02.02.2010	10,000	–	15.21	1, 2, 3	1, 2, 3
	RSU	01.10.2010	4,000	–	9.57	1, 2, 3	1, 2, 3
	Call-Option	01.10.2010	6,000	11.92	3.23	4	10
W. Thomas Skok	RSU	02.02.2010	8,000	–	15.21	1, 2, 3	1, 2, 3
	RSU	01.10.2010	3,000	–	9.57	1, 2, 3	1, 2, 3
	Call-Option	01.10.2010	5,000	11.92	3.23	4	10
Joseph D. Watson	Call-Option	01.10.2010	50,000	11.92	3.23	4	10
Bruce A. Jones	RSU	04.01.2010	17,345	–	15.73	Exit date	n/a
Karyn F. Ovelmen	RSU	04.01.2010	17,345	–	15.73	Exit date	n/a

*) Further details of options and RSUs are disclosed in Note 22 “Shareholders’ Equity” and Note 24 “Share-based Payments” of the Consolidated Financial Statements.

**) The fair value of options/RSUs granted have been calculated in accordance with IFRS 2 Share-based Payment, using the Black-Scholes Model (see Note 24 “Share-based Payments” of the Consolidated Financial Statements for details on calculation of the fair value and assumptions made). In comparison to the treatment under IFRS 2, where the fair value of the options/RSUs are recorded as an expense over the vesting period, Swiss Code of Obligation (“CO”) requires the presentation of the total fair value of the options/RSUs at the date of grant. The values of options/RSUs granted are reported based on the valuation principles contained in a tax ruling from the Swiss Tax Authorities, reflecting the principles as disclosed in the Kreisschreiben Nr. 5. Values of options/RSUs granted are discounted by 6% per year depending on the length of the vesting period. For example, the value of an option award subject to a two-year vesting period calculated in accordance with the methodology described in the Kreisschreiben Nr. 5 equals 89% of its market value at the grant date. However, the future compensation out of these options/RSUs granted will depend on the individual person’s employment with the Company, on the future development of the Company’s share price and the timing of exercise.

6) At the fourth Annual General Meeting of Petroplus Holdings AG on May 5, 2010, Jean-Paul Vettier was elected member of the Board of Directors for a tenure of three years.

7) At the fourth Annual General Meeting of Petroplus Holdings AG on May 5, 2010, Ernst Weil retired as member of the Board of Directors, effective May 6, 2010. The compensation covers the period from January 1, 2010, until June 30, 2010.

8) Bonus for the financial year 2010. Accrued as of December 31, 2010 and will be paid in March 2011. Bonus relates to individual performance targets achieved. No bonus has been awarded related to financial results as goals were not met.

9) Effective February 2, 2010, Peter F. Senkbeil was appointed General Manager Refining. The compensation covers the period from February 2, 2010, until December 31, 2010.

10) Effective August 5, 2010, Joseph D. Watson was appointed Executive Vice President and CFO. The compensation covers the period from August 5, 2010, until December 31, 2010.

11) Effective December 15, 2009, Michael D. Gayda resigned as General Counsel. Mr. Gayda continued to serve as an employee in a transition position until his retirement on January 31, 2010. The compensation covers the period from January 1, 2010, until January 31, 2010.

12) Effective November 23, 2009, the Company’s commercial and refinery operations were combined and Bruce A. Jones’ position was eliminated. Mr. Jones continued to serve as an employee in a transition position until February 28, 2010. The compensation covers the period from January 1, 2010, until February 28, 2010.

13) Effective August 4, 2010, Karyn F. Ovelmen resigned as Executive Vice President and CFO. The compensation covers the period from January 1, 2010, until August 31, 2010.

14) Includes payments for vacation not taken.

Compensation for Acting Members of Governing Bodies for 2009

The following tables illustrate the compensation earned by the members of the Board of Directors and the Executive Committee for 2009 based on the requirements of Article 663b^{bis} CO:

Compensation for the Members of the Board of Directors [1)]

