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FOR IMMEDIATE RELEASE  
HONG KONG

12<sup>TH</sup> MAY 2011

# GLENCORE

INTERNATIONAL plc

## GLENCORE INITIAL PUBLIC OFFERING: ISSUE OF HONG KONG PROSPECTUS, PRICE RANGE AND CORNERSTONE INVESTORS

Glencore International plc ("Glencore" or the "Company", stock code: 805) today announces details of its planned initial public offering ("IPO") comprising the making available for purchase or subscription of Glencore ordinary shares to global institutional investors (the "International Offer") and to retail and professional investors in Hong Kong (the "Hong Kong Offer" and, together with the International Offer, the "Global Offer") and its proposed primary listing on the main market of the London Stock Exchange plc and secondary listing on the Main Board of The Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange").

Glencore is a leading integrated producer and marketer of commodities with worldwide activities in the marketing of metals and minerals, energy products and agricultural products as well as the production, refinement, processing, storage and transport of these products.

### Highlights

- Price range set at between HK\$61.24 and HK\$79.18 per share for the Hong Kong Offer and at between 480 pence and 580 pence per share for the International Offer.<sup>1</sup>
- Targeted gross proceeds from the IPO of approximately HK\$77.7 billion (approximately US\$10 billion<sup>2</sup>, prior to exercise of the over-allotment option), comprising a primary component of approximately HK\$61.4 billion (approximately US\$7.9 billion<sup>2</sup>), and secondary sales by existing shareholders of approximately HK\$16.3 billion (approximately US\$2.1 billion<sup>2</sup>).
- The mid-point of the price range implies a market capitalisation for Glencore of approximately HK\$474 billion (approximately US\$61 billion<sup>2</sup>) following the issuance of new shares in the IPO.
- Glencore has entered into agreements with a select group of cornerstone investors who have agreed to subscribe for approximately 31 per cent. of the total offer. This represents one of the largest cornerstone investments by value ever achieved for an IPO.

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<sup>1</sup> The HKD price range is based on the GBP price, using exchange rates prevailing at the latest practicable date and includes a buffer of approximately 7 per cent. at the high end to allow for potential exchange rate fluctuations which may occur prior to the date on which the offer price is expected to be determined.

<sup>2</sup> Based on the HKD to USD exchange rate of HK\$7.7724 = \$1.00, based on the exchange rate for determining the Hong Kong Offer Price Range

- The Hong Kong Offer initially comprises 31,250,000 shares (the “Hong Kong Offer Shares”), representing approximately 2.5 per cent. of the maximum number of shares initially available under the Global Offer (prior to exercise of the over-allotment option). This number is subject to adjustment in the event that the Hong Kong Offer is oversubscribed, up to 125,000,000 shares if the Hong Kong Offer is 100 times or more oversubscribed, representing 10 per cent. of the maximum number of shares initially available under the Global Offer (prior to exercise of the over-allotment option).
- Hong Kong prospectus published tomorrow.
- The Hong Kong Offer is expected to commence at 9:00 am Hong Kong time on Friday, 13 May 2011, and is expected to close at 12:00 noon Hong Kong time on Wednesday, 18 May 2011.
- Trading of shares will be in board lots of 100.
- Final pricing is currently expected to be announced on or around 19 May 2011, with conditional dealings in the shares on the London Stock Exchange beginning the same day. Allotment results are expected to be announced on or around 24 May 2011. Admission and unconditional dealings in the shares is expected to commence on or around 24 May 2011 in London and on or around 25 May 2011 in Hong Kong.
- Glencore’s operating and financial performance over the first quarter of 2011 continued to benefit from improved market conditions as also experienced in the final months of 2010.

Ivan Glasenberg, Glencore’s Chief Executive Officer, said today:

*“The demand for commodities across Asia has played a key role in the growth of Glencore. A secondary listing in Hong Kong will enable us to build long-term mutually beneficial relationships with Hong Kong investors, as we have with customers, suppliers and capital providers worldwide over the years.”*

### **Price Range, Global Offer Structure and Implied Market Capitalisation**

The price range for the International Offer has been set at between 480 pence and 580 pence per share. The price range for the Hong Kong Offer has been set at between HK\$61.24 and HK\$79.18 per share.

