

GLENCORE

Financial highlights – First half 2009

US\$ million	1H2009	1H2008
Revenues	45,242	86,175
Gross income ¹	1,442	3,092
Glencore net income ¹	1,121	2,634
Glencore shareholders' funds	16,561	15,405

- The first half of 2009 contrasted markedly with the same period last year as the global economy and financial system sought to regain some level of stability following the economic meltdown in the second half of 2008. Against this challenging recessionary backdrop and low commodity price environment, Glencore, owing to its diversified business mix, reported a net income of US\$1,121 million.
- There are some encouraging signs of increased levels of business activity which, together with progressive commodity price rises in recent months – this mainly improves margins in the industrial asset division, saw Glencore increase its gross and net income by 32% and 53% respectively in the second quarter of 2009, compared to the first quarter 2009.
- Funds from operations² (“FFO”) of US\$937 million alongside proceeds of US\$555 million from the sale of investments allowed Glencore to comfortably fund net capital expenditure of US\$474 million and investments in associates/subsidiaries of US\$242 million. On a quarter over quarter basis, FFO improved by over 147%.
- Net working capital outflows reached US\$1.6 billion, spread evenly between the two quarters. This was primarily a result of the commodity price evolution during the period, for example crude oil (+80%), copper (+60%) and zinc (+40%).
- Available liquidity, representing cash and undrawn amounts under Glencore's committed bank facilities, amounted to over US\$3.7 billion at 30 June 2009.
- Net debt, taking into account readily marketable inventories, decreased to US\$10.4 billion from US\$11.5 billion, while gearing³ also improved to 38.5% from 42.7%.
- In May 2009, Glencore successfully replaced its US\$925 million 364 day revolving credit facility with a new US\$815 million 364 day facility. At the same time, Glencore entered into a forward start facility, effectively extending US\$6.7 billion of the US\$8.2 billion medium term revolving credit facility by one year to 2012.
- In June 2009, Glencore renewed the liquidity back-up lines under its committed asset-backed receivables program at the requested amount of US\$1.5 billion.
- Short term debt refinancing requirements remain modest, mainly focusing on the US\$1.05 billion Xstrata secured loan maturing in December 2009. In this regard, discussions with a number of banks are well advanced for a 2 year replacement loan.
- Glencore's ownership in Katanga Mining, a copper/cobalt producer in the Democratic Republic of Congo, increased from 8.5% to 77.9% during the first half of 2009, reflecting Glencore's conversion of convertible bonds and participation in Katanga's recent rights issue.

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27.8.2009

¹ Excludes exceptional items

² Cash provided by operating activities before working capital changes less tax and net interest payments plus dividends received

³ Net debt to net debt plus Glencore shareholders' funds

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About Glencore

The Glencore Group of Companies ("Glencore") is one of the world's largest suppliers of commodities and raw materials to industrial consumers. Customers around the world, in industries such as automotive, power generation, steel production and food processing, rely upon Glencore's established global network of operations as a source of Metals and Minerals, Crude Oil and Oil Products, Coal and Agricultural Products. These commodities originate either from Glencore's owned production assets, are secured from third parties, or benefit from the refining, processing or marketing expertise of Glencore. The Group also provides financing, logistics and other supply chain services to producers and consumers of commodities.

Glencore, founded in 1974, is a privately held Group owned by its management and employees. Headquartered in Baar, Switzerland, Glencore employs over 2,000 people in its global marketing operations in some 50 offices in over 40 countries. In its industrial operations, Glencore employs over 50,000 people at 16 plants in 12 countries. Additionally, Glencore has interests in various publicly listed companies including 34.5% in Xstrata, 38.1% in Century Aluminum, 70.6% in Minara Resources, 77.9% in Katanga Mining and 32.2% in Recylex.