	2009					
(in thousands of CHF)	Salary	BoD fees [2)]	Bonuses [3)]	Pension, health and fringe benefits [4)]	Fair value of options/RSUs granted [5)]	Total compensation
Thomas D. O'Malley (Chairman, non-executive member)	500.0	–	400.0	50.1	–	**950.1**
Patrick Monteiro de Barros (Vice Chairman and Chairperson, non-executive member)	–	293.0	–	–	–	**293.0**
Markus Dennler (Non-executive member and Chairperson)	–	378.6	–	20.3	–	**398.9**
Walter Grüebler (Non-executive member)	–	278.6	–	13.2	–	**291.8**
Robert J. Lavinia [6)] (Non-executive member and former CEO)	900.0	–	700.0	242.4	983.7	**2,826.1**
Maria Livanos Cattaui (Non-executive member)	–	256.6	–	12.1	–	**268.7**
Eija Malmivirta (Non-executive member and Chairperson)	–	293.0	–	–	–	**293.0**
Werner G. Müller (Non-executive member)	–	262.0	–	12.4	–	**274.4**
Patrick Power (Non-executive member)	–	273.0	–	–	–	**273.0**
Ernst Weil (Non-executive member)	–	273.0	–	13.0	–	**286.0**
Total	**1,400.0**	**2,307.8**	**1,100.0**	**363.5**	**983.7**	**6,155.0**

1) Compensation is disclosed gross of withholding tax and employee social security contributions. The compensation does not include reimbursements for travel and other necessary business expenses incurred in the performance of their services as these are not considered compensation.
2) Includes the annual compensation of the Board of Directors fees and the compensation fee for each board or committee meeting attended.
3) Bonus for the financial year 2009. Paid in December 2009.
4) Includes the employer pension contribution (if applicable; state old age and survivors' insurance {AHV}, disability insurance {IV}, pension fund {only for Mr. Lavinia}), health/accident insurance and other fringe benefits.
5) Options of 55,782 granted during 2009 have a life of ten years and will vest in equal amounts on the first, second and third anniversary of the respective grant date. The options provide Mr. Lavinia with the right to purchase one share at the offer price of CHF 21.41. RSUs of 34,673 granted during 2009 will vest in equal amounts on the first, second and third anniversary of the respective grant date. The RSUs provide Mr. Lavinia with the right to receive one share upon vesting. The fair value of options/RSUs granted have been calculated in accordance with IFRS 2 Share-based Payment, using the Black-Scholes Model (see Note 24 "Share-based Payments" of the Consolidated Financial Statements for details on calculation of the fair value and assumptions made). In comparison to the treatment under IFRS 2, where the fair value of the options/RSUs are recorded as an expense over the vesting period, CO requires the presentation of the total fair value of the options/RSUs at the date of grant. The values of options/RSUs granted are reported based on the valuation principles contained in a tax ruling from the Swiss Tax Authorities, reflecting the principles as disclosed in the Kreisschreiben Nr. 5. Values of options/RSUs granted are discounted by 6% per year depending on the length of the vesting period. For example, the value of an option award subject to a two-year vesting period calculated in accordance with the methodology described in the Kreisschreiben Nr. 5 equals 89% of its market value at the grant date. According to this methodology, the options/RSUs granted with a vesting period of 1, 2 and 3 years had an average value of CHF 6.99 per option and CHF 17.24 per RSU at grant date. However, the future compensation out of these options/RSUs granted will depend on the individual person's employment with the Company, on the future development of the Company's share price and the timing of exercise.
6) Mr. Lavinia retired as CEO effective September 1, 2009. Mr. Lavinia continued to serve as an employee in a transition position until the end of 2009. He will remain as a non-executive member of the Board of Directors. The compensation covers the period from January 1, 2009 until December 31, 2009.

Compensation for the Members of the Executive Committee [1]

(in thousands of CHF)	2009 Salary	Bonuses [2]	Other [3]	Pension, health and fringe benefits [4]	Fair value of options/RSUs granted [5]	Total compensation
Executive Committee						
Jean-Paul Vettier [6] (Chief Executive Officer)	400.0	400.0	35.2	52.0	90.8	**978.0**
Chester J. Kuchta (Executive Vice President and Chief Operating Officer)	783.3	–	550.0	184.2	705.4	**2,222.9**
Karyn F. Ovelmen (Executive Vice President and Chief Financial Officer)	783.3	–	550.0	233.5	705.4	**2,272.2**
W. Thomas Skok [7] (General Counsel and Corporate Secretary)	30.8	–	–	3.9	–	**34.7**
Total Executive Committee	**1,997.4**	**400.0**	**1,135.2**	**473.6**	**1,501.6**	**5,507.8**
Former Members of the Executive Committee						
Bruce A. Jones [8] (Executive Vice President and Chief Operating Officer)	783.3	–	550.0	196.7	705.4	**2,235.4**
Michael D. Gayda [9] (Executive Vice President and General Counsel)	783.3	–	550.0	195.9	705.4	**2,234.6**
Total Former Executive Committee	**1,566.6**	**–**	**1,100.0**	**392.6**	**1,410.8**	**4,470.0**
Total	**3,564.0**	**400.0**	**2,235.2**	**866.2**	**2,912.4**	**9,977.8**

