

NEWS RELEASE

Baar, Switzerland

10 August 2017

2017 Half-Year Report

Well positioned for the future

To view the full report please click here:

http://www.glencore.com/assets/investors/doc/reports_and_results/2017/GLEN-Half-Year-Report-2017-.pdf

Glencore's Chief Executive Officer, Ivan Glasenberg, commented: "Our extensive efforts to reposition our balance sheet and drive further industrial asset portfolio improvements over the last twenty-four months, are reflected in our strong first-half financial performance. Adjusted EBITDA and EBIT increased 68% and 334% respectively over H1 2016, while Net debt fell a further \$1.6 billion to \$13.9 billion from end of 2016.

"Amid the best global economic growth momentum seen in recent years, our assets reported strong margins, generated by significantly better commodity prices and the favourable cost structures now embedded across the portfolio. Marketing similarly performed well, with Adjusted EBIT up 13% to \$1.4 billion, as improving fundamentals created a more supportive marketing environment for our core commodities.

"As we look forward, the potential large-scale roll out of electric vehicles and energy storage systems looks set to unlock material new sources of demand for enabling underlying commodities, including copper, cobalt, zinc and nickel. Our portfolio of Tier 1 commodities underpins our ambition to create significant long-term value for Glencore shareholders."

US\$ million	H1 2017	H1 2016	Change %	2016
Key statement of income and cash flows highlights¹:				
Net income/(loss) attributable to equity holders	2,450	(369)	n.m.	1,379
Adjusted EBITDA ²	6,741	4,020	68	10,268
Adjusted EBIT ²	3,801	875	334	3,930
Earnings per share (Basic) (US\$)	0.17	(0.03)	n.m.	0.10
Funds from operations (FFO) ^{3,4}	5,201	2,762	88	7,770
Capital expenditure ⁵	1,679	1,571	7	3,497

US\$ million	30.06.2017	31.12.2016	Change %
Key financial position highlights:			
Total assets	119,098	124,600	(4)
Current capital employed (CCE) ⁴	9,335	10,075	(7)
Net funding ^{3,4}	30,190	32,619	(7)
Net debt ^{3,4}	13,873	15,526	(11)
Ratios:			
FFO to Net debt ^{3,4,6}	74%	50%	48
Net debt to Adjusted EBITDA ^{4,6}	1.07x	1.51x	(29)
Adjusted EBITDA to net interest ^{4,6}	8.57x	6.70x	28

1 Refer to basis of preparation on page 5.

2 Refer to note 3 of the interim financial statements for definition and reconciliation of Adjusted EBIT/EBITDA.

3 Refer to page 8.

4 Refer to Glossary for definition.

5 Refer to note 3 of the interim financial statements for reconciliation of capital expenditure.

6 H1 2017 ratio based on last 12 months' FFO, Adjusted EBITDA and net interest. Refer to Glossary for reconciliation.

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Strong financial performance

- Adjusted EBITDA of \$6.7 billion, up 68%; Adjusted EBIT of \$3.8 billion, up 334%
- Net income attributable to equity holders of \$2.5 billion, up from a loss of \$369 million
- Funds from operations of \$5.2 billion, up 88%
- EPS increased to \$0.17 per share from a loss of \$0.03 per share in 2016

Underpinned by a diversified portfolio of Tier 1 assets and Tier 1 commodities...

- Favourable fundamentals and rising prices for key commodities amid robust growth momentum in the global economy: copper +22%, cobalt +109%, zinc +49% and thermal coal realisations +50% to 70% period-on-period
- Low-cost structures/high margins embedded in our key commodity industrial divisions: copper 88c/lb, zinc -9c/lb (16c/lb ex gold), nickel 240c/lb and thermal coal \$45/t at a \$32/t margin

... and the resilience of Marketing

- Marketing Adjusted EBIT of \$1.4 billion, up 13% (+22% with Agriculture on a like-for-like basis)
- Reflecting the YTD performance, increased full year 2017 guidance range by \$100 million to \$2.4-\$2.7 billion.

Balance Sheet further strengthened

- Net funding and Net debt reduced respectively by \$2.4 billion & \$1.6 billion over the first-half to \$30.2 billion and \$13.9 billion
- Robust cash flow coverage ratios at 30 June:
 - FFO to Net debt: 74%
 - Net debt to Adjusted EBITDA: 1.07x

Well positioned for the future

- Material growth projects / options in copper and zinc
- Poised to benefit from potential new demand opportunities that market growth in electric vehicles and energy storage systems could bring
- Strong investment grade balance sheet provides headroom for highly selective growth opportunities
- Annualised illustrative free cash flow of \$7.1 billion at current spot prices, based on spot annualised Adjusted EBITDA of \$15 billion

For further information please contact:

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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 sectors. We also provide financing, logistics and other services to producers and consumers of commodities. Glencore's companies employ around 155,000 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.



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