Glencore is targeting total gross proceeds from the Global Offer of approximately HK\$77.7 billion (approximately US\$10 billion<sup>2</sup>, assuming no exercise of the over-allotment option). The number of Glencore ordinary shares to be issued and sold in the Global Offer will depend on the final IPO price and the Pound Sterling and Hong Kong Dollar exchange rates against the US Dollar on the IPO price determination date.

The mid-point of the price range and the targeted total gross proceeds amount imply a market capitalisation for Glencore of approximately HK\$474 billion (approximately US\$61 billion<sup>2</sup>) following the IPO<sup>3</sup>.

The Global Offer is expected to comprise both a primary component of approximately HK\$61.4 billion (approximately US\$7.9 billion<sup>2</sup>), and secondary sales by existing shareholders of approximately HK\$16.3 billion (approximately US\$2.1 billion<sup>2</sup>) solely to cover those shareholders’ expected individual tax liabilities and to repay a small tranche of loans from Glencore<sup>4</sup>. In the event of any Hong Kong Offer clawback, the number of primary shares sold in the International Offer (but not the number of secondary shares) is expected to be reduced commensurately.

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<sup>3</sup> Following its planned pre-IPO corporate reorganisation but before the issue of new shares in the IPO and any new shares to be issued in connection with the purchase of additional stakes in Kazzinc from its local partners, Glencore will have 6.0 billion shares outstanding. Pro-forma for full conversion of its convertible bond, Glencore will have approximately 6.4 billion shares outstanding pre-IPO.

<sup>4</sup> Tax liabilities owed by certain shareholders arising from a corporate reorganisation of the Glencore group immediately prior to Admission. In addition, certain shareholders will be selling a substantially smaller portion of shares in the Global Offer to fund the repayment of a small tranche of loans extended by Glencore.

The Hong Kong Offer will initially comprise 31,250,000 shares, representing 2.5 per cent. of the maximum number of shares being made available in the Global Offer (being 1,250,000,000 shares) prior to exercise of the over-allotment option. The allocation of shares between the Hong Kong Offer and the International Offer is subject to adjustment. In the event that the Hong Kong Offer is 100 times or more oversubscribed, the Hong Kong Offer will comprise 125,000,000 shares, representing 10 per cent. of the maximum number of shares being made available in the Global Offer.

Additional new Glencore shares representing 10 per cent. of the number of Glencore shares issued and sold in the Global Offer will also be made available by the Company pursuant to an over-allotment option.

### **Cornerstone Investors**

In connection with the International Offer, the Company has entered into agreements (the "Cornerstone Investment Agreements") with certain cornerstone investors (the "Cornerstone Investors") who have agreed to subscribe for shares in the International Offer at share price levels within the price range. The total number of Glencore shares subscribed for by Cornerstone Investors is expected to represent approximately 31 per cent. of the Global Offer, assuming the over-allotment option is not exercised. This represents one of the largest cornerstone investments by value ever achieved for an IPO.

Shares acquired pursuant to the Cornerstone Investment Agreements are subject to six month lock-up from Admission, subject to certain customary exceptions.

### **Index eligibility**

Following discussions with FTSE and based on Glencore's estimated market capitalisation upon IPO, it is anticipated that the Company will be included in the FTSE 100 under the fast-entry rule (that is, at close of business on the first day of unconditional dealings on the London Stock Exchange).

MSCI has announced that Glencore is expected to receive early inclusion into relevant MSCI indices. In accordance with its policy, MSCI stated that it will make a further announcement in this regard on the first day of conditional dealings in Glencore shares on the London Stock Exchange.