1) Compensation is disclosed gross of withholding tax and employee social security contributions. The compensation does not include reimbursements for travel and other necessary business expenses incurred in the performance of their services as these are not considered compensation and does not include compensation for members of the Board of Directors with executive functions (Mr. Lavinia).

2) Represents the prorated portion of Mr. Vettier's annual minimum bonus accrued as at December 31, 2009 which was paid in March 2010.

3) Represents housing and personal transportation costs for Mr. Vettier. Payments to Mr. Kuchta, Mrs. Ovelmen, Mr. Jones and Mr. Gayda represent retention payments paid in December 2009.

4) Includes the employer pension contribution (state old age and survivors insurance {AHV}, disability insurance {IV}, pension fund), health/accident insurance and other fringe benefits.

5) Total options of 148,748 (37,187 each for Mr. Kuchta, Mrs. Ovelmen, Mr. Jones and Mr. Gayda) granted during 2009 have a life of ten years and will vest in equal amounts on the first, second and third anniversary of the respective grant date. The options provide the holder with the right to purchase one share at the offer price of CHF 21.41. RSUs of 109,164 (whereof 5,144 RSUs granted to Mr. Vettier and 26,005 RSUs each for Mr. Kuchta, Mrs. Ovelmen, Mr. Jones and Mr. Gayda) granted during 2009 will vest in equal amounts on the first, second and third anniversary of the respective grant date. The RSUs provide the holder with the right to receive one share upon vesting. The fair value of options/RSUs granted have been calculated in accordance with IFRS 2 Share-based Payment, using the Black-Scholes Model (see Note 24 "Share-based Payments" of the Consolidated Financial Statements for details on calculation of the fair value and assumptions made). In comparison to the treatment under IFRS 2, where the fair value of the options/RSUs are recorded as an expense over the vesting period, CO requires the presentation of the total fair value of the options/RSUs at the date of grant. The values of options/RSUs granted are reported based on the valuation principles contained in a tax ruling from the Swiss Tax Authorities, reflecting the principles as disclosed in the Kreisschreiben Nr. 5. Values of options/RSUs granted are discounted by 6 % per year depending on the length of the vesting period. For example, the value of an option award subject to a two-year vesting period calculated in accordance with the methodology described in the Kreisschreiben Nr. 5 equals 89 % of its market value at the grant date. According to this methodology, the options/RSUs granted with a vesting period of 1, 2 and 3 years had an average value of CHF 6.99 per option and CHF 17.24 per RSU at grant date. However, the future compensation out of these options/RSUs granted will depend on the individual person's employment with the Company, on the future development of the Company's share price and the timing of exercise.

6) Effective September 1, 2009, Mr. Vettier was appointed CEO, replacing Mr. Lavinia. The compensation covers the period from September 1, 2009, until December 31, 2009.

7) Effective December 15, 2009, Mr. Skok was appointed General Counsel, replacing Mr. Gayda. Compensation for Mr. Skok covers the period from December 15, 2009, until December 31, 2009.

8) Effective November 23, 2009, the Company's commercial and refinery operations were combined and Mr. Jones' position was eliminated. Mr. Jones will continue to serve as an employee in a transition position until February 28, 2010. The compensation covers the period from January 1, 2009, until December 31, 2009.

9) Effective December 15, 2009, Mr. Gayda resigned as General Counsel. Mr. Gayda continued to serve as an employee in a transition position until his retirement on January 31, 2010. The compensation covers the period from January 1, 2009, until December 31, 2009.

