



Aegean Marine Petroleum Network Inc. Announces First Quarter 2015 Financial Results

PIRAEUS, Greece, May 27, 2015 – Aegean Marine Petroleum Network Inc. (NYSE: ANW) (“Aegean” or the “Company”) today announced financial and operating results for the first quarter ended March 31st, 2015.

First Quarter Highlights

- Recorded sales volumes of 2,915,450 metric tons.
- Recorded gross profit of \$80.6 million.
- Recorded operating income of \$20.0 million.
- Recorded net income attributable to Aegean shareholders of \$12.2 million or \$0.25 basic and diluted earnings per share.
 - Net income attributable to Aegean shareholders adjusted for the sale of non-core assets was \$12.4 million or \$0.25 basic and diluted earnings per share.
- Recorded EBITDA of \$27.8 million.
 - EBITDA adjusted for the sale of non-core assets was \$27.9 million.
- Completed the sale of one older, non-core vessel.

E. Nikolas Tavlarios, President of Aegean Marine Petroleum Network, commented, “During the first quarter, we continued to successfully execute our strategy and extended our track record of profitability through our expanded global operations. Our unique and dynamic business model supported strategic expansion opportunities at the end of 2014 and allowed the Company to advance its position in the global fuel supply market during the start of 2015.”

Mr. Tavlarios continued, “Our increased global operations, including our Fujairah facility, U.S. West Coast operations and East Coast bunkering business, meaningfully contributed to our results during the quarter. In Fujairah, we expect the facility will further diversify our revenue and allow us to benefit from the growth of onshore storage demand. At an industry level, we are beginning to experience positive shifts in the shipping and tanker markets and believe Aegean Marine is poised to benefit from these improving trends.”

The Company achieved net income attributable to Aegean shareholders for the three months ended March 31, 2015 of \$12.2 million, or \$0.25 basic and diluted earnings per share. Net income attributable to Aegean shareholders excluding a non-cash loss from the sale of non-core assets was \$12.4 million or \$0.25 basic and diluted earnings per share. For the three months ended March 31, 2014, the Company recorded net income attributable to Aegean shareholders of \$5.1 million, or \$0.11 basic and diluted earnings per share. Net income attributable to Aegean shareholders excluding a non-cash loss from the sale of non-core vessels and vessel impairment charge was \$8.7 million or \$0.18 basic and diluted earnings per share.

Total revenues for the three months ended March 31, 2015, decreased by 40.1% to \$1,015.1 million compared with \$1,694.4 million reported for the same period in 2014 [due to the drop in the price of oil](#). For the three months ended March 31, 2015, sales of marine petroleum products decreased by 40.6% to \$994.5 million compared with \$1,673.7 million for the same period in 2014. Gross profit, which equals total revenue less directly attributable cost of revenue decreased by 2.8% to \$80.6 million in the first quarter of 2015 compared with \$82.9 million in the same period in 2014.

For the three months ended March 31, 2015, the volume of marine fuel sold by the Company increased by 7.7% to 2,915,450 metric tons compared with 2,705,823 metric tons in the same period in 2014.

Operating income adjusted for the sale of non-core assets for the first quarter of 2015 amounted to \$20.1 million compared to \$18.8 million for the same period in 2014. Operating expenses decreased by \$3.6 million, or 5.6%, to \$60.5 million, as adjusted for the sale of non-core assets for the three months ended March 31, 2015, compared with \$64.1 million, as adjusted for the sale of non-core assets and vessel impairment charge for the same period in 2014.

Liquidity and Capital Resources

Net cash used in operating activities was \$23.8 million for the three months ended March 31, 2015. Net income, as adjusted for non-cash items (as defined in Note 9) was \$32.7 million for the period.

Net cash used in investing activities was \$2.8 million for the three months ended March 31, 2015, mainly due to advances for vessels under construction.

Net cash used in financing activities was \$5.2 million for the three months ended March 31, 2015, deriving mainly from repayment of long-term debt.

As of March 31, 2015, the Company had cash and cash equivalents of \$91.0 million and working capital of \$263.1 million. Non-cash working capital, or working capital excluding cash and debt, was \$480.1 million.

As of March 31, 2015, the Company had \$967.1 million in available liquidity, which includes unrestricted cash and cash equivalents of \$91.0 million and available undrawn amounts under the Company's working capital facilities of \$876.1 million, to finance working capital requirements.

