Glencore plc
Baar, Switzerland
1 December, 2016

Glencore plc – investor update

Creating sustainable returns for shareholders

Today, Glencore is hosting an investor update call at 1.00pm (GMT). Presentation slides will be available from 12:00pm (UK). Highlights include:

Debt reduction plan nearing completion and capital structure repositioned

- On track for $16.5-$17.5 billion Net debt by end 2016
- Divestment processes successfully completed at $6.3 billion versus original guidance of $1-2 billion
- Success of deleveraging programme recognised by the credit markets with spreads and CDS trending towards normalised levels
- Targeting maximum 2x Net debt/EBITDA through the cycle

Strong free cash flow generation, reinforced at current prices

- Even at Q1 2016 commodity price lows, annualised free cash flow generation was healthy, underpinned by the resilience of Marketing cash flows and quality/diversification of Industrial assets
- 2017 illustrative free cash flow of c.$6.5 billion from EBITDA of c.$14.0 billion at Calendar 2017 prices

2016 Marketing EBIT expected towards the upper end of the recently tightened guidance range ($2.5 to $2.7 billion) in line with supportive market conditions during the second half of 2016

Sustainable distribution policy / capital allocation framework seeking to maximise value creation for shareholders

- 2017 distribution of $1 billion, to be paid in equal tranches in the first and second half
- New distribution policy to take effect from 2018 comprising:
    - a fixed $1 billion base distribution, reflecting the resilience, predictability and stability of Marketing cash flows; plus
    - a variable distribution representing a minimum payout of 25% of Industrial free cash flow

The right commodity mix to supply the changing needs of maturing economies

- Leading large-scale low-cost supply positions in mid and late cycle commodities such as copper, cobalt, nickel, zinc and thermal coal, all of which possess favourable long-term supply and demand fundamentals
- Significant operational leverage to improving fundamentals in our key commodities with substantial volumes of low-cost latent capacity that can restart when we believe conditions are right

2016 has been a challenging year that proved Glencore's ability to quickly adjust to tough conditions, emerging stronger and well positioned for the future

Ivan Glasenberg, CEO, commented:

"Last year we announced a programme of measures to reduce our debt and structurally increase the flexibility and strength of our balance sheet. We have delivered on our commitments and done so in a way that has preserved the long-term earnings capability of the Group. Glencore can look forward to the future with confidence, based on our scalable and low cost industrial operations and robust marketing business."

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Details of the call and availability of the presentation materials are detailed on our website: http://www.glencore.com/investors/investor-update-call-2016/

Please dial in 5-10 minutes prior to the start time using the number / conference ID below:

Confirmation Code: **8255737**

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A replay of the call will be available on 1 December until 30 December 2016.

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This announcement contains inside information.

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Notes for Editors

Glencore is one of the world's largest global diversified natural resource companies and a major producer and marketer of more than 90 commodities. The Group's operations comprise around 150 mining and metallurgical sites, oil production assets and agricultural facilities.

With a strong footprint in both established and emerging regions for natural resources, Glencore's industrial and marketing activities are supported by a global network of more than 90 offices located in over 50 countries.

Glencore's customers are industrial consumers, such as those in the automotive, steel, power generation, oil and food processing. We also provide financing, logistics and other services to producers and consumers of commodities. Glencore's companies employ around 160,000 people, including contractors.

Glencore is proud to be a member of the Voluntary Principles on Security and Human Rights and the International Council on Mining and Metals. We are an active participant in the Extractive Industries Transparency Initiative.

Forward looking statements

This announcement contains statements that are, or may be deemed to be, "forward looking statements" which are prospective in nature. These forward looking statements may be identified by the use of forward looking terminology, or the negative thereof such as "outlook", "plans", "expects" or "does not expect", "is expected", "continues", "assumes", "is subject to", "budget", "scheduled", "estimates", "aims", "forecasts", "risks", "intends", "positioned", "predicts", "anticipates" or "does not anticipate", or "believes", or variations of such words or comparable terminology and phrases or statements that certain actions, events or results "may", "could", "should", "shall", "would", "might" or "will" be taken, occur or be achieved. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking statements are not based on historical facts, but rather on current predictions, expectations, beliefs, opinions, plans, objectives, goals, intentions and projections about future events, results of operations, prospects, financial condition and discussions of strategy.

By their nature, forward looking statements involve known and unknown risks and uncertainties, many of which are beyond Glencore's control. Forward looking statements are not guarantees of future performance and may and often do differ materially from actual results. Important factors that could cause these uncertainties include, but are not limited to, those discussed in Glencore's Annual Report 2015 and "Risks and uncertainties" in Glencore's 2016 Half-Year Report.

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No statement in this announcement is intended as a profit forecast or a profit estimate and no statement in this announcement should be interpreted to mean that earnings per Glencore share for the current or future financial years would necessarily match or exceed the historical published earnings per Glencore share.

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