Shares, RSUs and Options Ownership

The following table shows the total of shares, RSUs and options held by each member of the Board of Directors and members of the Executive Committee based on the requirements of Article 663c, par 3 of the CO:

Board of Directors [1)]

	Shares [2)]		RSUs [2, 3)]		Options [2, 4)]		Total holdings [2)]	
(in shares)	2010	2009	2010	2009	2010	2009	2010	2009
Thomas D. O'Malley	2,037,168	2,327,168	–	–	1,739,638	1,739,638	**3,776,806**	**4,066,806**
(Chairman, non-executive member)	2.14 %	2.70 %			1.83 %	2.01 %	3.97 %	4.71 %
Patrick Monteiro de Barros	325,350	325,350	–	–	98,212	98,212	**423,562**	**423,562**
(Vice Chairman and Chairperson, non-executive member)	0.34 %	0.38 %			0.10 %	0.11 %	0.44 %	0.49 %
Markus Dennler	20,758	20,758	–	–	9,934	9,934	**30,692**	**30,692**
(Non-executive member and Chairperson)	0.02 %	0.02 %			0.01 %	0.01 %	0.03 %	0.04 %
Walter Grüebler	19,632	19,632	–	–	9,934	9,934	**29,566**	**29,566**
(Non-executive member)	0.02 %	0.02 %			0.01 %	0.01 %	0.03 %	0.03 %
Robert J. Lavinia	42,673	8,000	–	34,673	66,618	66,618	**109,291**	**109,291**
(Non-executive member and former CEO)	0.04 %	0.01 %		0.04 %	0.07 %	0.08 %	0.11 %	0.13 %
Maria Livanos Cattaui	4,375	4,375	–	–	10,836	10,836	**15,211**	**15,211**
(Non-executive member)	0.01 %	0.01 %			0.01 %	0.01 %	0.02 %	0.02 %
Eija Malmivirta	1,093	1,093	–	–	10,836	10,836	**11,929**	**11,929**
(Non-executive member and Chairperson)	0.00 %	0.00 %			0.01 %	0.01 %	0.01 %	0.01 %
Werner G. Müller	3,000	3,000	–	–	10,836	10,836	**13,836**	**13,836**
(Non-executive member)	0.00 %	0.00 %			0.01 %	0.01 %	0.01 %	0.02 %
Patrick Power	2,340	2,340	–	–	10,836	10,836	**13,176**	**13,176**
(Non-executive member)	0.00 %	0.00 %			0.01 %	0.01 %	0.01 %	0.02 %
Jean-Paul Vettier	1,715	–	30,638	5,144	–	–	**32,353**	**5,144**
(Executive member and CEO)	0.00 %		0.03 %	0.01 %			0.03 %	0.01 %
Total	**2,458,104**	**2,711,716**	**30,638**	**39,817**	**1,967,680**	**1,967,680**	**4,456,422**	**4,719,213**
Total in %	2.58 %	3.14 %	0.03 %	0.05 %	2.07 %	2.28 %	4.68 %	5.47 %

Former Member of Board of Directors [1)]

	Shares 2010	Shares 2009	RSUs 2010	RSUs 2009	Options 2010	Options 2009	Total holdings 2010	Total holdings 2009
Ernst Weil	n/a	12,500	n/a	–	n/a	10,836	**n/a**	**23,336**
(Non-executive member)		0.01 %				0.01 %		0.02 %
Total	**n/a**	**12,500**	**n/a**	**–**	**n/a**	**10,836**	**n/a**	**23,336**
Total in %		0.01 %				0.01 %		0.02 %

Footnotes for the table above are outlined on page 147.

Executive Committee [1)]

	Shares [2)]		RSUs [2, 3)]		Options [2, 4)]		Total holdings [2)]	
(in shares)	2010	2009	2010	2009	2010	2009	2010	2009
Chester J. Kuchta	21,906	20,237	34,681	26,005	91,364	135,071	**147,951**	**181,313**
(Executive Vice President and Chief Operating Officer)	0.02 %	0.02 %	0.04 %	0.03 %	0.10 %	0.16 %	0.16 %	0.21 %
Peter F. Senkbeil	1,000	n/a	14,000	n/a	33,089	n/a	**48,089**	**n/a**
(General Manager Refining)	0.00 %		0.02 %		0.03 %		0.05 %	
W. Thomas Skok	–	–	11,000	–	32,089	27,089	**43,089**	**27,089**
(General Counsel and Corporate Secretary)			0.02 %		0.03 %	0.03 %	0.05 %	0.03 %
Joseph D. Watson	–	n/a	–	n/a	50,000	n/a	**50,000**	**n/a**
(Executive Vice President and Chief Financial Officer)					0.05 %		0.05 %	
Total	**22,906**	**20,237**	**59,681**	**26,005**	**206,542**	**162,160**	**289,129**	**208,402**
Total in %	0.02 %	0.02 %	0.08 %	0.03 %	0.22 %	0.19 %	0.32 %	0.24 %