The weighted average basic and diluted shares outstanding for the three months ended March 31, 2015 were 46,840,532. The weighted average basic and diluted shares outstanding for the three months ended March 31, 2014 were 46,139,764 respectively.

Spyros Gianniotis, Aegean's Chief Financial Officer, stated, "The first quarter marked another profitable quarter despite persistent market headwinds. We remain focused on executing on our proven strategy, which has enabled us to overcome market fluctuations, strengthen our balance sheet and maintain our competitive advantage. Looking ahead, we are confident in our ability to capitalize on the anticipated market recovery and achieve even greater results, while continuing to return value to our shareholders."

Summary Consolidated Financial and Other Data (Unaudited)

For the Three Months Ended March 31,

	<u>2014</u>	<u>2015</u>
Income Statement Data:		
Revenues - third parties	\$ 1,690,184	\$ 1,010,956
Revenues - related companies	4,180	4,147
Total revenues	1,694,364	1,015,103
Cost of revenues - third parties	1,524,724	892,272
Cost of revenues - related companies	86,729	42,209
Total cost of revenues	1,611,453	934,481
Gross profit	82,911	80,622
Operating expenses:		
Selling and distribution	54,968	49,817
General and administrative	8,125	10,306
Amortization of intangible assets	1,022	374
(Gain)/ Loss on sale of vessels, net	(493)	130
Vessel impairment charge	4,062	-
Operating income	15,227	19,995
Net financing cost	(8,460)	(9,326)
Foreign exchange gains, net	249	34
Income taxes (expense)/ benefit	(1,896)	1,521
Net income	5,120	12,224
Less income attributable to non-controlling interest	24	-
Net income attributable to AMPNI shareholders	\$ 5,096	\$ 12,224
Basic earnings per share (U.S. dollars)	\$ 0.11	\$ 0.25
Diluted earnings per share (U.S. dollars)	\$ 0.11	\$ 0.25
EBITDA ⁽¹⁾	\$ 23,456	\$ 27,807
Other Financial Data:		
Gross spread on marine petroleum products ⁽²⁾	\$ 73,268	\$ 71,610
Gross spread on lubricants ⁽²⁾	902	1,239
Gross spread on marine fuel ⁽²⁾	72,366	70,371
Gross spread per metric ton of marine fuel sold (U.S. dollars) ⁽²⁾	26.7	24.1
Net cash used in operating activities	\$ (32,492)	\$ (23,751)
Net cash used in investing activities	(14,175)	(2,844)
Net cash provided by/(used in) financing activities	99,055	(5,151)
Sales Volume Data (Metric Tons): ⁽³⁾		
Total sales volumes	2,705,823	2,915,450
Other Operating Data:		
Number of owned bunkering tankers, end of period ⁽⁴⁾	52.0	48.0
Average number of owned bunkering tankers ⁽⁴⁾⁽⁵⁾	52.0	48.0
Special Purpose Vessels, end of period ⁽⁶⁾	1.0	1.0
Number of operating storage facilities, end of period ⁽⁷⁾	14.0	15.0

Summary Consolidated Financial and Other Data (Unaudited)

	As of December 31, 2014	As of March 31, 2015
	<i>(in thousands of U.S. dollars, unless otherwise stated)</i>	
Balance Sheet Data:		
Cash and cash equivalents	129,551	91,008
Gross trade receivables	360,074	369,751
Allowance for doubtful accounts	(5,851)	(6,495)
Inventories	156,990	176,019
Current assets.....	736,888	733,959
Total assets	1,488,315	1,482,114
Trade payables.....	119,056	121,496
Current liabilities (including current portion of long-term debt)	533,735	470,878
Total debt.....	740,880	725,492
Total liabilities.....	920,899	888,664
Total stockholder's equity	567,416	593,450
Working Capital Data:		
Working capital ⁽⁸⁾	205,348	263,081
Working capital excluding cash and debt ⁽⁸⁾	431,081	480,121

Notes:

- EBITDA represents net income before interest, taxes, depreciation and amortization. EBITDA does not represent and should not be considered as an alternative to net income or cash flow from operations, as determined by United States generally accepted accounting principles, or U.S. GAAP, and our calculation of EBITDA may not be comparable to that recorded by other companies. EBITDA is included herein because it is a basis upon which the Company assesses its operating performance and because the Company believes that it presents useful information to investors regarding a company's ability to service and/or incur indebtedness. The following table reconciles net income to EBITDA for the periods presented:

	For the Three Months Ended March 31,	
	2014	2015
	<i>(in thousands of U.S. dollars, unless otherwise stated)</i>	
Net income attributable to AMPNI shareholders	5,096	12,224
Add: Net financing cost including amortization of financing costs	8,460	9,326
Add: Income tax expense/ (benefit)	1,896	(1,521)
Add: Depreciation and amortization excluding amortization of financing costs	8,004	7,778
EBITDA.....	23,456	27,807

2. Gross spread on marine petroleum products represents the margin the Company generates on sales of marine fuel and lubricants. Gross spread on marine fuel represents the margin that the Company generates on sales of various classifications of marine fuel oil (“MFO”) or marine gas oil (“MGO”). Gross spread on lubricants represents the margin that the Company generates on sales of lubricants. Gross spread on marine petroleum products, gross spread of MFO and gross spread on lubricants are not items recognized by U.S. GAAP and should not be considered as an alternative to gross profit or any other indicator of a Company’s operating performance required by U.S. GAAP. The Company’s definition of gross spread may not be the same as that used by other companies in the same or other industries. The Company calculates the above-mentioned gross spreads by subtracting from the sales of the respective marine petroleum product the cost of the respective marine petroleum product sold and cargo transportation costs. For arrangements in which the Company physically supplies the respective marine petroleum product using its bunkering tankers, costs of the respective marine petroleum products sold represents amounts paid by the Company for the respective marine petroleum product sold in the relevant reporting period. For arrangements in which the respective marine petroleum product is purchased from the Company’s related company, Aegean Oil S.A., or Aegean Oil, cost of the respective marine petroleum products sold represents the total amount paid by the Company to the physical supplier for the respective marine petroleum product and its delivery to the custom arrangements in which the Company purchases cargos of marine fuel for its floating storage facilities, transportation costs may be included in the purchase price of marine fuels from the supplier or may be incurred separately from a transportation provider. Gross spread per metric ton of marine fuel sold represents the margin the Company generates per metric ton of marine fuel sold. The Company calculates gross spread per metric ton of marine fuel sold by dividing the gross spread on marine fuel by the sales volume of marine fuel. Marine fuel sales do not include sales of lubricants. The following table reflects the calculation of gross spread per metric ton of marine fuel sold for the periods presented:

	For the Three Months Ended	
	March 31,	
	2014	2015
Sales of marine petroleum products	1,673,738	994,545
Less: Cost of marine petroleum products sold.....	(1,600,470)	(922,935)
Gross spread on marine petroleum products	73,268	71,610
Less: Gross spread on lubricants	(902)	(1,239)
Gross spread on marine fuel.....	72,366	70,371
Sales volume of marine fuel (metric tons)	2,705,823	2,915,450
Gross spread per metric ton of marine fuel sold (U.S. dollars)	26.7	24.1

3. Sales volume of marine fuel is the volume of sales of various classifications of MFO and MGO for the relevant period and is denominated in metric tons. The Company does not use the sales volume of lubricants as an indicator.
- The Company’s markets include its physical supply operations in the United Arab Emirates, Gibraltar, Jamaica, Singapore, Northern Europe, Vancouver, Portland (U.K.), Trinidad and Tobago (Southern Caribbean), Tangiers (Morocco), Las Palmas, Tenerife, Barcelona, Algeciras, Hamburg, US and Greece, where the Company conducts operations through its related company, Aegean Oil.
4. Bunkering fleet comprises both bunkering vessels and barges.
5. Figure represents average bunkering fleet number for the relevant period, as measured by the sum of the number of days each bunkering tanker or barge was used as part of the fleet during the period divided by the cumulative

number of calendar days in the period multiplied by the number of bunkering tankers at the end of the period. This figure does not take into account non-operating days due to either scheduled or unscheduled maintenance.

6. Special Purpose Vessels consists of the Orion, a 550 dwt tanker which is based in our Greek market.
7. The Company owns one barge, the Mediterranean, as a floating storage facility in Greece. The Company also operates on-land storage facilities in Portland, Las Palmas, Fujairah, Tangiers, Panama, U.S.A., Hamburg and Barcelona.

