

NEWS RELEASE

Baar, 20 August 2014

2014 Half-Year Report

[Link to 2014 Half-Year Report](#)

Highlights

US\$ million	H1 2014 Reported	H1 2013 Pro forma ¹	Change %	H1 2013 Reported	2013 Pro forma ¹
Key statement of income and cash flows highlights:					
Adjusted EBITDA ²	6,464	6,002	8	3,637	13,071
Adjusted EBIT ²	3,624	3,182	14	2,066	7,434
Net income attributable to equity holders pre significant items ³	2,010	1,860	8	1,207	4,583
Earnings per share (pre significant items) (Basic) (US\$)	0.15	0.14	7	0.13	0.35
Net income/(loss) attributable to equity holders ⁴	1,720	645	167	(9,386)	2,473
Funds from operations (FFO) ⁵	4,909	4,264	15	1,919	10,375
Capital expenditure (including Las Bambas of \$798 million and \$899 million in H1 2014 and pro forma H1 2013 respectively)	4,825	6,552	(26)	3,400	13,050

US\$ million	30.06.2014 Reported	30.06.2014 Adjusted for Las Bambas and Caracal ⁶	31.12.2013 Reported	Change %
Key financial position highlights:				
Total assets	158,839		154,862	3
Current capital employed (CCE) ²	23,995		24,351	(1)
Net debt ⁵	37,595	32,595	35,798	(9) ⁷
Ratios:				
FFO to Net debt ^{5,8}	29.3%	33.8%	29.0%	17 ⁷
Net debt to Adjusted EBITDA ⁸	2.78x	2.41x	2.74x	(12) ⁷
Adjusted EBITDA to net interest ⁸	9.45x		9.12x	4
Adjusted current ratio ²	1.16x		1.18x	(2)

1 Refer to basis of preparation on page 4.

2 Refer to glossary (page 75) for definitions and reconciliation of Adjusted EBIT/EBITDA to note 3 of the interim financial statements.

3 Refer to significant items table on page 6.

4 H1 2013 reported, adjusted by \$(466) million as a result of the finalisation of the fair value adjustments relating to the acquisition of Xstrata and the resulting increase to the associated impairment (does not impact EBIT and EBITDA) see note 5 of the interim financial statements.

5 Refer to net debt and FFO tables on page 8.

6 Net debt adjusted by \$5 billion, including the effects, in July 2014, of the net proceeds received on sale of Las Bambas less the consideration paid for Caracal (see note 25).

7 Change %, calculated post \$5 billion impact of the net consideration received on sale of Las Bambas less consideration paid for Caracal.

8 H1 2014 ratio based on last 12 months' FFO and Adjusted EBITDA and 2013 ratios based on pro forma results.

- Strong results, driven by delivery of marketing growth, overall production expansion and synergies from the acquisitions of Xstrata and Viterra.
- Adjusted EBITDA of \$6.5 billion, up 8% compared to pro forma H1 2013 and Adjusted EBIT up 14% to \$3.6 billion:
 - o Marketing Adjusted EBITDA up 23% to \$1.6 billion and Adjusted EBIT up 27% to \$1.5 billion, as a result of generally increased volumes and improved market / procurement conditions, notably in grains, copper, zinc and nickel.
 - o Industrial Adjusted EBITDA up 3% to \$4.8 billion and Adjusted EBIT up 6% to \$2.2 billion, a period in which the positive impact of higher volumes, notable copper, offset the generally weaker net commodity price / exchange rate environment. Metals and minerals' Adjusted EBITDA mining margin improved from 29% to 32%, while Energy Adjusted EBITDA margin was stable at 29%, reflecting the higher overall industrial profitability and improving asset quality.
- Healthy cash flow generation with FFO of \$4.9 billion (up 15% compared to pro forma H1 2013) and rolling 12 month FFO to net debt (adjusted for the disposal of Las Bambas and acquisition of Caracal in July 2014, subsequent to period end) improving to 33.8% from 29%.
 - o Net debt at period end was \$37.6 billion. After adjusting for the net Las Bambas / Caracal transactions noted above, adjusted net debt was down 9% to \$32.6 billion.
 - o Strong and flexible balance sheet, with over \$9 billion of committed available liquidity.
- The Board has declared an interim distribution of \$0.06 per share, an 11% increase over the 2013 interim distribution, reflecting our confidence in the prospects and strength of our underlying commodities and business and cashflow profile.
- Board enhancements continued with Tony Hayward being appointed non-executive chairman, Peter Grauer as the senior independent director and Patrice Merrin as a new independent non-executive director.
- Subsequent to period end, Glencore completed the sale of Las Bambas for approximately \$6.5 billion (net of tax) and the acquisition of Caracal, the majority partner in our oil exploration and development operations in the Republic of Chad for consideration of approximately \$1.6 billion.
- We will also commence a share repurchase or buy-back programme of up to \$1 billion (the "Programme") in the period to 31 March 2015. This Programme will be effected in accordance with the terms of the authority granted by shareholders at the 2014 AGM. It is currently intended that any shares purchased will be held as treasury shares. The market will be notified in accordance with applicable listing rules and regulations if and when purchases are made.

Glencore's Chief Executive Officer, Ivan Glasenberg, commented:

Glencore continued to make decisive progress in delivering on the potential created by the Xstrata acquisition over the first half of 2014. We remain the most diversified natural resources company by activity, commodity and geography, providing us with a stable operating platform as well as a high degree of optionality to underlying prices and bolt-on or brownfield development opportunities. We look to the future with optimism based on our strong starting point and our culture of entrepreneurialism and hard work to leverage tightening commodity fundamentals.

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