Former Members of the Executive Committee [1)]

	Shares 2010	Shares 2009	RSUs 2010	RSUs 2009	Options 2010	Options 2009	Total holdings 2010	Total holdings 2009
Karyn F. Ovelmen	n/a	56,434	n/a	26,005	n/a	189,266	**n/a**	**271,705**
(Executive Vice President and Chief Financial Officer)		0.07 %		0.03 %		0.23 %		0.31 %
Bruce A. Jones	n/a	33,228	n/a	26,005	n/a	189,266	**n/a**	**248,499**
(Executive Vice President and Chief Operating Officer)		0.04 %		0.03 %		0.22 %		0.29 %
Michael D. Gayda	n/a	56,439	n/a	26,005	n/a	231,224	**n/a**	**313,668**
(Executive Vice President and General Counsel)		0.07 %		0.03 %		0.27 %		0.37 %
Total	**n/a**	**146,101**	**n/a**	**78,015**	**n/a**	**609,756**	**n/a**	**833,872**
Total in %		0.18 %		0.09 %		0.71 %		0.98 %

Footnotes for the table above are outlined on page 147.

Loans to Acting Members of Governing Bodies

No loans have been granted to members of the Board of Directors or members of the Executive Committee during 2010 and 2009.

Footnotes for the tables on page 145 & 146

1) Due to changes in the composition of the Board of Directors and the Executive Committee during 2010, the prior year ownership has been represented to reflect the current composition of the Board of Directors and the Executive Committee.
2) Ownership of the Company's outstanding share capital as of December 31, 2010 (95,230,953) and December 31, 2009 (86,325,289)
3) RSUs granted under the Equity Participation Plan entitle the participant to receive one share upon vesting. The RSUs are subject to a vesting period of up to three years. Further information is disclosed in Note 22 "Shareholders' Equity" and Note 24 "Share-based Payments" of the Consolidated Financial Statements.
4) Options granted under the Equity Participation Plan (strike prices range from CHF 11.92 to CHF 119.98) and the Equity Incentive Plan (strike price USD 14.58) with the right to purchase one share for one option upon vesting. The options under the Equity Participation Plan are subject to a three-year graded vesting period or a vesting period of up to four years, depending on the grant date; the options under the Equity Incentive Plan are exercisable at predefined dates (further information is disclosed in Note 22 "Shareholders' Equity" and Note 24 "Share-based Payments" of the Consolidated Financial Statements). Details regarding call-options allocated to members of the Board of Directors and the Executive Committee are outlined below:

Name	Number	Exercise price		Vesting date	Expiry date or exercisable
Board of Directors					
Thomas D. O'Malley	537,322	14.58	USD	vested	2014
	645,675	14.58	USD	vested	2015
	491,629	14.58	USD	vested	31.07.2016
	65,012	68.25	CHF	vested	03.01.2017
Patrick Monteiro de Barros	87,376	14.58	USD	vested	31.07.2016
	2,709	58.14	CHF	vested	29.11.2016
	8,127	91.69	CHF	vested	09.05.2017
Markus Dennler	1,807	58.14	CHF	vested	29.11.2016
	8,127	91.69	CHF	vested	09.05.2017
Walter Grüebler	1,807	58.14	CHF	vested	29.11.2016
	8,127	91.69	CHF	vested	09.05.2017
Robert J. Lavinia	10,836	91.69	CHF	vested	09.05.2017
	55,782	21.41	CHF	vested	05.01.2019
Maria Livanos Cattaui	2,709	58.14	CHF	vested	29.11.2016
	8,127	91.69	CHF	vested	09.05.2017
Eija Malmivirta	2,709	58.14	CHF	vested	29.11.2016
	8,127	91.69	CHF	vested	09.05.2017
Werner G. Müller	10,836	91.69	CHF	vested	09.05.2017
Patrick Power	2,709	58.14	CHF	vested	29.11.2016
	8,127	91.69	CHF	vested	09.05.2017
Executive Committee					
Chester J. Kuchta	54,177	68.25	CHF	vested	03.01.2017
	37,187	21.41	CHF	05.01.2012	05.01.2019
Peter F. Senkbeil	27,089	91.69	CHF	vested	09.05.2017
	6,000	11.92	CHF	01.10.2014	01.10.2020
W. Thomas Skok	16,253	87.91	CHF	vested	07.02.2017
	10,836	119.98	CHF	vested	05.07.2017
	5,000	11.92	CHF	01.10.2014	01.10.2020
Joseph D. Watson	50,000	11.92	CHF	01.10.2014	01.10.2020

7 Contingent Liabilities/Guarantees and Pledges

The Company is part of a value added tax ("VAT") group and, therefore, jointly liable to the Swiss Federal Tax Department for the VAT liability of the other members.