The ownership of storage facilities allows the Company to mitigate its risk of supply shortages. Generally, storage costs are included in the price of refined marine fuel quoted by local suppliers. The Company expects that the ownership of storage facilities will allow it to convert the variable costs of this storage fee mark-up per metric ton quoted by suppliers into fixed costs of operating its owned storage facilities, thus enabling the Company to spread larger sales volumes over a fixed cost base and to decrease its refined fuel costs.
8. Working capital is defined as current assets minus current liabilities. Working capital excluding cash and debt is defined as current assets minus cash and cash equivalents minus restricted cash minus current liabilities plus short-term borrowings plus current portion of long-term debt.
9. Net income as adjusted for non-cash items, such as depreciation, provision for doubtful accounts, restricted stock, amortization, deferred income taxes, loss on sale of vessels, net, impairment losses, unrealized loss/(gain) on derivatives and unrealized foreign exchange loss/(gain), net, is used to assist in evaluating our ability to make quarterly cash distributions. Net income as adjusted for non-cash items is not recognized by accounting principles generally accepted in the United States and should not be considered as an alternative to net income or any other indicator of the Company's performance required by accounting principles generally accepted in the United States.

First Quarter 2015 Dividend Announcement

On May 27, 2015, the Company's Board of Directors declared a first quarter 2015 dividend of \$0.02 per share payable on June 24, 2015 to shareholders of record as of June 10, 2015. The dividend amount was determined in accordance with the Company's dividend policy of paying cash dividends on a quarterly basis subject to factors including the requirements of Marshall Islands law, future earnings, capital requirements, financial condition, future prospects and such other factors as are determined by the Company's Board of Directors. The Company anticipates retaining most of its future earnings, if any, for use in operations and business expansion.

Conference Call and Webcast Information

Aegean Marine Petroleum Network Inc. will conduct a conference call and simultaneous Internet webcast on Thursday, May 28, 2015 at 8:30 a.m. Eastern Time, to discuss its first quarter results. Investors may access the webcast and related slide presentation, by visiting the Company's website at www.ampni.com, and clicking on the webcast link. The conference call also may be accessed via telephone by dialing (888) 455-2260 (for U.S.-based callers) or (719) 325-2361 (for international callers) and enter the passcode: 3930857.

A replay of the webcast will be available soon after the completion of the call and will be accessible on www.ampni.com. A telephone replay will be available through ~~March 13, 2014~~ [June 11, 2015](#) by dialing (888) 203-1112 or (for U.S.-based callers) or (719) 457-0820 (for international callers) and enter the passcode: [29988553930857](#).

About Aegean Marine Petroleum Network Inc.

Aegean Marine Petroleum Network Inc. is an international marine fuel logistics company that markets and physically supplies refined marine fuel and lubricants to ships in port and at sea. The Company procures product from various sources (such as refineries, oil producers, and traders) and resells it to a diverse group of customers across all major commercial shipping sectors and leading cruise lines. Currently, Aegean has a global presence in 31 markets, including Vancouver, Montreal, Mexico, Jamaica, Trinidad and Tobago, Gibraltar, U.K., Northern Europe, Piraeus, Patras, the United Arab Emirates, Singapore, Morocco, the Antwerp-Rotterdam-Amsterdam (ARA) region, Las Palmas, Tenerife, Panama, Hong Kong, Barcelona, the U.S. East Coast, Los Angeles Algeciras, Germany and Russia. The Company has also entered into a strategic alliance to extend its global reach to China. To learn more about Aegean, visit <http://www.ampni.com>.

Cautionary Statement Regarding Forward-Looking Statements

Matters discussed in this press release may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts.

The Company desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. The words "believe," "intend," "anticipate," "estimate," "project," "forecast," "plan," "potential," "may," "should," "expect" and similar expressions identify forward-looking statements. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, our management's examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.

In addition to these important factors, other important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include our ability to manage growth, our ability to maintain our business in light of our proposed business and location expansion, our ability to obtain double hull secondhand bunkering tankers, the outcome of legal, tax or regulatory proceedings to which we may become a party, adverse conditions in the shipping or the marine fuel supply industries, our ability to retain our key suppliers and key customers, material disruptions in the availability or supply of crude oil or refined petroleum products, changes in the market price of petroleum, including the volatility of spot pricing, increased levels of competition, compliance or lack of compliance with various environmental and other applicable laws and regulations, our ability to collect accounts receivable, changes in the political, economic or regulatory conditions in the markets in which we operate, and the world in general, our failure to hedge certain financial risks associated with our business, our ability to maintain our current tax treatments and our failure to comply with restrictions in our credit agreements and other factors. Please see our filings with the Securities and Exchange Commission for a more complete discussion of these and other risks and uncertainties.

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