### **Additional information**

Citigroup Global Markets U.K. Equity Limited, Credit Suisse Securities (Europe) Limited and Morgan Stanley & Co. International plc are the Joint Global Co-ordinators and Joint Bookrunners. Citigroup Global Markets Limited and Morgan Stanley & Co. International plc are acting as Joint UK Sponsors. Citigroup Global Markets Asia Limited and Morgan Stanley Asia Limited are acting as Joint Hong Kong Sponsors. Morgan Stanley Securities Limited is acting as Stabilisation Manager. In addition, BofA Merrill Lynch and BNP Paribas have been appointed as Joint Bookrunners. Barclays Capital, Société Générale and UBS have been appointed as Co-Bookrunners. Credit Agricole, HSBC and ING have been appointed as Joint Lead Managers. ABN AMRO, DBS, Liberum, Natixis, RBS and Santander have been appointed as Co-Lead Managers. Bank of China, Commerzbank, Mizuho, Rabobank, Sberbank of Russia and Standard Chartered have been appointed as Co-Managers (which, together with the Joint Global Co-ordinators, the Joint Bookrunners, the Joint UK Sponsors, the Joint Hong Kong Sponsors, the Stabilisation Manager, the Co-Bookrunners, the Joint Lead Managers and the Co-Lead Managers, the "Banks").

White Application Forms and Hong Kong prospectuses can be obtained from any of the designated branches of Bank of China and Standard Chartered Bank; or on-line via the White Form eIPO Service Provider at [www.eipo.com.hk](http://www.eipo.com.hk). Applicants can also use the Yellow Application Forms or electronically instruct Hong Kong Securities Clearing Company Limited to submit their applications.

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The distribution of this press release may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The offer and sale of the Ordinary Shares referred to herein has not been and will not be registered under the Securities Act or under the applicable securities laws of Canada, Japan, the People's Republic of China (excluding Hong Kong), Australia or the Republic of South Africa. Subject to certain exceptions, the Ordinary Shares referred to herein may not be offered or sold in Canada, Japan, the People's Republic of China (excluding Hong Kong), Australia or the Republic of South Africa or to, or for the account or benefit of, any national, resident or citizen of Canada, Japan, the People's Republic of China (excluding Hong Kong), Australia or the Republic of South Africa. There will be no public offer of the Ordinary Shares in the United States, Canada, Japan, the People's Republic of China (excluding Hong Kong), Australia or the Republic of South Africa.

In Hong Kong, the Ordinary Shares may not be offered to the public by means of any document unless a prospectus in connection with the offering for sale or for subscription has been authorised by the Hong Kong Stock Exchange for registration by the Registrar of Companies under the Companies Ordinance (Cap.32 of the Laws of Hong Kong) and has been so registered. This press release has not been registered as a prospectus in Hong Kong. This press release does not constitute a prospectus, notice, circular, brochure or advertisement offering to sell or inviting offers to buy or subscribe for any securities in Hong Kong or calculated to invite such offers or inducing or intended to induce subscription for or purchase of any securities in Hong Kong and neither this document nor any part of it shall form the basis of or be relied on in connection with or act as an inducement to enter into any contract or commitment whatsoever.

This press release may include statements that are, or may be deemed to be, "forward-looking statements", beliefs or opinions, including statements with respect to the business, financial condition, results of operations, prospects, strategies and plans of Glencore. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond Glencore's control and all of which are based on the Glencore board of directors' current beliefs and expectations about future events. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "shall", "risk", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned", or "anticipates", "will", "could" or "should" or, in each case, their negative or other variations thereon or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. Forward-looking statements may and often do differ materially from actual results. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing Glencore. Such risks and uncertainties could

cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. Forward-looking statements speak only as of the date of this document.