The Company guarantees certain obligations of its subsidiaries to third parties. The guarantees are denominated in USD, CZK and EUR. At December 31, 2010, Petroplus Holdings AG had guarantees outstanding for a maximum amount of approximately CHF 0.3 billion (2009: CHF 0.5 billion).

Certain of Petroplus Holdings AG's subsidiaries are party to a committed USD 1.05 billion (CHF 0.98 billion) multi-currency secured revolving credit facility agreement (2009: USD 1.05 billion/CHF 1.1 billion) with an additional uncommitted credit facility of USD 1.07 billion (CHF 1.0 billion) as of December 31, 2010 and USD 1.06 billion (CHF 1.1 billion) as of December 31, 2009. Petroplus Holdings AG is a guarantor of these facilities. As of December 31, 2010, no bank borrowings and short-term loans (2009: USD 138.8 million or CHF 142.9 million) were outstanding. Letters of credit and guarantees of approximately USD 1.7 billion (CHF 1.6 billion) were drawn as of December 31, 2010 (2009: USD 1.7 billion or CHF 1.7 billion). Additionally, the Company is guarantor for foreign currency mark to market limits in the amount of USD 30 million to an indirectly owned subsidiary.

The Company does, together with certain subsidiaries, jointly and severally guarantee Petroplus Finance Limited's obligations under the USD 1.2 billion notes issued on May 1, 2007 and USD 0.4 billion notes issued on September 17, 2009, both listed on the Irish Stock Exchange. In addition, the shares held in Petroplus Finance Ltd., Bermuda, have been pledged to secure the Senior Notes in the carrying amount of CHF 12,200.

On October 16, 2009, Petroplus Finance Ltd. issued USD 150.0 million in guaranteed senior secured convertible bonds due 2015 ("2015 CB"). The debt is guaranteed by the Company as well as by certain of its subsidiaries. In addition, Petroplus Holdings AG will grant to Petroplus Finance Ltd. 5,162,229 call options whereby each call option relates to, and gives Petroplus Finance Ltd. the right to acquire from Petroplus Holdings AG, one share at a price per share equal to the conversion price applicable on the relevant conversion date. In 2010 and 2009, no bonds were converted. Further information on the 2015 CB can be found in Note 18 "Interest-Bearing Loans and Borrowings" to the Consolidated Financial Statements of Petroplus Holdings AG.

On March 26, 2008, Petroplus Finance Ltd. issued USD 500.0 million in guaranteed convertible bonds due in 2013 ("2013 CB"). The debt was guaranteed by Petroplus Holdings AG as well as by certain of its subsidiaries. During 2009 and 2008, no bonds were converted. The terms and conditions included an investor put option on March 28, 2011 for principal plus accrued interest. On October 12, 2009, Petroplus announced the successful result of the tender offer to repurchase the 2013 CB. The last day the 2013 CB was traded on the SIX Swiss Exchange was October 13, 2009. The 2013 CB was redeemed on October 16, 2009 at the principal amount of USD 100,000 per bond, plus accrued interest calculated from September 26, 2009 until October 16, 2009 (20 days).

8 Risk Assessment Disclosures

Petroplus Holdings AG, as the ultimate parent Company, is fully integrated into the group-wide internal risk assessment process.

The Company has established an organizational framework for risk assessment and management which includes risk identification and appraisal, development of acceptable exposure limits, implementation of strategies, policies and procedures to mitigate identified financial risks, and the monitoring of compliance with such strategies, policies and procedures.

The Board of Directors of Petroplus Holdings AG and the Executive Committee have overall responsibility for the Company's risk management strategies. Risk Owners, comprised of key members of senior management, are responsible for the day-to-day execution of corporate risk strategies and policies, while Risk Committees, comprised of financial disclosure experts, procedures and controls experts and appropriate subject matter experts evaluate the adequacy of the implementation and execution of the strategies and policies by the Risk Owners.

The Company's internal risk assessment process consists of regular reporting to the Board of Directors on identified risks and management's reaction to them. The Board of Directors has performed the risk assessment based on the Company's internal risk assessment process and monitors management's response to the risks identified.

Further disclosures regarding risk management are included in the Petroplus Group Consolidated Financial Statements in Note 27 "Financial Risk Management Objectives and Policies".

9 Authorization of Statutory Financial Statements

These Statutory Financial Statements have been authorized for issue by the Board of Directors on February 28, 2011 and will be recommended for approval at the Annual Shareholders' Meeting on May 5, 2011.

Zug, February 28, 2011

Petroplus Holdings AG
For the Board of Directors

Patrick Monteiro de Barros
Chairman of the Board of Directors

Report of the Statutory Auditor

ERNST & YOUNG

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To the General Meeting of

Petroplus Holdings AG, Zug

Zurich, 28 February 2011

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of Petroplus Holdings AG, which comprise the income statement, balance sheet and notes (pages 136 to 149), for the year ended 31 December 2010.

Board of Directors' responsibility
The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 the internal control system relevant to the entity's preparation of the financial statements 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 entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

ERNST & YOUNG

2

Opinion
In our opinion, the financial statements for the year ended 31 December 2010 comply with Swiss law and the company's articles of incorporation.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Reto Hofer
Licensed audit expert
(Auditor in charge)

Iwan Rogenmoser
Licensed audit expert

Glossary

The following explanations are not intended as technical definitions, but to assist the general reader to understand certain terms as used in the annual report.

API gravity	The API gravity illustrates the density of crude oil classified by the American Petroleum Institute. The API gravity is defined as: $\frac{141.5}{\text{Gravity of specific crude oil at } 15.6°C} - 131.5$ Thus, the higher the API gravity is, the lighter is the crude oil.
ARA	Antwerp–Rotterdam–Amsterdam.
Barrel (bbl)	Barrel of crude oil, 159 liters by volume.
Biofuel	Gasoline or diesel fuel that contains components derived from plants, such as sugar cane, sugar beet, rapeseed and Soya.
Bitumen	A residual product of crude-oil vacuum distillation, which is primarily used for asphalt coating of roads and roofing materials.
bpd	Barrels per day.
Brent	A light North Sea crude oil with API gravity of approximately 39° and a sulfur content of approximately 0.4 %.
C.I.F.	Cost, insurance and freight. A delivery term that includes the costs as well as freight and insurance charges of the delivery of goods to a named destination as defined in the ICC (International Chamber of Commerce) Incoterms 2000.
CO_2	Carbon dioxide, a significant greenhouse gas.
Complexity	A key industry measure referring to an oil refinery's ability to process feedstocks, such as heavier and higher sulfur content crude oils, into value-added products. Generally, the higher the complexity and more flexible the feedstock slate, the better positioned the refinery is to take advantage of the more cost effective crude oils, resulting in incremental gross margin opportunities for the refinery.
Cracking	The conversion of large hydrocarbon molecules into smaller ones. Cracking is carried out either at high temperatures (thermal cracking), or with the aid of a catalyst and high pressure (catalytic cracking and hydrocracking). The cracking process enables greater quantities of saturated hydrocarbons suitable for gasoline and other light fractions to be recovered from crude oil.
Crack Spread	A proxy, or a benchmark, for refining margins referring to the margin that would accrue from the simultaneous purchase of crude oil and the sale of refined petroleum products, in each case at then prevailing price. For example, 3/2/1 crack spread is often referenced and represents the approximate gross margin resulting from processing one barrel of crude oil, assuming that three barrels of a benchmark crude oil are converted, or cracked, into two barrels of gasoline and one barrel of diesel.
Dated Brent	The price for prompt shipments of Brent crude as reported by price agencies. It is the price benchmark for the vast majority of crude oils sold in Europe, Africa and the Middle East, and one of the most important benchmarks for spot-market prices.
Desulfurization or Hydrotreating	A process to remove sulfur from petroleum products.
Distillates	Any of wide range petroleum of products produced generally by distillation, the primary refining step in which crude oil is separated into fractions or components. These commonly include diesel, heating oil and jet kerosene but exclude gasoline and naphthas.
FAME	Fatty Acid Methyl Ester; primarily obtained from vegetable oils used for diesel blending to comply with biofuels regulations.
Feedstocks	Crude oil and other hydrocarbons used as basic materials in a refining or manufacturing process.