Glencore and each of the Banks and their respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statement contained in this announcement whether as a result of new information, future developments or otherwise. Any purchase of Ordinary Shares by members of the public in Hong Kong should be made solely on the basis of the information contained in the prospectus issued by Glencore on 13 May 2011 in connection with the Hong Kong Offer (being part of the Global Offer) that has been authorised by the Hong Kong Stock Exchange for registration by the Registrar of Companies under the Companies Ordinance (Cap.32 of the Laws of Hong Kong) and has been so registered. No reliance may or should be placed by any person for any purposes whatsoever on the information contained in this announcement or on its completeness, accuracy or fairness. The dates of Admission may be influenced by things such as market conditions. There is no guarantee that the Global Offer and Admission will occur and you should not base your financial decisions on Glencore's intentions in relation to the Global Offer and Admission at this stage. Information in this press release or any of the documents relating to the Global Offer cannot be relied upon as a guide to future performance. This press release does not constitute a recommendation concerning the Global Offer.

The value of Ordinary Shares can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of the Global Offer for the person concerned.

The Banks are acting exclusively for Glencore and no-one else in connection with the Global Offer. They will not regard any other person as their respective clients in relation to the Global Offer and will not be responsible to anyone other than Glencore for providing the protections afforded to their respective clients, nor for providing advice in relation to the Global Offer, the contents of this announcement or any transaction, arrangement or other matter referred to herein. In connection with the Global Offer, each of the Banks and any of their affiliates, acting as investors for their own accounts, may subscribe for or purchase Ordinary Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Ordinary Shares and other securities of the Company or related investments in connection with the Global Offer or otherwise, provided that, in relation to Ordinary Shares to be registered and traded in Hong Kong, the Banks shall be entitled to undertake or conduct any or all of the foregoing activities where they are not prevented or restricted by applicable law or regulation from doing so. Accordingly, references in the prospectus issued in connection with the Hong Kong Offer to the Ordinary Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by any of the Banks and any of their affiliates acting as investors for their own accounts. The Banks do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

None of the Banks or any of their respective directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for/ or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to Glencore, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of announcement or its contents or otherwise arising in connection therewith.

In connection with the Global Offer, the Stabilisation Manager, or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Ordinary Shares or effect other transactions with a view to supporting the market price of the Ordinary Shares at a higher level than that which might otherwise prevail in the open market. The Stabilisation Manager is not required to enter into such transactions and such transactions may be effected on any stock market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the date of the commencement of conditional dealings of the Ordinary Shares on the London Stock Exchange and ending no later than 30 calendar days thereafter (or, in respect of any stabilisation action undertaken in Hong Kong, ending at such time in accordance with applicable laws and regulatory requirements) . However, there will be no obligation on the Stabilisation Manager or any of its agents to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Such stabilising measures, if commenced, may be discontinued at any time without prior notice. In no event will measures be taken to stabilise the market price of the Ordinary Shares above the offer price. The details of any intended stabilisation to be undertaken in Hong Kong and how it will be regulated under the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong) are contained in the prospectus issued by Glencore in connection with the Hong Kong Offer that has been registered with the Registrar of Companies in Hong Kong. Save as required by law or regulation, neither the Stabilisation Manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilisation transactions conducted in relation to the Global Offer.

In connection with the Global Offer, the Stabilisation Manager may, for stabilisation purposes, over-allot Ordinary Shares up to a maximum of 10 per cent. of the total number of Ordinary Shares comprised in the Global Offer. For the purposes of allowing it to cover short positions resulting from any such over-allotments and/or from sales of Ordinary Shares effected by it during the stabilisation period, the Stabilisation Manager will enter into over-allotment arrangements pursuant to which the Stabilisation Manager may purchase or procure purchasers for additional Ordinary Shares up to a maximum of 10 per cent. of the total number of Ordinary Shares comprised in the Global Offer (the "Over Allotment Shares") at the offer price. The over-allotment arrangements will be exercisable in whole or in part, upon notice by the Stabilisation Manager, at any time on or before the 30th calendar day after the commencement of conditional dealings in the Ordinary Shares on the London Stock Exchange (or, in respect of any over-allotment arrangement taking place in Hong Kong, before such time in accordance with the applicable laws and regulatory requirements). Any Over Allotment Shares will be purchased on the same terms and conditions as the Ordinary Shares being issued or sold in the Global Offer and will form a single class for all purposes with the other Ordinary Shares.