Fluid catalytic cracking (FCC)	The refining process of breaking down the larger, heavier, and more complex hydrocarbon molecules into simpler and lighter molecules. Fluid catalytic cracking is accomplished by the use of a catalytic agent, which is continuously re-generated and is an effective process for increasing the yield of gasoline from crude oil. Catalytic cracking processes fresh feedstocks as well as recycled feedstocks.
Gasoil	A liquid petroleum product with a boiling range temperature of 200°–370°C and an ignition temperature over 55°C that is typically used as a fuel for boilers, furnaces and internal combustion engines. The type of gasoil suitable for use in oil-fired heating plants and boilers is called heating oil, while the type suitable for internal combustion engines is called diesel.
Gasoline	A light liquid petroleum product that is typically used as a fuel for internal combustion engines.
Heating oil	A gasoil with properties that generally make it suitable as a fuel for oil-fired heating and boilers.
Heavy fuel oil	Fuel oil with a distillation range of over 350°C. Heavy fuel oil is used in heat plants, power stations and industrial furnaces.
Heavy sour	Crude oils with a sulfur content greater than 2.0 % and a density less than 30° API.
Heavy sweet	Crude oils with a sulfur content less than 0.5 % and a density less than 30° API.
Hydrocracking	The conversion and desulfurization process (typically of vacuum gasoil) into lighter products such as diesel that takes place at high pressure and temperature in the presence of hydrogen and a fixed catalyst.
Light sour	Crude oils with a sulfur content between 0.5 % and 1.0 % and a density greater than 30° API.
Light sweet	Crude oils with a sulfur content less than 0.5 % and a density greater than 30° API.
LPG	Liquefied Petroleum Gas; a gas mixture used for fuel purposes, containing propane, propylene, butane, or butylenes as its main components that has been liquefied to enable it to be transported and stored under pressure.
Medium sour	Crude oils with a sulfur content between 1.0 % and 2.0 % and a density between 30° to 35° API.
Medium sweet	Crude oils with a sulfur content less than 0.5 % and a density between 30° to 35° API.
Naphtha	A liquid petroleum product that is typically used as a feedstock for other petrochemical processes, generally in a reformer, producing high octane gasoline and hydrogen or other petrochemical products. Naphtha is also used as a chemical feedstock.
Natural gas	Any hydrocarbons or mixture of hydrocarbons and other gases consisting primarily of methane which at normal operating conditions is in a gaseous state.
Petrochemicals	Many products derived from crude oil refining, such as ethylene, propylene, butylenes and isobutylene, primarily intended for use as petrochemical feedstock in the production of plastics, synthetic fibers, synthetic rubbers and other products. A variety of products are produced for use as solvents, including benzene, toluene and xylene.
Refinery	A facility used to process crude oil. The basic process unit in a refinery is a crude oil distillation unit, which splits crude oil into various fractions through a process of heating and condensing. Simple, or hydroskimming, refineries normally have crude oil distillation, catalytic reforming, and hydrotreating units. The demand for lighter petroleum products, such as motor gasoline and diesel fuel, has increased the need for more sophisticated processing. More complex refineries have vacuum distillation, catalytic cracking, or hydrocracking units. Cracking units process vacuum oil into gasoline, gasoil, and heavy fuel oil.
Refining margin	The difference, for any particular quantity of crude oil, between the value of all the refined petroleum products a refinery is able to produce from such crude oil minus the cost of the crude oil (including associated costs such as transport, insurance, etc.).

Rhine Freight Premium	The Rhine freight premium is a price reflected in the oil products sold within Switzerland. It represents the additional alternative cost to an importer when bringing the same product into the Switzerland area from ARA or Germany along the River Rhine.
Solvent	A liquid that is used for diluting or thinning a solution. A liquid that absorbs another liquid, gas, or solid in order to form a homogeneous mixture.
Spot market	A term used to describe the international trade in one-off cargoes or shipments of commodities, such as crude oil, in which prices closely follow demand and availability.
Ton	One ton represents 1,000 kilograms or approximately 2,205 pounds.
ULSD	Ultra low sulfur diesel.
Urals	Russian benchmark crude oil which is a medium sour crude oil with API gravity of approximately 31° and a sulfur content of approximately 13 %.
Vacuum gasoil or VGO	Also known as cat feed. Feedstock for fluid catalytic cracker used to make gasoline, No. 2 and other by-products.

Key Date

Annual General Meeting

May 5, 2011, Casino Zug

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